UMMEED
HOUSING FINANCE
We bring your dreams to life

Annual Report 22-23

CORPORATE INFORMATION

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 & CORPORATE OFFICE

Unit No. 809-815, 8th Floor, Tower A
Emaar Digital Greens,
Golf Couse Extn Road,
Sector 61, Gurugram – 122022
Haryana, India

CIN: U65922HR2016PTC057984
Email: enquiry@ummeedhfc.com
Website: www.ummeedhfc.com
Phone: 0124 4836480

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
Union Bank of India
Indian Bank
Indian Overseas Bank
Bank of Baroda
UCO Bank
IDFC First Bank Limited
Bandhan Bank Limited
Kotak Mahindra Bank Limited
Federal Bank Limited
Yes Bank Limited
South Indian Bank Limited
AU Small Finance Bank Limited
DCB Bank Limited
Equitas Small Finance Bank Limited
Catholic Syrian Bank Limited
RBL Bank Limited
LIC Housing Finance Limited
MAS Financial Services Limited
MAS Rural Housing & Mortgage Finance Limited
IndusInd Bank Limited
HDFC Bank Limited
Bajaj Finance Limited
Sundaram Home Finance Limited
Global Access Fund, LP (Water Credit)
Triple Jump B.V.

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

UMMEED'S DIVERSIFIED BOARD

MR. ASHUTOSH SHARMA
Executive Director

Mr. 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 & 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 close to 25 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. His hobbies include Golf, Reading and Travelling.

MR. SACHIN GROVER
Executive Director

Mr. Sachin is a seasoned mortgage finance professional with over 19 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. His hobbies include playing Squash and reading novels.

MR. NIRAV MEHTA
Investor Director

Mr. Nirav Mehta is a Managing Director at Morgan Stanley and is a Non-Executive Nominee Director in the Company, representing NHPEA Kabru Holding BV. On joining the Morgan in 2009, he co-heads the Fund's India Investment Operations. He currently serves on the boards of Nspira, Ummeed, Fullife, and Janalakshmi. Prior to Morgan Stanley, Mr. Mehta worked at ICICI Venture, focusing on growth and buyout transactions in multiple sectors. Based in Mumbai, he holds a bachelor's degree in commerce from St. Xavier's College and an MBA from the Indian Institute of Management Bangalore.

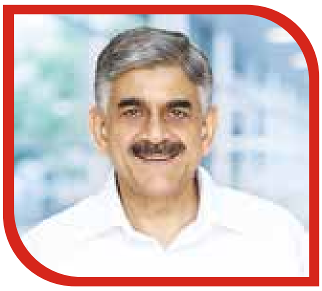
MR. VINAYAK SHENVI
Investor Director

Mr. Vinayak Shenvi is a Non-Executive Nominee Director in the Company, representing CX AIF and Thyme Private Limited. He has extensive professional experience in the role of Chief Investment Officer, having previously served as Chief Risk Officer in CX Partners, responsible for portfolio construction and research excellence. Prior to joining CX Advisors, he was a founding partner at Exponentia Capital Partners LLP which was formed to cater the mid-market investment management services. Mr. Shenvi was associated with CVCI as a Board Member wherein he had about 15 years of investing experience with diverse industry portfolios. He has also worked as an equity and debt research analyst at Citicorp Securities & Investments Limited for about two years. Mr. Shenvi is a qualified Chartered Accountant and holds a bachelors degree from University of Mumbai.

UMMEED'S DIVERSIFIED BOARD

MR. KARTIK SRIVATSA
Investor Director

Mr. Kartik Srivatsa is the Managing Partner, India, and Chief Strategy Officer of Lightrock and is a Non-Executive Nominee Director in the Company, representing Lightrock Global Fund. He was the founding partner of Lightrock India, previously known as Aspada. Additionally, he acts as the fund advisor for the SONG Fund through Aspada Capital Advisors. Mr. Srivatsa serves on the boards of Vivriti Capital, Yubi, Aye finance, Waycool, and Be Well Hospitals. Prior to his role at Lightrock, he was a founding member of the India office of Lightspeed Venture Partners, a global venture capital firm. Mr. Srivatsa began his career as a management consultant with McKinsey and Company. He holds a degree from the Indian Institute of Technology (IIT), Madras.



MR. INDERJIT WALIA
Independent Director

Mr. Inderjit Walia is an Independent Director in the Company and a leader in Human Resources with more than three decades of experience in global roles with multinational companies. He has led large-scale HR transformations and played a critical role in M&A transactions across various regions. Mr. Walia served as Executive Vice President of Human Resources at ArcelorMittal, where he led the Group HR function through substantial organizational growth and played a significant role in numerous acquisitions. He also served as Group Director HR at Bharti Enterprises, contributing to major transactions and the creation of benchmark organizations like Bharti Infratel and Indus Towers. Mr. Walia holds an economics and accounting degree and a Post-Graduate Degree with Honors in Human Resources Management from Tata Institute of Social Sciences (TISS), Mumbai, India.

MS. GEETA MATHUR
Independent Director

Ms. Geeta Mathur is an Independent Director in the Company and has over 25 years of experience in finance, specializing in project, corporate and structured finance, treasury, investor relations, and strategic planning. She began her career at ICICI Bank and represented the bank as a nominee Director on the boards of Eicher Motors, SIEL Ltd., and Rollaitainers Ltd. Ms. Mathur currently serves on the boards of NIIT, Motherson, Hero Housing, IIFL Finance, Info Edge and Canara HSBC Oriental Bank of Commerce Life Insurance. Ms. Mathur is a Chartered Accountant and holds a graduation degree from Shri Ram College of Commerce, Delhi University. She serves on the advisory board of Saajha, a non-profit organization focused on parental engagement in governmental schools.

MR. RAJIV INAMDAR
Non-Executive Director

Mr. Rajiv Inamdar is a Non-Executive Director in the Company and leading CSR Committee. He is a highly accomplished professional with a diverse background and extensive international experience. Throughout his career, he has excelled in various fields including Advertising, Market Research, Brand Management, Corporate Communications, Mutual Funds, Consumer Banking, Credit Cards, and Knowledge Management. With a career spanning 40 years, Rajiv has worked with renowned companies such as Glaxo Smith Kline, JWT, Citibank, Standard Chartered Bank, Nielsen, IMRB, and Egon Zehnder. Rajiv's expertise extends to marketing and brand strategy and positioning, and he has providedadvisory services to numerous companies in this regard. He recently retired after serving as the Managing Director of Heidrick & Struggles' Global Knowledge Management Center (KMC) based in Gurgaon, India, for 11 years. Rajiv holds a Master of Business Administration (MBA) from IIM Ahmedabad and an honors degree in Economics from the University of Mumbai.

Chairman Speech

I am pleased to share with our stakeholders, the 8th Annual Report and Financial Statements of Ummeed Housing Finance Private Limited ("Ummeed") for the financial year 2022-23.

Ummeed is a dynamic housing finance company seeing rapid growth, we are regulated and supervised by RBI and NHB, respectively. Our customers are at the heart of everything we do. We are fuelled by a commitment to deliver unparalleled service, going above and beyond to enhance our customer experience. Our extraordinary journey of expanding financial inclusion has positively impacted the lives of approximately 23 thousand low- and middle-income individuals, empowering them by disbursing Rs 1900 crore in housing loans and business loans to MSMEs since our inception. The tangible outcomes of our efforts are visible in the improved access to water and sanitation facilities for 89% of our esteemed customers. We strive to serve the needs of "Rurban" customers through a diverse range of products, including MSME loans, and address the aspirations of underbanked low- and middle-income individuals by strategically locating 84% of our branches in Tier 2, Tier 3, and Tier 4 cities. Gender inclusivity is a core value, and we take immense pride in ensuring that at least one woman is a borrower or co-borrower in every single customer relationship we nurture.

Our company has achieved remarkable milestones, marked by 49% growth in our loan book in the current financial year, reaching an impressive INR 1,143 crore as of March 31, 2023. Home Loans accounted for a significant 58% of the total loan disbursements during the fiscal year, followed by Loan Against Property at 15%, Business Loans at 12%, and Short-Term Business Loans at 15%.

Ummeed's outstanding performance is evident by strong Net Interest Margin (NIM) of over 8%, which ranks among the best in the industry, and its exceptionally low GNPA of 0.41%. Our unique hub and spoke branch model, spread across 70 locations as of March 31, 2023, stands as a testament to our commitment to in-house sourcing and maintaining a robust distribution network. We had passionately prioritized technological advancements during the last fiscal, including our seamless transition to a new, more secured cloud data-center i.e., AWS, and the upgrade of our Service CRM and Sales CRM to a cutting-edge Loan Origination System. Our unwavering dedication to credit underwriting excellence ensures a solid foundation for our lending practices. Furthermore, we had implemented robust collection efforts to keep the NPAs well below 0.5%. Diversification is key to our funding strategy, with partnerships established with leading public sector banks, private banks, and globally acclaimed financial institutions.

We at Ummeed are dedicated to fulfilling our social responsibility and are honoured to be acknowledged in the IIC Asha Impact Report for our steadfast commitment to catering to the requirements of individuals from low- and middle-income segments in rural and semi-urban regions. We staunchly adhere to ESG best practices, and meticulously complying with the applicable labour laws and IFC's Performance Standards. The well-being of our employees is paramount, and we ensure wages that surpass the government's prescribed minimum, accompanied by a comprehensive benefits package, including retiral benefits, group personal accidental insurance policy, health insurance, and round-the-clock access to medical professionals. We have established a robust grievance redressal mechanism, promptly addressing concerns raised by both our esteemed customers and dedicated employees. To continuously improve customer and employee experiences, we regularly conduct independent third-party satisfaction surveys. Gender equality is not just a slogan at Ummeed; it is ingrained in our DNA. We actively promote gender parity by ensuring that all our customers have women as co-homeowners. Additionally, we actively contribute to society by championing girl child education and providing free medical care through our CSR initiatives.

At Ummeed, we place unwavering emphasis on maintaining a culture of compliance and risk management throughout our organization. We meticulously adhere to the regulatory frameworks applicable to HFCs, while diligently following additional directives on liquidity risk management, IT framework, fraud monitoring, risk management, and outsourcing code of conduct. Our Audit Committee ensures quarterly compliance, while the Risk Management Committee provides monthly risk reviews to the Board. We maintain an independent audit function with a robust Risk-Based Internal Audit Framework and diligent compliance reporting. Ummeed proudly holds ISO 27001:2013 certification for information security. We conduct regular information system audits, IT risk assessments, and cyber drills to ensure robust security measures.

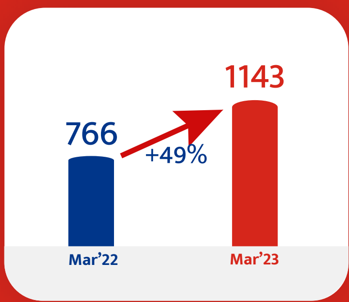
I express my heartfelt appreciation to our dedicated employees, supportive shareholders, loyal customers, and trusted partners for their invaluable contributions which drive Ummeed's success. Together, we will continue to uphold our mission and core values, ensuring excellence in everything we do. I am confident in our collective ability to overcome challenges and seize new opportunities, propelling Ummeed towards a bright and prosperous future.

Thank you.

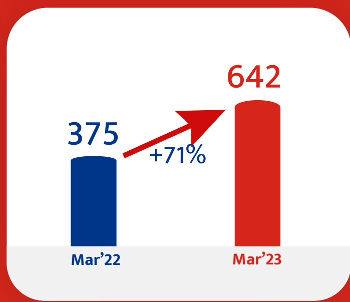
Ashutosh Sharma
Founder and Managing Director

PERFORMANCE HIGHLIGHTS

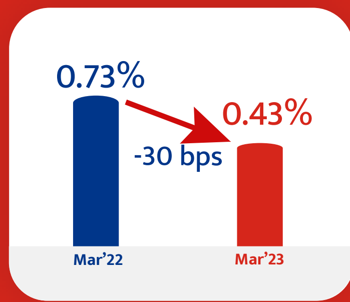
AUM (Rs.Cr.)



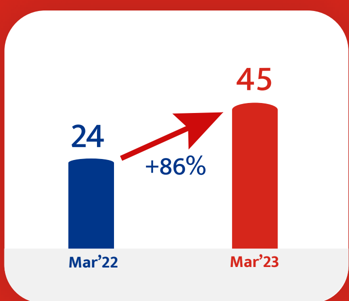
Disbursement (Rs.Cr.)



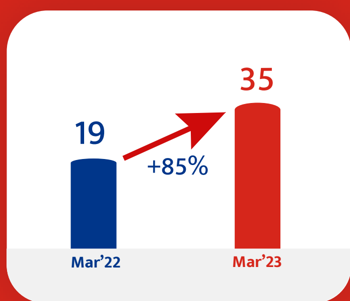
Gross NPA%



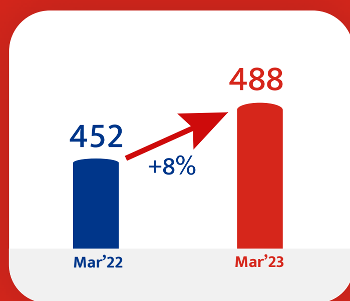
PBT-Ind AS (Rs.Cr.)



PAT - Ind AS (Rs.Cr.)



Net-Worth (%)



UMMEED'S ESG INITIATIVE

Prioritized ESG compliance, focusing on environmental, social, and governance risks and labor standards.

Aligned with IFC Performance Standards on Environmental and Social Sustainability.

Key initiatives:
Stakeholder engagement, customer concern management, & embedded ESG diligence.

Positive impacts:
Affordable housing, improved water access, support for first-time homebuyers, and enhanced living standards.

Employee well-being:
Above-minimum wages, benefits, health insurance, & grievance redressal.

Empowering women:
Co-homeownership, hygiene improvements, financial literacy, & support for girl child education.

Customer service:
High satisfaction levels, Fair Practice Code compliance, & efficient complaint resolution.

BRANCH NETWORK

Rajasthan
38 Branches

Haryana
14 Branches

Delhi NCR
6 Branches

Uttarakhand
5 Branches

UP
4 Branches

Punjab
3 Branches

70 Total Branches

CONTENT

Board's Report
Financial Year 2022-23

Dear Shareholders,

We are pleased to present the 8th (Eighth) Directors' Report of Ummeed Housing Finance Private Limited ("the Company" or "Ummeed") for the year ended 31st March 2023. This Report includes the Audited Financial Statements, Management Discussion and Analysis Report, Corporate Governance Report, CSR Annual Report and other annexures, which form an integral part of this Report. It aims to provide stakeholders with a comprehensive insight into the company's financial position and operational area, thereby enabling a clear understanding of its business and operational status.

1. Financials

The performance of the Company for the financial year ended 31st March 2023 is summarized below:

(Amount in Rs. Lakhs unless stated otherwise)

PARTICULARS	For the year ended 31st March 2023 (In INR)	For the year ended 31st March 2022 (In INR)
Total revenue from operations	15,944.82	10,723.23
Other Income	183.54	182.85
Total Income	**16,128.36**	**10,906.08**
Profit/(Loss) before Interest, Depreciation & Tax	**9,070.30**	**6,256.39**
Less: a. Interest	4,223.36	3,567.70
b. Depreciation & Amortization	332.92	264.27
Profit before Tax	**4,514.02**	**2,424.42**
***Less**: a. Current tax*	860.11	487.54
b. Current tax expense relating to prior years	17.92	(23.22)
c. Deferred tax charge	176.20	94.17
Net Profit /(Loss) after Tax	**3,459.79**	**1,865.93**
EPS (Basic)	6.85	3.99
EPS (Diluted)	6.62	3.86

The Company concluded the fiscal year 2023 with an AUM, including off-book, of Rs. 1,143.04 Crores. Furthermore, the Company achieved a revenue of Rs. 159.45 Crores, representing a significant increase compared to the previous financial year's revenue of Rs. 107.23 Crores. This indicates a year-on-year revenue growth of 48.70%. Consequently, the PAT also witnessed an increase, reaching Rs. 34.60 Crores, in contrast to the previous year's figure of Rs. 18.66 Crores.

2. IndAS

In compliance with Paragraph 7 of the Reserve Bank's Directions on Housing Finance Companies (HFCs), the Company has prepared its financial statements in accordance with the applicable Indian Accounting Standards (IndAS). The Ministry of Corporate Affairs has notified these standards under Section 133 of the Companies Act, 2013, along with the Companies (Indian Accounting Standards) Rules, 2015. The financial statements for the year have been prepared adhering to Schedule III of the Companies Act, 2013.

3. Reserves

As per Section 29C of the National Housing Bank Act, 1987, the Company is obliged to transfer a minimum of 20% of its net profit each year to a reserve before declaring any dividends. Accordingly, the Company has transferred Rs. 6.92 Crores to a special reserve, as stipulated under the said section, in conjunction with Section 36(1)(viii) of the Income Tax Act, 1961. Additionally, an amount of Rs. 14.65 Crores is proposed to be carried over to the Balance Sheet after appropriations.

4. Dividend

The Board of Directors of the Company has not recommended any dividend for the year under review.

5. Company Affairs

The Company, incorporated on 27th January 2016, operates as a registered housing finance company under the provisions of the National Housing Bank Act, 1987. It is presently supervised by the National Housing Bank (NHB) and regulated by the Reserve Bank of India (RBI). Our team consists of experienced professionals who share a common goal of providing financial services to underserved lower and middle-income families residing in urban and semi-urban areas. Our primary objective is to fulfil their financing requirements for constructing or purchasing their own homes. Ummeed is dedicated to implementing various initiatives aimed at extending financing facilities to individuals with informal incomes, who face limited access to organized finance. This segment constitutes a significant portion of the Indian population.

Operational Highlights

Particulars	March 31, 2023	March 31, 2022
Number of Branches	70	44
Number of Borrowers	16615	11161
Amount Sanctioned (Rs. in Crore)	673	403
Amount Gross Disbursed (Rs. in Crore)	642.17	375.58
Amount Outstanding / AUM (Rs. in Crore)	1143.04	765.76

Additionally, within the Management Discussion and Analysis Report (MDA Report), you can find a thorough examination of the company's financial performance and operations. This MDA report not only sheds light on macro-economic and geo-political factors but also addresses housing finance sector-specific aspects and other company-specific information that influence our business and the market in which we operate. For your convenience, the MDA report is included as **Annexure "VI"** to this document. It offers comprehensive insights into our financial performance and provides a deeper understanding of our operations.

Covid19

Over the past three years, the Covid-19 pandemic has had a catastrophic impact on lives and livelihoods globally, including in India. The Indian economy contracted by 5.5% in FY21 but has since shown signs of recovery with growth rates of 8.7% in FY22 and 6.9% in FY23, projected to continue at a rate of 6-6.8% in FY24. While the tailwind effect of Covid-19 is expected to continue impacting NBFCs and HFCs in India until FY24, efforts have been made to address these challenges by Indian Government in terms of many financial sector reforms such as Emergency Credit Line Guarantee Scheme, Extended Partial Credit Guarantee Scheme, Special Liquidity Scheme for Non-bank Lenders, Loan Moratorium, Resolution Frameworks for resolution of Covid19 related stress of Individuals and Small Businesses, etc.

Further, the Disclosure required under RBI's Resolution Framework - 2.0, have been provided into the Note No. 62 under Audited Financial Statements.

Borrowings/ Direct Assignments & Securitisation Transactions

In the last fiscal year, we raised a total of Rs 428.60 Crores through various sources, resulting in a 117% increase in borrowing from lenders compared to the previous year's outstanding debt of Rs. 271.49 Crores. Our strong relationships with 28 lenders led to an outstanding debt exposure of Rs 589.13 Crores at the end of the financial year. This exposure comprises 22.52% from NHB, 26.18% from PSU Banks, 33.04% from Private sector Banks, 3.84% from NBFCs, and 14.42% from Foreign Institutions through ECB & NCDs. Additionally, during the year, we successfully carried out a Direct Assignment / Securitization Transaction of Rs. 104.07 Crores. These financial activities have played a crucial role in meeting our funding requirements and reflect our ability to access diverse funding sources, contributing to the growth and stability of our operations.

Compliance of Principal Business Criteria (PBC)

Your Company is adhering to Principal Business Criteria (PBC) for HFCs as specified under Para 4.1.17 of Master Directions – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and as updated from time to time. Details of which provided into the Note No. 62 of the Audited Financial Statements.

Regulatory Compliance & Updates

The Company has diligently complied with the guidelines, circulars, and directions issued by RBI/NHB and other regulatory bodies. We have also adopted all the recommended Policies as advised by regulatory authorities. Furthermore, this section provides an overview of significant regulatory developments in the housing finance sector during the review period. We have closely monitored all these regulatory developments in the housing finance sector, and implemented wherever applicable on the Company.

- ***Scale Based Regulation (SBR)***

  The RBI introduced a revised regulatory framework for NBFCs, categorizing them into four layers based on size, activity, and risk. Circulars have been issued under this framework, effective from October 1, 2022, covering topics such as ICAAP, Concentration of Credit/Investment, Loans and Advances to Directors/Senior Officers/Entities, CFSS, and governance matters. Your Company has been complying with all relevant provisions under these circulars.

- ***Internal Capital Adequacy Assessment Process (ICAAP)***

  We have implemented ICAAP guidelines, ensuring sufficient capital to support operational, market, and credit risks. ALCO oversees ICAAP, maintaining the required risk adjusted capital adequacy ratio of 74.09% i.e., way more than a minimum of 15% as per RBI Directions. Risk weights are assigned to different assets, and additional capital is allocated for operational, liquidity, and residual risks.

- ***Core Financial Services Solution (CFSS) – Application Flow***

  Our company is already compliant with CFSS requirements, utilizing EnTiger-Ensource, OMNI, and EnTiger-Encollect. The board has confirmed compliance and necessary reports will be submitted as per guidelines.

- ***Other Circulars under SBR***

  During the past financial year, the RBI issued several significant circulars under the SBR framework. These circulars encompassed additional disclosure requirements for financial statements, regulatory restrictions on loans and advances, and loans involving Directors, Senior Officers, and relatives of Directors. Moreover, the RBI introduced guidelines for the Compliance Function in NBFCs, with a particular focus on NBFC-UL and NBFC-ML. These guidelines stress the importance of implementing a Board-approved Compliance policy and appointing a Chief Compliance Officer for middle layer NBFCs including on Ummeed by October 1, 2023.

- ***Reserve Bank of India (Outsourcing of Information Technology Services) Directions, 2023***

  Effective from October 1, 2023, guidelines emphasize HFCs' responsibility for outsourced activities, including compliance with standards, avoiding director/control conflicts, and assessing risks. The board, senior management, and IT function play crucial roles in overseeing outsourced activities.

6. Change in Nature of Business

There were no changes in the nature of the Company's business during the financial year ending on March 31, 2023. However, the Company relocated its registered office from "318, DLF Magnolias, Sector-42, Golf Course Road, Gurugram-122002, Haryana" to "Unit no: 809-815, 8th Floor, Tower A, Emaar Digital Greens, Golf Course Extn Road, Sector 61, Gurugram, 122102" effective from January 01, 2023.

7. Material Changes and Commitments, If Any

There have been no material changes and commitments, which affect the financial position of the company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

8. Change in Share Capital

During the year under review, there were no changes in the Authorized Share Capital of the Company, and the company did not raise any share capital. Furthermore, there were no changes in the paid-up share capital of the Company compared to the last report. The details of the share capital are provided into the Note No. 19 & 20 under Audited Financial Statements.

9. Non-Issuance of Sweat Equity Shares and Shares with Differential Rights

In the year under review, the Company confirms that no sweat equity shares were issued. Therefore, in compliance with Section 54(1)(d) of the Companies Act, 2013 read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014, no information regarding sweat equity shares is provided in this report. Furthermore, the Company declares that no shares with differential rights were issued during the financial year under review. Consequently, in accordance with Section 43(a)(ii) read with Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014, no information pertaining to shares with differential rights is furnished in this report.

10. Non-Convertible Debentures

During the financial year under review, the Company successfully raised Rs. 52.60 Crores through the issuance of Non-Convertible Debentures (NCDs) with a face value of Rs. 10 Lakhs each on a private placement basis. As of March 31, 2023, the details of the NCDs issued during the year and outstanding are as follows:

Dates of Issue; and Allotment	Allottees	No. of Securities	Mode of issuance	Issue price (Rs.) per NCD in Lakhs	Coupon rate	Maturity date	Amount raised (Rs.) in Crores
June 16, 2020	Bandhan Bank*	34* (Outstanding as on March 31, 2023)	Private Placement	10.00	11.90% payable quarterly*	34 months and 5 days from the deemed date of allotment (being June 16, 2020)*	10.00
July 26, 2022; and August 01, 2022	Global Access Fund LP	320	Private Placement	10.00	8.80% payable quarterly	February 01, 2028	32.00
December 21, 2022; and December 30, 2022	Global Access Fund LP	206	Private Placement	10.00	8.90% payable half-yearly	December 30, 2027	20.60

*Redeemed on April 21, 2023, on its maturity.

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. Debenture Trustee

Details of Debentures Trustees are as follows:

S. No.	Name and Details of Debenture Trustees
1.	IDBI Trusteeship Services Limited Address: Ground Floor, Asian Building, 17, R Kamani Rd, Ballard Estate, Fort, Mumbai, Maharashtra 400001 Email ID: gaurav.mody@idbitrustee.com; Website: www.idbitrustee.com

2.	Catalyst Trusteeship Limited Address: GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune, Maharashtra 411038 Email ID: dt.mumbai@ctltrustee.com; Website: www.catalysttrustee.com

12. 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 the judicial Authority.

13. Rating Updates

Both Care Ratings Limited and Acuité Ratings & Research Limited have rated the long-term bank facilities and NCDs of the Company. Care Ratings has assigned a long-term rating of CARE A-; Stable (Single A Minus; Outlook: Stable), while Acuité Ratings has assigned a long-term rating of ACUITE A- (read as ACUITE A Minus).

The full reports from both rating agencies can be accessed on the company's website at https://ummeedhfc.com/en/regulatory-disclosures and the respective rating agencies' websites.

During the year under review, the Company's long-term instruments were assigned/reaffirmed ratings by the rating agencies. The details of the ratings assigned and any migration during the year are as follows:

Rating Agency	Rating FY23	Rating FY22	Rating Letter Dates FY23	Nature of Securities/ Borrowing
CARE Ratings Limited	CARE A-; Outlook: Stable	CARE BBB+; Outlook: Positive	May 12, 2022, July 21, 2022, November 28, 2022, December 21, 2022	Long Term Bank Loan Facilities; and Non-Convertible Debentures
Acuité Ratings & Research Limited	ACUITE A-; Outlook: Stable	ACUITE A-; Outlook: Stable	February 09, 2023	

14. 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.

15. Corporate Governance

During the review period, the Company has diligently followed all internal guidelines on corporate governance, aligning with the Housing Finance Company (Reserve Bank) Directions, 2021. We have developed comprehensive internal guidelines on Corporate Governance, which are accessible on our website at https://www.ummeedhfc.com/company-policies.

Furthermore, we have prepared a separate report on Corporate Governance (CG Report), which includes details regarding the composition of the Board, committees of the Board and their composition, general body meetings, any instances of non-compliance with the requirements of the Companies Act, 2013, as well as information on penalties and strictures as specified in the RBI Circular dated April 19, 2022, on "Disclosures in Financial Statements - Notes to Accounts of NBFCs," in conjunction with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The CG Report is enclosed as **Annexure "I"** to this Report.

16. Composition of Board of Directors/ Key Managerial Personnel

The composition of the Board and its Committee is in accordance with Section 149 of the Companies Act, 2013, read with Chapter IX: Corporate Governance under RBI' Master Directions on HFCs and Scale Based Regulation Framework with an appropriate combination of Executive, Non-executive and Independent Directors.

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, 2023, is provided below:

Name	Designation	DIN/PAN	Date of Appointment
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

Fit and Proper Criteria

Pursuant to the 'Fit and Proper' Policy adopted by the Company under the RBI Master Direction for HFCs, 2021, all the Directors have executed Deeds of Covenants with the Company in the format prescribed under master directions, and the Company has been receiving the 'Fit and Proper' declarations every year from each of Directors along with other annual disclosures, including independency declarations from Independent Directors. 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.

Board Meetings

The Company had 11 (eleven) 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.

The Corporate Governance Report, provided as **Annexure "I"** to this Board Report, includes details regarding Directors, the number and dates of Board, Committee and Annual General Meetings, they have attended during the year.

17. General Meetings

Type of Meeting	Date of Meeting	Total Numbers of Members entitled to attend Meeting	Attendance	
			Numbers of Members Attended	% of Total Shareholding
7th Annual General Meeting	25/07/2022	13	7	79.11%
1st Extra-ordinary General Meeting for FY 2022-23	23/12/2022	13	6	78.93%
2nd Extra-ordinary General Meeting for FY 2022-23	29/03/2023	13	7	79.11%

18. Committees of the Board

Our Board of Directors has established several committees, including the Audit Committee, Nomination & Remuneration Committee, and CSR Committee, to enhance focus and attention on the Company's affairs. Regular reviews are conducted by the Board to ensure that these committees adhere to corporate governance standards, including their composition, terms of reference, meeting frequency, and compliance with their respective functions. The minutes of committee meetings, along with updates, are presented to the Board during its subsequent meetings. Detailed information regarding the composition and terms of reference of each committee, the Company's Policy on Directors' appointment and remuneration, and the criteria for determining qualifications, positive attributes, and independence of Directors are provided in the Corporate Governance Report, attached as **Annexure "I"** to this Report.

19. Declaration of Independent Directors

Both Independent Directors of the Company have provided the necessary declaration confirming their independence in accordance with Section 149(6) of the Companies Act, 2013. They have also affirmed compliance with Rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014, certifying their eligibility as Independent Directors and confirming that they are not disqualified from continuing in their roles.

20. Separate Meetings of Independent Directors

During the year under review on March 16, 2023, the Independent Directors held a separate meeting in accordance with Clause VII of Schedule IV to the Companies Act, 2013. This meeting allowed for a comprehensive review and evaluation of the performance of non-independent directors, the Chairman, and the Board as a whole.

21. Board Evaluation

The Nomination & Remuneration Committee conducted an annual evaluation of the Board's performance, as well as the performance of individual Directors and Committees. The evaluation was carried out as per the terms of reference of the Nomination and Remuneration Committee and the Board Evaluation Policy, in line with the provisions of Section 178 of the Companies Act, 2013. The findings and ratings of the evaluation were shared with the Board of Directors during a meeting, presented by the Chairman of the Nomination Committee.

22. 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 2023, 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 2023 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 during the period under review 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.*

23. Internal Financial Controls / Systems

A comprehensive disclosure regarding the Internal Financial Controls and Systems is provided in the section on Internal Control Systems and their adequacy, which can be found in the Management Discussion and Analysis Report attached as **Annexure "VI"** to this Report.

24. Public Deposits

Your Company has received a Certificate of Registration from the National Housing Bank under Section 29A of The National Housing Bank Act, 1987, allowing it to operate as a housing finance company without accepting public deposits. Consequently, the Company neither accepts nor has accepted any public deposits during the year under review. A Board Resolution regarding this matter was also passed by the Board of Directors during their meeting held on May 18, 2023, in accordance with the Master Direction.

25. Particulars of Loans, Guarantees or Investments

As per 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 Note No. 8 & 9 to the financial statements of the Company for the year ending 31st March 2023.

26. Employees Stock Options Plan (ESOP)

The ESOP 2017 was approved by shareholders on May 25, 2017, authorizing the grant of a total of 20,60,658 Employee Stock Options to eligible employees. Each option allows employees to acquire one fully paid-up Equity Share, in accordance with ESOP 2017 and relevant regulations. The purpose of this plan is to attract and retain talent by incentivizing employee performance for the growth of the company.

During the financial year ending on March 31, 2023, amendments to the ESOP 2017 were approved by the shareholders during their meetings held on December 23, 2022, and March 29, 2023. The purpose of these amendments was to provide immediate benefits to employees who have been granted options and aimed to clarify the exercise period of vested options in case of employee separation; and to establish a trust responsible for administering the plan, respectively. On April 17, 2023, the Ummeed Employee Welfare Trust ("Trust") was set up by the Company to fulfill this administrative role for the benefit of the Company's employees. It is important to note that no instances of non-exercising of voting rights in relation to shares purchased directly by employees under a scheme were recorded during the year.

For further information, please refer to the attached **Annexure "III"** to this Report, which provides details regarding the employee stock options under Ummeed's Employees Stock Option Plan 2017 ("ESOP 2017" or "Plan"), as per the provisions of Rule 12(9) and 16(4) of the Companies (Share Capital and Debentures) Rules, 2014, as of March 31, 2023.

27. Human Resource, Particulars of Employees and Related Disclosures

As of March 31, 2023, our company employed 892 individuals, with a commitment to gender-agnostic recruitment, prioritizing gender diversity in leadership, adhering to social and environmental laws, providing fair compensation, and ensuring a safe work environment. For further details on human resources and industrial relations, including additional employment figures, please refer to the Management Discussion and Analysis Report attached as **Annexure "VI"** to this Report.

28. Directors' Remuneration

As a private limited company, the Company is not required to disclose particulars under section 197 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Details of remuneration, including sitting fees and commissions, paid to Executive Directors, Key Managerial Personnel (KMP), and Non-Executive Directors can be found in the annual return filed in Form MGT-7. The annual return is available on the Company's website at https://ummeedhfc.com/en/regulatory-disclosures, along with the financial statements enclosed with this report.

29. Related Party Transactions

The Company has a Related Party Transactions Policy in accordance with applicable laws and regulatory directions. The policy can be found in **Annexure "IV"** and on the Company's website at www.ummeedhfc.com, as required by the Reserve Bank's Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021. The transactions with related parties during the year were conducted in an ordinary course of business and at arm's length prices, as per the provisions of Section 2(76) read with Section 188 of the Companies Act, 2013. Relevant details can be found in the 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 note no. 37 forming part of the audited financial statements.

30. Subsidiaries, Joint Ventures and Associate Companies

Your Company does not have any joint venture, associate company or subsidiary company as on March 31, 2023.

31. ESG Activities and Reporting

Throughout the fiscal year, we prioritized ESG compliance, particularly in areas such as assessing and managing environmental and social risks and ensuring labor and working condition standards. We are pleased to present an overview of our company's Environmental, Social, and Governance (ESG) activities, aligned with the International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability.

Our Key ESG Initiatives, were:

- We actively engaged stakeholders through CSR programs, customer surveys, and community participation, fostering transparency and collaboration.
- A robust mechanism was established to address customer concerns, with regular reporting to the Board for transparency and improvement.
- ESG diligence is embedded in our systems and processes, reinforced by ESG principles in sanction letters and loan agreements viz. strict prohibition of forced and child labor, greater transparency to and speedy redressal of grievances of our customers, compliance with environment laws, property insurance against natural disasters, etc.

Positive ESG Impacts:

- Long-term home loans for housing development, promoting affordable housing.
- Improved water and sanitation access for underserved communities.
- Assistance to first-time home buyers through government subsidies, fostering homeownership.
- Enhanced living standards for our customers with better household facilities.

Employee Well-being and Labor Compliance:

- Giving above-government mandated minimum wages, incentives, and retirement benefits for overall employee satisfaction.
- Free health insurance and free doctor consultation and compliance with labor laws through external consultants.
- Comprehensive grievance redressal policies, whistleblower mechanisms, and regular employee training for a supportive work environment.

Empowering Women:

- Encouraging women as co-homeowners, upgrading facilities for better hygiene conditions for women, financial literacy program for women entrepreneurs and supporting free girl child education through community led learning centers.
- Extending whistleblower and POSH policies to external parties, promoting inclusivity.

Customer Service and Grievance Redressal:

- Consistently achieving 80% customer satisfaction through third-party surveys.

- Compliance with the Fair Practice Code and efficient complaint resolution through the Synoriq CRM system.

32. Corporate Social Responsibility

We have implemented a CSR Policy in compliance with section 135(1) of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy, approved by the Board, focuses on quality education, healthcare infrastructure, sports promotion, and environmental protection. Details of the CSR Committee can be found in the Corporate Governance Report annexed to this report. The complete CSR Policy is available on our website at https://www.ummeedhfc.com/company-policies. For a comprehensive overview of the CSR activities undertaken during the year, please refer to the annual report on CSR activities as annexed with this report at **Annexure "II".**

33. 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 of our company actively keeps pace with technological advancements in the housing finance industry. We have adopted state-of-the-art transaction, billing, and accounting systems, as well as robust risk management solutions. In the past year, we have successfully implemented various technological enhancements to improve the customer experience and streamline our processes. These include the launch of Power Partner and Saarthi Apps for digitizing our distribution channel, obtaining ISO 27001:2013 Certification, integrating with NHB ADF for monthly data reporting, automating business reports, data center migration to AWS, introducing a customer mobile app, and integrating E-KYC and bank statement retrieval through API in our sourcing module. Additionally, we have embraced technology in our HR practices, such as the implementation of an improved HRMS platform (PeopleStrong) and the launch of Amber, an AI-based employee conversational bot. It is noteworthy that the Company has not imported any technology during the last three years, calculated from the beginning of the current financial year. Furthermore, no expenditure has been incurred on Research and Development activities.

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

a) Earnings: ***Nil***
b) Outgo: ***INR 77.64 Lakh***

34. Risk Management

At Ummeed, effective risk management is ingrained in our operations and serves as a fundamental pillar of our business strategy. Our Risk Management Committee (RMC), consisting of two Executive Directors and CXO-level staff, played a pivotal role during FY23, while holding regular monthly meetings with senior management to address emerging risks and ensure robust risk governance.

RMC reports directly to the Board, and during FY23, the management had provided comprehensive disclosures on our progressive risk management systems periodically to the Board, as mandated by Paragraph 53.1.a of RBI's Master Directions on HFCs, 2021. In addition to a broad focus on risk management, the RMC placed specific emphasis on liquidity risk management. They diligently oversaw our resources to ensure the prudent fulfillment of obligations. Our unwavering commitment to effective risk management safeguards our business and protects the interests of our stakeholders. We continuously enhance our practices to mitigate risks and drive sustainable growth. For a more detailed insight into our risk management approach, kindly refer to the attached Management Discussion and Analysis Report at **Annexure "VI".**

35. Vigil Mechanism/ Whistle Blower Policy

In accordance with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, along with Section 177(10) of the Companies Act, 2013, and the provisions of RBI's Master Directions on HFCs, 2021, your Company implemented a Whistleblower Policy ("the Policy"). This Policy serves as a vigilant mechanism for employees to raise concerns regarding violations of the Code of Conduct, legal or regulatory requirements, and incorrect or misrepresented financial statements and reports.

The Audit Committee oversees the effective functioning of the vigil mechanism, and all employees have direct access to the committee. To ensure transparency, the Policy is available on the company website at https://www.ummeedhfc.com/company-policies.

36. Significant and Material Orders Passed

During the year under review and till the date of this report, 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.

37. Penalty levied by NHB/RBI or other Regulators

There was no penalty levied or strictures imposed on the Company by the RBI, NHB, SEBI, Stock Exchanges, or any statutory authority, on any matter related to capital markets, during the last three financial years.

38. Audit & Auditors

a) Statutory Audit

M/s. Agiwal & Associates, Chartered Accountants (Firm registration no.: 000181N), has been appointed as the Statutory Auditor of the Company in compliance with Section 139 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, and RBI's Guidelines for Appointment of Statutory Auditors dated April 27, 2021. The shareholders approved their appointment at the Annual General Meeting for a consecutive term of three financial years, ending on March 31, 2024. During FY 2023, M/s. Agiwal & Associates conducted the statutory audit and issued an unmodified opinion in the Auditors' Report for the audited financial results of the quarter and year ended March 31, 2023. The audit report and financial statements are enclosed with this report.

The Statutory Auditors have confirmed their independence as required by the Companies Act, 2013 and have provided the eligibility certificate in Form B, along with the necessary information, for conducting the statutory audit for FY 2023.

b) Statutory Auditor’s Report

The Statutory Auditors' Report, along with the accompanying notes to the accounts, is self-explanatory and requires no further comments or elaborations under Section 134 of the Companies Act, 2013. The Statutory Auditors have not issued any adverse comments, qualifications, reservations, adverse remarks, or disclaimers in their report on the financial statements for FY2023.

c) Fraud Reporting

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

d) Cost Records and Cost Audit

The Company being a housing finance company, is not required to maintain cost records or undergo cost audit as per the provisions of Section 148(1) of the Companies Act, 2013, as it is not applicable to its business activities.

e) Secretarial Audit

M/s Navneet K Arora & Co. LLP, Practicing Company Secretary, has been appointed as the Secretarial Auditor in compliance with Section 204 of the Companies Act, 2013. The Secretarial Auditor's report, attached as **Annexure "V"**, contains no qualifications, reservations, or adverse remarks.

f) Internal Audit

The Company has a well-aligned internal audit system, tailored to its size and business needs, with a defined scope, functioning, periodicity, and methodology approved by the Audit Committee. The board-appointed Internal Auditor conducts comprehensive audits of our operations and records. Regular reports, including management's actions to address identified deficiencies, are submitted to the Audit Committee. Detailed disclosure on the Internal Audit can be found in the Management Discussion and Analysis Report, provided as **Annexure "VI"** to this Report.

39. Secretarial Standards

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

40. 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.

41. One-Time Settlement with any Bank or Financial Institution

No instances of one-time settlements with any bank or financial institution were recorded.

42. Annual Return

In compliance with Section 134(3)(a) and Section 92(3) of the Companies Act, 2013, and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return (Form MGT-7) for the financial year ended March 31, 2023, is accessible on the Company's website and can be found at https://ummeedhfc.com/en/regulatory-disclosures.

43. Regulatory and Statutory Compliances

The Company operates under the supervision and regulation of various statutory bodies, such as the MCA, RBI, NHB, S. Ex., SEBI and IRDAI. To ensure compliance, the Board of Directors received regular updates on circulars, notifications, guidelines, and directions issued by these regulatory authorities. The Company has diligently followed all applicable circulars, notifications, and guidelines. Furthermore, your Company is fully compliant with the relevant provisions of the Companies Act, 2013, and the corresponding rules, including Secretarial Standards, as well as other applicable statutory requirements.

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

Ummeed maintains a zero-tolerance policy towards sexual harassment in the workplace and strictly adheres to the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 ("POSH") and its rules. We have established an Internal Complaints Committee (ICC) comprising members as required by law to oversee compliance with POSH and related regulations. The names and contact details of ICC members are prominently displayed on notice boards at all our offices/branches. Regarding statutory disclosures under POSH, we are pleased to share the following details:

- Number of cases reported during the year: Nil
- Number of cases closed during the year: Nil
- Numbers of cases open as on March 31, 2023: Nil

45. Disclosures under NHB Act, 1987, RBI Master Directions, 2021 and Scale Based Regulatory Framework

- Our Company is fully compliant with all the applicable provisions under Directions, Guidelines, and Circulars issued by RBI/ NHB, as well as of the NHB Act, 1987.
- As a Non-Deposit taking HFC, we have passed a Board Resolution to not to hold or accept Public Deposits, and therefore, we are not required to make disclosures as per Para 44.1 and 44.2 of the Housing Finance Company (Reserve Bank) Directions, 2021.
- We have provided relevant disclosures as required under Paragraph 16 of the HFC (Reserve Bank) Directions, 2021, as well as per circulars issued under the Scale based Regulatory Framework of the Reserve Bank of India, in the attached financial statements.
- The Board of Directors regularly reviews compliance under all the applicable provisions under Directions, Guidelines, and Circulars issued by RBI/ NHB, including the Fair Practices Code, Corporate Governance, Progressive Risk Management System, and the functioning of the grievance redressal mechanism at different management levels.
- Management Discussion and Analysis Report forming part of the Annual Report to the Shareholders, has been attached as part of this report as **Annexure "VI"**.

46. Listing with Stock Exchange

The Company has diligently maintained compliance with all listing obligations and disclosure requirements as stipulated under SEBI LODR, 2015 or by BSE, on which its debentures are listed. Additionally, the Company has remained current in the payment of annual listing fees, ensuring its continued adherence to regulatory obligations.

47. Acknowledgement

The Board of Directors gratefully acknowledges the invaluable support and contribution of all stakeholders, including shareholders, customers, lenders, bankers, and employees, throughout the Company's successful journey. The Board would also like to express sincere appreciation for the cooperation and assistance received from supervisory and regulatory bodies such as NHB, RBI, SEBI, MCA, Debenture Trustees and Rating Agencies. The Board looks forward to their continued support and cooperation in the future.

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

Sd/-	**Sd/-**	
Ashutosh Sharma	**Sachin Grover**	
Managing Director	**Executive Director**	**Date: June 23, 2023**
(DIN: 02582205)	**(DIN: 07387359)**	**Place: Gurugram, Haryana**

Annexure - "I"

Corporate Governance Report
Financial Year 2022-23

Corporate Governance is the system through which companies are governed and controlled by management under the direction and supervision of the Board, with the best interests of all stakeholders in mind. It encompasses more than mere compliance with laws, rules, and regulations. It involves the application of best management practices and adherence to the highest ethical principles in all business dealings, with the aim of achieving the company's objectives, enhancing stakeholder value, and fulfilling social responsibilities.

At Ummeed, our Board provides strategic input on basic governance issues and carries out supervision through its committees, to maintain proper controls, strengthen accountability and integrity, with greater emphasis on transparency. Further, in accordance with Para 53.1.b of RBI's Master Direction on HFCs, the Board of Directors receives periodic updates regarding compliance with corporate governance standards. These updates also include detailed information on the composition of various committees, their roles and functions, the duration of meetings, and the coverage of compliance review functions. The purpose of providing this information is to ensure that the Board has a comprehensive understanding of our adherence to corporate governance practices. It allows for regular review and oversight, enabling the Board to make informed decisions in line with regulatory requirements and best practices.

In compliance with the RBI Circular dated April 19, 2022, on "Disclosures in Financial Statements - Notes to Accounts of NBFCs," and with the objective of meeting the specified disclosure requirements outlined in Paragraph C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable to our company, we present the following report on Corporate Governance:

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Our corporate governance philosophy is rooted in ethics, transparency, and accountability. We prioritize the best interests of all stakeholders and adhere to the highest standards to create sustainable value. Our Board of Directors provides strategic guidance and oversight, and we evaluate performance to ensure an effective governance structure. We emphasize avoiding conflicts of interest, appointing auditors with integrity, and maintaining a comprehensive Code of Conduct. Transparency, compliance, and continuous improvement are central to our approach. At Ummeed, we believe strong corporate governance is crucial for our success, stakeholder trust, and long-term value creation.

1. BOARD

Composition of Board

The Board consists of total 8 (eight) Directors, which comprises of 2 (two) Executive Directors, 4 (four) Non-Executive Directors and 2 (two) Independent Directors including 1 (one) Woman Independent Director. They all have with them considerable experience in their respective fields. The Chairman of the Board is an Executive Director.

The composition, category, remuneration, etc. of Directors on the Board, are as follows:

Name of Director	Director Since	Capacity/ Category (i.e., Executive/ Non-Executive/ Chairman/ Promoter Nominee/ Independent)	DIN	No. of other Directo-rships	Remuneration (Rs. in Lakhs)			No. of shares held in, and convertible instruments held in the NBFC
					Salary and other Compen-sation	Sitting Fee	Commi-ssion	

Mr. Ashutosh Sharma	27-01-2016	Managing /Executive Director; & Chairman	02582205	-	236.35	-	-	89,92,172 Equity Shares, 21,44,285 OCRPS and 3,86,279 CCPS
Mr. Sachin Grover	27-01-2016	Whole Time / Executive Director	07387359	-	148.01	-	-	1,42,973 Equity Shares, 2,90,175 OCRPS
Mr. Inderjit Walia	23-03-2018	Independent Director	01812849	1	-	13.60	-	-
Ms. Geeta Mathur	27-02-2019	Independent & Woman Director	02139552	12	-	12.10	-	-
Mr. Vinayak Prabhakar Shenvi	29-12-2020	Non-Executive Director (Nominee of CX AIF & Thyme, Equity Investor)	00694217	2	-	-	-	-
Mr. Kartik Srivatsa	27-02-2019	Non-Executive Director (Nominee of LightRock, Equity Investor)	03559152	12	-	-	-	-
Mr. Nirav Vinod Mehta	26-02-2020	Non-Executive Director (Nominee of NHPEA, Equity Investor)	07504945	3	-	-	-	-
Mr. Rajiv Yashwant Inamdar	10-07-2019	Non-Executive Director	01295880	-	-	6.00	-	-

There is no change in the composition of the Board during the financial year under review.

Board Meetings:

The Board conducts regular meetings to discuss and make decisions regarding business strategies, policies, and review the Company's financial performance. Prior to each Board Meeting, a notice is provided to all Directors. The agenda, along with relevant notes and other necessary information, is also shared separately in advance with each Director. In exceptional cases, these materials may be presented at the meeting. This approach ensures that the Board is equipped with timely and informed information to make effective decisions.

In FY2022-23, the Board held a total of 11 meetings. The Company ensured that a minimum of one Board Meeting took place in each quarter, with no more than 120 days between consecutive meetings. Please find the number and dates of the meetings below:

S. No. of Meeting	Date of meeting	Total No. of Directors on the Date of Meeting	Attendance	
			No. of Directors attended	% Of Attendance
01/2022-23	27/05/2022	8	8	100.00%
02/2022-23	06/06/2022	8	8	100.00%
03/2022-23	26/07/2022	8	5	62.50%
04/2022-23	09/08/2022	8	6	75.00%
05/2022-23	08/09/2022	8	8	100.00%
06/2022-23	10/11/2022	8	7	87.50%
07/2022-23	25/11/2022	8	8	100.00%
08/2022-23	09/12/2022	8	8	100.00%
09/2022-23	20/12/2022	8	6	75.00%
10/2022-23	09/02/2023	8	5	62.50%
11/2022-23	16/03/2023	8	7	87.50%

The details of attendance of the Directors at Board Meetings and at the last AGM held during FY 2022-23 are given below:

Name of the Directors	Board Meetings			AGM
	No. of Meetings which director was entitled to attend	No. of Meetings Attended	% Of Attendance	Attendance
Mr. Ashutosh Sharma	11	10	90.90%	Yes
Mr. Sachin Grover	11	11	100.00%	Yes
Mr. Inderjit Walia	11	10	90.90%	-
Ms. Geeta Mathur	11	11	100.00%	Yes
Mr. Vinayak Prabhakar Shenvi	11	11	100.00%	-
Mr. Kartik Srivatsa	11	7	63.63%	-
Mr. Nirav Vinod Mehta	11	8	72.72%	-
Mr. Rajiv Yashwant Inamdar	11	8	72.72%	-

Below table is providing attendance of Director in each meeting:

Name of Director	Board Meeting No.										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th
Mr. Ashutosh Sharma	Y	Y	Y	Y	Y	Y	Y	Y	-	Y	Y
Mr. Sachin Grover	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mr. Inderjit Walia	Y	Y	-	Y	Y	Y	Y	Y	Y	Y	Y
Ms. Geeta Mathur	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mr. Vinayak Prabhakar Shenvi	Y	Y	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	Y	-	Y

It is important to note that there is no relationship between the Directors of the Company. They function independently and make decisions based on their individual expertise and responsibilities.

As of the date of this report, none of the Non-Executive Directors hold any shares or convertible instruments in the Company. They do not have any direct financial interest other than receiving sitting fee wherever applicable.

2. AUDIT COMMITTEE

Audit Committee is constituted with desired composition, powers, functions and duties as laid down in Section 177 of the Companies Act, 2013. Audit Committee meets at least on a quarterly basis.

The Audit Committee of the Board operates in strict adherence to the relevant provisions of applicable regulatory frameworks, directions, and the specified terms of reference established by the Board. The committee holds the responsibility of overseeing all types of audits, including statutory, secretarial, internal, and information security audits, as well as any other audits required by regulatory directions or guidelines.

As part of its mandate, the committee regularly conducts comprehensive reviews and examinations of various reports and processes. This includes thorough assessments of audit and inspection reports, compliance reports, borrowing covenant compliance reports, and investment concentration. These reviews are conducted to ensure strict adherence to established standards and regulations in these areas. Additionally, the committee actively monitors and oversees compliance reporting, internal audit reports, and engages in discussions with the Statutory Auditors on a quarterly basis regarding statutory audit observations.

In compliance with SEBI Circular dated November 4, 2019, which mandates credit rating agencies to meet with the audit committee of the rated entity with listed NCDs, officials from Rating Agencies regularly meet with members of the Audit Committee. The committee also performs quarterly reviews of the company's investment positions, ensuring adherence to the company's investment policy.

Furthermore, the committee evaluates the sufficiency and effectiveness of systems required for internal control, including financial reporting and financial controls. It ensures that critical and significant internal systems and processes undergo an Information System Audit conducted by a Certified Information System Auditor (CISA) at least once every two years. This audit aims to assess operational risks faced by the company and ensure the robustness of its internal control systems.

The Audit Committee meets regularly, and not less than one meeting is held every quarter. The Audit Committee met 7 (Seven) times during FY 2022-23 i.e., on 27/05/2022, 09/08/2022, 07/09/2022, 10/11/2022, 08/12/2022, 09/02/2023 and 14/03/2023.

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

Name of the Member	Designation	Number of Meetings Held	Number of Meetings Attended
Ms. Geeta Mathur	Chairperson*	7	7
Mr. Inderjit Walia	Member	7	7
Mr. Kartik Srivatsa	Member	7	6

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

All recommendations made by the Committee during the year were accepted by the Board.

3. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC) plays a pivotal role in supporting the Board of Directors in fulfilling their governance and supervisory responsibilities concerning human resource management and compensation. The committee's primary function is to review and provide recommendations, as necessary, to the Board on matters such as human resource policies, incentive plans for employees, performance evaluations, feedback mechanisms, employee satisfaction, and development initiatives.

Additionally, the NRC assists in managing the nomination and remuneration processes for Board members, including Independent Directors. When evaluating the appointment or reappointment of a director, the committee ensures several important considerations are taken into account.

Firstly, it verifies that there are no conflicts of interest that could compromise the independence of the Director. This is crucial to safeguard their objectivity and protect against potential threats to their independence. Secondly, the committee ensures that the proposed appointee meets the "fit and proper" standards, which involve assessing their qualifications, experience, and integrity. Lastly, the committee confirms that the proposed appointee is not disqualified, according to the relevant laws or regulatory directives, from serving as a director of the company.

In summary, the NRC provides invaluable assistance to the Board by reviewing and recommending human resource policies, compensation plans, and performance evaluation processes including board evaluation process. The committee also oversees the nomination and remuneration of Board members, ensuring their independence, compliance, and suitability for the role.

During the year under review, NRC met 3 (three) times on 10/06/2022, 08/12/2022 and 14/03/2023. All recommendations made by the Committee to the Board during the year were accepted by the Board of Directors. This Committee presently comprises of following members:

Name of the Member	Designation	No. of Meeting Held	No. of Meeting Attended
Mr. Inderjit Walia	Chairman	3	3
Ms. Geeta Mathur	Member	3	2
Mr. Nirav Mehta	Member	3	3
Mr. Ashutosh Sharma	Member	3	3

Our company has formulated a Nomination and Remuneration (NRC) Policy, which has been approved by the Board in accordance with the provisions of Section 178 of the Companies Act, 2013. The policy takes into consideration the applicable rules, including the Reserve Bank's Master Directions of 2021 for HFCs issued on February 17, 2021, and RBI's Circular dated April 29, 2022, on Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs ("RBI Guidelines").

The salient features of the NRC Policy are as follows:

- The policy adheres to the Companies Act, 2013, RBI Directions and Guidelines, and applicable rules.
- It aims for reasonable and transparent remuneration, performance-based rewards, alignment with company interests, diverse leadership, and appropriate pay structures.
- The policy covers Directors, Key Managerial Personnel, Senior Management, and other identified employees.
- The NRC oversees hiring, compensation, policy formulation, and avoiding conflicts of interest.
- The NRC selects candidates based on integrity, qualifications, and fit and proper criteria, and ensures succession planning.
- Remuneration is tied to performance, with fixed and variable components, including salary, perquisites, incentives, and bonuses. Malus and Clawback related provisions are also there.

The Nomination & Remuneration Policy of the Company is hosted on Company’s website at https://ummeedhfc.com/en/company-policies.

4. CORPORATE SOCIAL RESPONSIBLITY COMMITTEE

The company's commitment to making a positive impact on society is reflected in its CSR initiatives. It has formulated a CSR Policy in compliance with the Companies Act, 2013 and Companies (CSR Policy) Rules, 2014. This policy serves as a guide for the company to fulfill its responsibility as a good corporate citizen and outlines the guidelines and mechanisms for implementing socially beneficial programs that contribute to the welfare and sustainable development of the community.

The Board had constituted the Corporate Social Responsibility (CSR) Committee with the following terms of references:

- Formulating and recommending a CSR Policy that outlines the specific activities to be undertaken by the company, as mandated in Schedule VII of the Companies Act, 2013.

- Recommending CSR expenditure to the Board.
- Monitoring the implementation, reviewing and reassessing of CSR Policy.
- Establishing a transparent monitoring system to track the progress and implementation of CSR programs, or activities undertaken by the company.
- The committee collaborates with external agencies or entities to execute CSR programs in line with the CSR Policy and reviews their performance periodically.
- The committee may delegate specific responsibilities to subcommittees or individuals when appropriate and necessary.
- The committee provides regular reports to the Board, updating them on the progress, initiatives, and outcomes of CSR activities.

During FY 2022-23, the CSR Committee held its meeting on 04/06/2022, and all the recommendations made by the Committee to the Board during the year were accepted by the Board of Directors. This Committee presently comprises of the following members:

Name of the Member	Designation	No. of Meeting Held	No. of Meeting Attended
Mr. Rajiv Yashwant Inamdar	Chairman	1	1
Mr. Inderjit Walia	Member	1	1
Mr. Ashutosh Sharma	Member	1	1

The CSR policy of the Company may be accessed on the Company's website at https://ummeedhfc.com/en/company-policies.

5. OTHER COMMITTEES

The Company has constituted various Committees as per the requirement under 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 meetings or prescribed frequency as per applicable laws or RBI Directions / Guidelines.

The list of the Committees and their members as on 31st March 2023 as follows:

Committee	Composition	Terms of References	Periodicity of meetings	Compliance with coverage and review function
Risk Management Committee (RMC)	(a) Mr. Ashutosh Sharma, MD & Chairman (b) Mr. Sachin Grover, WTD (c) Mr. Bikash Kumar Mishra, CFO (d) Mr. Rajendra Gupta, NCH (e) Mr. Alok Prasad, Senior Consultant	RMC is responsible for evaluating and managing the overall risks faced by the Company, including liquidity risk.	Monthly	The committee discusses and recommends various ways to manage integrated risks on a monthly basis and reviews action plans submitted by management.
Asset Liability Management Committee (ALCO)	(a) Mr. Ashutosh Sharma, MD & Chairman (b) Mr. Sachin Grover, WTD (c) Mr. Alok Prasad, Senior Consultant (d) Mr. Bikash Kumar Mishra, CFO	The ALCO ensures adherence to the risk tolerance/limits set by the Board and implements the liquidity risk management strategy.	Monthly	Members of ALCO meet monthly to review debt position, strategy, liquidity risk management, and ALM positioning.

Internal Complaint Committee	(a) Ms. Beenata Lawrence, Presiding Officer (b) Ms. Geeta Mathur, Independent Director (c) Ms. Sonia Gaba, Executive Assistant and Office Manager (d) Mr. Shariq Khan, Head - Product (e) Mr. Bikash Kumar Mishra, CFO (f) Mr. Vikas Khandelwal, State Business Head (g) Mr. Suraj PS Bhandari, State Business Head (h) Mr. Salamrit Virk, External Member	The Company has instituted the Internal Complaints Committee for redressal of sexual harassment complaints and ensuring timely treatment of such complaints.	Event based	No incidents requiring reporting to the committee were recorded so far. The ICC monitors employee training and compliance with the Sexual Harassment of Women at Workplace Act, 2013.
Customer Service and Grievance Redressal Committee	(a) Mr. Sachin Grover, WTD & Chairman (b) Mr. Sandeep Verma, Grievance Redressal Officer and Head – Operations (c) Mr. Shariq Khan, Head – Product (d) Ms. Veena Mishra, Lead – Customer Service	The committee monitors and reviews the company's processes on customer service and grievance redressal.	Monthly	The committee meets monthly to review customer complaints, service requests, and escalations to regulatory or judicial authorities.
Wilful Defaulter Identification Committee	(a) Mr. Sachin Grover, WTD & Chairman (b) Mr. Shariq Khan, Head – Product (c) Mr. Sandeep Verma, Grievance Redressal Officer and Head – Operations	The identification committee examines and concludes cases of wilful default and issues Show Cause Notices to concerned borrowers.	Event based	The committee meets periodically, at least once a quarter, to review cases that may qualify as wilful default.
Wilful Defaulter Review Committee	(a) Mr. Ashutosh Sharma, MD & Chairman (b) Mr. Rajiv Yashwant Inamdar, Non-Executive Director (c) Mr. Inderjit Walia, Independent Director	The review committee, headed by the MD and comprising one independent director and one non-executive director, reviews and confirms the orders of the identification committee.	Event based	As no wilful default cases have been identified so far, therefore, no review of such orders has taken place
IT Strategy Committee	(a) Mr. Inderjit Walia, Independent Director & Chairman (b) Mr. Ashutosh Sharma, MD (c) Mr. Harvinder Gandhi, IT Consultant (d) Mr. Madan Singh, CTO & CIO (e) Mr. Indrajit Lahiri, Senior Consultant (f) Chief Information Security Officer (CISO)	The IT Strategy Committee reviews and amends the company's IT strategies, cyber security arrangements, and other IT governance matters.	Half yearly	The committee meets at least twice a year to approve and recommend IT policies, oversee IT investments, and review IT projects and strategy.

Human Resource Matters Committee	(a) Mr. Inderjit Walia, Independent Director & Chairman (b) Mr. Rajiv Yashwant Inamdar, Non-Executive Director (c) Mr. Ashutosh Sharma, MD (d) Mr. Sachin Grover, WTD (e) Ms. Beenata Lawrence, HR – Head	The HR Matters Committee ensures the adoption of best practices related to employees and creates an attractive work environment.	Periodically	The committee meets periodically to provide guidance on HR strategies, review HR projects and plans, and support Ummeed's HRD.
Executive Committee on Fraud Reporting	(a) Mr. Sachin Grover, WTD & Chairman (b) Mr. Bikash Mishra, CFO (c) Mr. Afzal Ahmed, RCU Head (d) Mr. Nitin Agrahari, CS & Compliance Officer	The executive committee discusses high-risk RCU cases, classifies them as fraud accounts, and submits returns to the RBI/NHB.	Quarterly	The committee meets quarterly to discuss high-risk RCU cases, classify them as fraud accounts, and ensure compliance with reporting requirements.
Borrowing & Banking Committee	(a) Mr. Ashutosh Sharma, MD & Chairman (b) Mr. Sachin Grover, WTD (c) Mr. Bikash Kumar Mishra, CFO	The committee examines debt proposals, borrowing limits, and approves management's proposals related to bank accounts.	Periodically	Committee members meet periodically to discuss and review proposals from banks. Committee minutes are shared with the board for review and monitoring purposes.

6. REMUNERATION TO DIRECTORS

The Non-Executive Directors receive sitting fees in accordance with the provisions of the Companies Act, 2013. The amount of sitting fees is determined by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company.

The remuneration of the Managing Director and Whole Time Director is determined by resolutions passed by the Nomination and Remuneration Committee and the Board of Directors. These resolutions cover the terms of their appointment and the payment of their remuneration.

Apart from the above, there are no other financial relationships or transactions with the Company. A detailed breakdown of the remuneration, including sitting fees paid to Directors, can be found in Section 1 of this Corporate Governance Report.

7. GENERAL BODY MEETINGS

a. Details of last three AGM of the Company are given below:

Financial Year	**Date of Meeting**	**Location**	**Time**	**No. of Special Resolution Passed**
2021-22	July 25, 2022	Corporate Office of the Company	11:00 AM	-
2020-21	September 30, 2021	Corporate Office of the Company	11:00 AM	-
2019-20	July 22, 2020	Through Video Conferencing	03:30 PM	-

b. During the financial year 2022-23, no resolution was passed by way of Postal Ballot.

c. At the forthcoming AGM, no resolution is to be passed through Postal Ballot.

8. MEANS OF COMMUNICATION

During the year under review, the Company published its Quarterly/Half-Yearly/Yearly Financial Results in the "Financial Express" newspaper. All material information, including Financial Results, Board Meeting outcomes, General Meeting details, and SEBI (LODR) disclosure documents, were communicated through the respective Stock Exchanges' websites and the Company's own website at https://ummeedhfc.com/en/regulatory-disclosures. The Audit Committee thoroughly examined all financial results before submission to the Board and the stock exchanges. In FY23, the Company shared information and documents, such as general meeting notices, audited financial statements, directors' reports, auditors' reports, etc., to members' registered email/ addresses. Besides these channels, no official news or announcements were released during the year under review, and no presentations were made to Institutional investors or Analysts that were published.

9. REGISTRAR AND SHARE TRANSFER AGENT

M/s Skyline Financial Service Private Limited, New Delhi is the Registrar and Share Transfer Agent (RTA) of the Company for handling the share transfer work both in physical and electronic form. All the correspondences relating to share transfer, transmission, dematerialization, rematerialization etc. can be made at the following address:

Skyline Financial Service Private Limited
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

10. 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	INE870W07068	8.80 LOA 01FB28 FVRS 10 LAC
9	INE870W07076	8.90 LOA 30DC27 FVRS 10 LAC

*Redeemed on April 21, 2023, on its maturity.

Your Company is maintaining connectivity with both the Depositories i.e., NSDL and CDSL. The members are requested to dematerialize their physical holding in view of various advantages in dematerialized form. The details of the Shares of the Company dematerialized as on March 31, 2023, are given hereunder:

Particulars	As on March 31, 2023	
	No. of Shares	% age
No. of Shares Dematerialized	4,07,23,807	76.85%
-NSDL	4,07,22,651	76.85%
-CDSL	1,156	0.00%
No. of Shares in Physical Form	1,22,68,848	23.15%
Total	5,29,92,655	100.00%

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

Sd/-
Ashutosh Sharma
Managing Director
(DIN: 02582205)

Sd/-
Sachin Grover
Executive Director
(DIN: 07387359)

Date: June 23, 2023
Place: Gurugram, Haryana

Annexure - "II"

The Annual Report on CSR Activities

Financial Year 2022-23

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

The company's CSR Policy has been adopted by the Board, following the recommendation of the CSR Committee. This policy aligns with Section 135 of the Companies Act, 2013, the Companies (Corporate Social Responsibility Policy) Rules, 2014, and Schedule VII of the Companies Act, 2013 ("the Act").

At Ummeed, we are committed to creating a positive impact on society and contributing to its betterment. Our CSR Activities encompass a range of initiatives mentioned in Schedule VII of the Act. These include eradicating hunger, poverty, and malnutrition; promoting healthcare, including preventive measures; supporting education, especially among children, women, the elderly, and individuals with disabilities; facilitating vocational skills development; promoting rural sports, nationally recognized sports, Paralympic sports, and Olympic sports; contributing to public-funded universities and institutions; and undertaking rural development projects and slum area development.

As per the requirements, the Company will undertake CSR activities based on its CSR policy, focusing on various projects, programs, or activities approved by the CSR Committee. These initiatives will be carried out through registered trusts, societies, or companies established under Section 8 of the Act. There is no maximum limit for CSR expenditure, but the Company is mandated by Clause 135 of the Act to spend at least 2% of the average net profits made during the preceding three financial years on CSR activities annually. The Board of Directors, upon the recommendation of the CSR Committee, will approve the annual budget for Ummeed's CSR initiatives. The allocation of funds to specific projects and programs will be determined by the Board.

To ensure accountability and progress, the Company will monitor various CSR activities, projects, and programs. Regular progress reports will be submitted to the CSR Committee of the Board at periodic intervals as required by the Committee.

2. **Composition of CSR Committee:**

S. 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	1	1
2	Mr. Inderjit Walia	Independent Director	1	1
3	Mr. Ashutosh Sharma	Managing Director	1	1

3. **Web-link for composition of CSR Committee, CSR Policy and CSR Projects listed on the website:** The Composition of CSR Committee, CSR Policy and CSR Projects approved are available on the website of the Company at the following links:
https://ummeedhfc.com/sites/default/files/Composition-ofvarious-committee.pdf;
https://www.ummeedhfc.com/company-policies; and
https://ummeedhfc.com/en/regulatory-disclosures.

4. **Details executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:** Not Applicable

5. **(a) Average Net Profit of the Company as per Section 135(5):** Rs. 1,488.43 Lakhs
(b) Two percent of average net profit of the Company as per section 135(5): Rs. 29.77 Lakhs
(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
(d) Amount required to be set off for the financial year, if any: Nil
(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: Rs. 29.77 Lakhs

6. **(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** Rs. 29.79 Lakhs
(b) Amount spent in Administrative Overheads: Nil
(c) Amount spent on Impact Assessment, if applicable: Nil
(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: Rs. 29.79 Lakhs
(e) CSR amount spent or unspent for the Financial Year: Refer below table-

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.
Rs. 29.79 Lakhs	NA	NA	NA	NA	NA

(f) 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)	Rs. 29.77 Lakhs
2	Total amount spent for the Financial Year	Rs. 29.79 Lakhs
3	Excess amount spent for the financial year [(ii)-(i)]	Rs. 0.02 Lakhs
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
5	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs. 0.02 Lakhs*

*Board has not resolved any amount to be carried forward for set-off in succeeding financial years.

7. **Details of unspent CSR amount for the preceding three financial years:** Not Applicable

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

9. **Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5):** Not Applicable

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

Sd/-
Mr. Ashutosh Sharma
Managing Director
(DIN: 02582205)

Sd/-
Mr. Rajiv Yashwant Inamdar
Chairman- CSR Committee
(DIN: 01295880)

Place: Gurugram, Haryana
Date: June 23, 2023

Annexure - "III"

Employees Stock Options Plan (ESOP)

Financial Year 2022-23

The details of the employee stock option pursuant to the provisions of Rule 12(9) and 16(4) of the Companies (Share Capital and Debentures) Rules, 2014 as on March 31st, 2023, under Ummeed' Employees Stock Option Plan 2017 ("ESOP 2017" or "Plan") to are given below:

<table>
<tr><th></th><th>Details</th><th>ESOP 2017*</th></tr>
<tr><td>(a)</td><td>Options granted</td><td>18,24,070 (outstanding as on March 31, 2023)</td></tr>
<tr><td>(b)</td><td>Options vested</td><td>3,17,762 (during the financial year ended on March 31, 2023)</td></tr>
<tr><td>(c)</td><td>Options exercised</td><td>60,466</td></tr>
<tr><td>(d)</td><td>The total number of shares (Equity Shares) arising as a result of exercise of option</td><td>60,466</td></tr>
<tr><td>(e)</td><td>Options lapsed</td><td>1,30,469</td></tr>
<tr><td>(f)</td><td>The exercise price</td><td>10 - 28.50</td></tr>
<tr><td>(g)</td><td>Variation of terms of options</td><td>During the financial year ending on March 31, 2023, amendments to the ESOP 2017 were approved by the shareholders during their meetings held on December 23, 2022, and March 29, 2023. The purpose of these amendments was to provide immediate benefits to employees who have been granted options and aimed to clarify the exercise period of vested options in case of employee separation; and to establish a trust responsible for administering the plan, respectively.</td></tr>
<tr><td>(h)</td><td>Money realized by exercise of options</td><td>During the financial year ending on March 31, 2023, the Company did not receive any amount from the exercise of options by employees. However, in previous years, the Company received a total of Rs. 15.94 Lakhs, which includes Rs. 6.05 Lakhs as Share Capital and Rs. 9.90 Lakhs as Share Premium.</td></tr>
<tr><td>(i)</td><td>Total number of options in force</td><td>16,36,885 (outstanding as on March 31, 2023)</td></tr>
<tr><td>(j)</td><td colspan="2">Employee wise details of options granted to</td></tr>
<tr><td>i.</td><td>Key Managerial Personnel</td><td><table>
<tr><th>KMPs</th><th>Designation</th><th>Total Options Granted till March 31, 2023</th></tr>
<tr><td>Sachin Grover</td><td>Whole Time Director & COO</td><td>7,59,052</td></tr>
<tr><td>Bikash Mishra</td><td>Chief Financial Officer</td><td>1,25,000</td></tr>
<tr><td>Nitin Agrahari</td><td>Company Secretary</td><td>11,000</td></tr>
</table></td></tr>
<tr><td>ii.</td><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>Amit Sarin</td><td>National Sales Manager</td><td>85,000</td></tr>
<tr><td>Mahesh Adhikari</td><td>National Head - Credit</td><td>60,000</td></tr>
<tr><td>Suneel Yadav</td><td>Head - Marketing & Distribution</td><td>30,000</td></tr>
<tr><td>Sanjay Rawal</td><td>State Business Head</td><td>25,000</td></tr>
</table></td></tr>
<tr><td>iii.</td><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.*

Details of voting rights which are not exercised directly by the employees in respect of shares under ESOP 2017 as per Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014, are as follows:

	Details	**Disclosure**
(a)	the names of the employees who have not exercised the voting rights directly	Not Applicable*
(b)	the reasons for not voting directly	Not Applicable*
(c)	the name of the person who is exercising such voting rights	Not Applicable*
(d)	the number of shares held by or in favour of, such employees and the percentage of such shares to the total paid up share capital of the company	Not Applicable*
(e)	the date of the general meeting in which such voting power was exercised	Not Applicable*
(f)	the resolutions on which votes have been cast by persons holding such voting power	Not Applicable*
(g)	the percentage of such voting power to the total voting power on each resolution	Not Applicable*
(h)	whether the votes were cast in favour of or against the resolution	Not Applicable*

****During the financial year ending on March 31, 2023, shareholders approved amendments to the ESOP 2017. Consequently, on April 17, 2023, the Company established the Ummeed Employee Welfare Trust ("Trust") to administer the plan for the benefit of employees. Notably, there were no instances of non-exercising of voting rights for shares directly purchased by employees under the scheme.***

Annexure - "IV"

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.

*****

Form No. MR-3
Secretarial Audit Report
Financial Year 2022-23

[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. & Corporate Office: Emaar Digital Greens, Tower A, Unit No. 809 - 815 – 8th Floor, Golf Course Ext Rd, Sector 61, Gurugram, Haryana 122102

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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March 2023,** 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 2023,** 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 (e) 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 from the Board and filed requisite returns with the Registrar of Companies, NCT of Delhi & Haryana and complied with the applicable provisions in respect of:

   A. Issuance of 320 (Three Hundred Twenty) Secured, Rated Unlisted, Redeemable Transferable, Non-Convertible Debentures (NCDS) of face value of INR 10,00,000/- aggregating upto INR.32 Crores through Private Placement basis of the Company which was approved by Board in the Board Meeting held on 26th Day of July, 2022 as well as allotment was approved by the Board in its meeting held on 01st August 2022.

   B. Issuance of 206 (Two Hundred Six) Secured, Rated Unlisted, Redeemable Transferable, Non-Convertible Debentures (NCDS) of face value of INR 10,00,000/- aggregating upto INR.20.60 Crores through Private Placement basis of the Company which was approved by Board in the Board Meeting held on 20th Day of December, 2022 as well as allotment was approved by the Board in its meeting held on 30th December 2022.

5) The Company has obtained requisite approval from shareholders and filed requisite returns with Registrar of Companies, NCT of Delhi & Haryana and complied with the applicable provisions in respect of:

   A. Amendment in the Ummeed Employees Stock Option Plan 2017 in due compliance with the provisions of Companies Act 2013 and Companies (Share Capital and Debenture) Rules 2014 which was recommended by the Nomination & Remuneration Committee (NRC) and the Board in their respective meetings held on December 08, 2022, and December 09, 2022, respectively and approved by the Shareholders in its Extra-Ordinary General Meeting held on 23rd December 2022.

   B. Establishment of the Trust for Administering in the Ummeed Employees Stock Option Plan 2017 and Amendment in the Ummeed Employees Stock Option Plan 2017 in due compliance with the provisions of Companies Act 2013 and Companies (Share Capital and Debenture) Rules 2014 which was recommended by the Nomination & Remuneration Committee (NRC) and the Board in their respective meetings held on March 14, 2023, and March 16, 2023, respectively and approved by the Shareholders in its Extra-Ordinary General Meeting held on 29th March 2023.

   C. Amendment in the Ummeed Employees Stock Option Plan 2017 in due compliance with the provisions of Companies Act 2013 and Companies (Share Capital and Debenture) Rules 2014 which was recommended by the Nomination & Remuneration Committee (NRC) and the Board in their respective meetings held on March 14, 2023, and March 16, 2023, respectively and approved by the Shareholders in its Extra-Ordinary General Meeting held on 29th March 2023.

6) 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;

7) 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 / other securities 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

Sd/-
CS Navneet Arora
Managing Partner
CS: 3214, COP: 3005
[ICSI Firm Unique Identification Code: P2009DE061500]
UDIN: F003214E000466809
Place: New Delhi
Date: June 07, 2023
[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. & Corporate Office: Emaar Digital Greens, Tower A, Unit No. 809 - 815 – 8th Floor, Golf Course Ext Rd, Sector 61, Gurugram, Haryana 122102

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

Sd/-
CS Navneet Arora
Managing Partner
FCS: 3214, COP: 3005
UDIN: F003214E000466809
Place: New Delhi
Date: June 07, 2023

Management Discussion & Analysis Report
Financial Year 2022-23

This report offers a comprehensive analysis of the global and Indian economies, with a specific focus on the management discussion and analysis. While the global economy is currently encountering uncertainties and challenges that affect projected growth, India's economy stands resilient, showcasing a positive GDP growth rate. This resilience creates appealing investment opportunities. Notably, the affordable housing finance sector in India is undergoing significant growth, propelled by increasing demand and government support. We remain attentive to regulatory changes, the impact of economic instability, rising house prices, and operational risks. To address these concerns, we adopt diligent monitoring and implement robust risk management practices.

Global and India Economy Overview

The global economic landscape continues to face various challenges and uncertainties, as outlined in the latest report from the International Monetary Fund (IMF) in January 2023. The report indicates that global growth is projected to decline to 2.9% in 2023 from 3.4% in 2022, with a subsequent recovery to 3.1% in 2024. Although, the 2023 forecast is slightly higher than the previous projection, it remains below the historical average of 3.8%. Factors such as rising interest rates and the ongoing war in Ukraine continue to exert pressure on economic activity worldwide. However, amidst these challenges, there are signs of resilience and pockets of growth. It is important to note that global inflation is projected to decrease from its current levels, with an expected decline to 6.6% in 2023 and further to 4.3% in 2024. Despite these reductions, inflation remains above pre-pandemic levels, indicating persistent inflationary pressures.

Inflation projections indicate a decrease in global headline inflation from 8.7% in 2022 to 7.0% in 2023, primarily driven by lower commodity prices. However, underlying (core) inflation is expected to decline at a slower pace. It is unlikely that inflation will return to target levels before 2025 in most cases, underscoring the persistent inflationary pressures faced globally.

On the other hand, the Indian economy has demonstrated resilience and signs of improvement despite the global volatility. Factors such as business continuity, expansion of manufacturing footprints by both domestic and international firms, government schemes, innovation, technology-driven value chains, and strong demand, coupled with rapid vaccination coverage, have contributed to India's economic growth. In the fiscal year 22-23, India achieved a robust GDP growth rate of 6.9%.

India's strong economic performance enabled it to surpass the UK and become the world's fifth-largest economy. India is widely regarded as one of the fastest-growing major economies, with a projected growth rate of 6.5% in the fiscal year 23-24 and an average growth rate of 6.1% over the next five years. The momentum of India's economic growth positions it on a path to become the third economic superpower, with ambitions to reach the $10-trillion mark by 2035 from its current fifth spot on the World Economic League Table. Over the next five years, India's annual GDP growth rate is expected to average 6.5%.

Considering the structural strength, positive growth outlook, and reasonable valuations, India presents itself as an attractive investment destination compared to its peers.

Industry Structure and Development

The affordable housing finance (AHF) sector in India has witnessed significant growth and evolution in recent years, driven by the rising demand for affordable housing and government initiatives to address the housing crisis. As an affordable housing finance company (AHFC), our company operates within this dynamic industry, focusing on serving the economically weaker sections (EWS), lower-income groups (LIG), and middle-income groups (MIG) segments.

The affordable housing segment can be segmented based on income profiles (EWS/LIG/MIG), source of income (formal/informal salaried/self-employed), and ticket size, which typically determine the yields. Since their customer base primarily consists of individuals from the EWS/LIG segments mainly from informal salaried and self-employed class, with an average ticket size of around INR 1 million, their focused approach enables them to benefit from stronger pricing power on the loan portfolio, contributing to overall profitability.

The AHF market in India is witnessing increasing competitive intensity. While banks continue to dominate the prime home loan segment, AHFCs have emerged as formidable players in the sub-INR 2.5 million segment. These HFCs have demonstrated high growth rates (CAGR of 18%+ during FY18-FY22) and profitability (Return on Assets of approximately 3%). However, the superior economics of this segment have attracted intense competition, which may exert pressure on growth rates and super-normal spreads.

The Indian government has played a crucial role in promoting AHF through initiatives such as the PMAY and 'Housing for All' schemes. These initiatives have acted as enablers for the sector, facilitating increased demand for home loans and supporting the growth of AHFCs. The discontinuation of certain schemes, such as the CLSS scheme under PMAY, is not expected to have a material impact on housing demand, as the underlying demand drivers remain strong.

While the industry faces challenges such as increasing, tighter liquidity, and relentless competition, we remain focused on navigating these challenges, capitalizing on opportunities, and adapting our strategies to maintain our growth trajectory and enhance our market position.

Opportunities

Currently, the AHF space appears to be highly promising, driven by favourable industry specific dynamics and our strategic initiatives to capture market opportunities. We anticipate continued growth and sustainable returns in the coming years.

The AHF industry is expected to experience robust expansion, supported by various structural factors. These factors include improving affordability, increasing urbanization, a rising middle-class population, and strong government support for affordable housing initiatives. Analysts project a Compound Annual Growth Rate (CAGR) of 20.58% for the sector during the period from 2022 to 2027, indicating substantial growth potential.

As an AHFC, we are well-positioned to capitalize on this favourable industry outlook. We have developed a competitive advantage through our focused approach on the affordable housing segment and our ability to meet the financing needs of different income profiles. By segmenting our offerings based on income profiles (EWS/LIG/MIG) and tailoring our products to various ticket sizes, we can cater to a broader customer base and effectively capture market share.

Our strategic expansion into tier-2, tier-3, and tier-4 cities enhances our growth potential by tapping into emerging markets. These locations exhibit a growing demand for affordable housing and housing finance. Through the establishment of new branches and leveraging our expertise, we aim to extend our reach, cater to new homebuyers, and drive the growth of our loan portfolio. By strategically entering underserved geographies, we are committed to addressing the pressing need for housing finance in these regions, providing access to those with limited options. Additionally, approximately one-quarter of our customer base comprises participants from the MSME sector, highlighting our strong support for small businesses.

We acknowledge the favourable growth prospects in the industry while also recognizing the potential challenges that lie ahead. Increasing competitive intensity and other factors may impact loan growth and margins. To address these challenges, we remain vigilant and continuously refine our strategies and risk management practices to navigate them effectively. By focusing on operational efficiency, maintaining credit quality, and driving innovation, we aim to mitigate risks and sustain our profitability in a dynamic business environment.

We are well-positioned to capitalize on the industry's growth potential by leveraging our competitive advantages, expanding our presence in emerging markets, and catering to the evolving needs of our customers. With a customer-centric approach, prudent risk management, and a focus on sustainable growth, we are confident in delivering long-term value to our stakeholders and achieving our strategic objectives.

Threats

The AHF industry faces significant threats and challenges that require careful consideration. The emergence of new waves of COVID-19 infections poses a risk to housing demand, portfolio quality, and affordability, particularly for self-employed buyers. The duration and severity of the pandemic remain uncertain, posing a significant threat to the sector.

Inflation and global geopolitical risks have led to increased interest rates, resulting in higher borrowing costs for HFCs. This leads to lower profit margins and challenges in competing with banks that have lower borrowing costs.

Rising house prices, which have nearly doubled over the past decade, worsen affordability for first-time homebuyers. This diminishing affordability threatens the demand for affordable housing finance.
Operational risks are inherent in the high-touch lending nature of affordable housing finance. Proper customer due diligence, property assessments, and critical functionalities require careful execution or monitoring. High employee attrition rates in the sector add to operational challenges, impacting productivity and increasing costs.

To mitigate these threats, close monitoring of regulatory developments, adaptation to market conditions, and maintaining a resilient balance sheet are essential. Robust risk management practices, efficient operations, improved employee productivity, and leveraging technology for streamlined processes can drive economies of scale and ensure long-term sustainability in the face of these challenges.

Analysis of financial performance in terms of operations

Company's total AUM stood at INR 1,143 crore as of March 31, 2023, compared to INR 766 crore at previous fiscal end, representing a growth of 49% in the loan book. During the year, the company disbursed loans totalling INR 642 crore, with HL accounting for 58%, LAP for 15%, BL for 12%, and STBL for 15%. This reflects a 71% increase from the FY22 disbursement of INR 375 crore.

The total revenue increased by 48% to INR 161 crore in FY23 from INR 109 crore in FY22. Interest expenses increased by 18% to INR 42 crore in FY23 from INR 36 crore in FY22. Employee benefit expenses stood at INR 52 crore in FY23, compared to INR 35 crore in FY22, representing a 49% increase.

As of March 31, 2023, the average borrowing cost was 9.35%, while the average portfolio yield was 17.8%, resulting in a spread of 8.45%. The total number of live accounts stood at 16,715, representing a year-on-year growth of 47%. The net interest margin was 10.01%. The company has built a strong branch network of 70 branches, adding 26 new branches in the last 12 months, to deliver quality service to its customers.

The company has demonstrated strong collection efficiency following the post-Covid period, outperforming its peers, with a collection rate of 99.21% as of March 31, 2023. The collection efficiency is in the top 10 percentile in the industry. The company has made total ECL provisions of INR 5.46 crore as of March 31, 2023. The company classifies its assets based on the RBI Circular dated November

12, 2021, and GNPA as of March 31, 2023, stood at INR 4.18 crore, while the NNPA stood at INR 2.70 crore, while the GNPA ratio stood at 0.41%, which is 32 basis points lower than the previous year.

The company has adopted a detailed approach to calculate its Expected Credit Loss (ECL) provisions, considering Probability of Default (PD) rates based on various CIBIL score buckets. The company applies a Loss Given Default (LGD) of 30%, in line with industry benchmarks. The secured nature of collateral and low Loan-to-Value (LTV) ratio support these assumptions. Additionally, the company creates a management overlay by increasing the LGD and making additional provisions on restructured assets. As of March 31, 2023, the total ECL provisions amount to INR 5.46 crore, exceeding the regulatory requirement of INR 4.40 crore. The total write-offs for the company are minimal, totalling INR 0.90 crore as of March 31, 2023.

Regarding borrowing, the company has access to diversified sources such as the National Housing Bank (NHB), development financial institutions, large financial institutions, and PSU and private banks, allowing for cost-effective long-term financing. During the year, the company borrowed INR 411 crore at an average rate of 8.56%. The borrowing mix as of March 31, 2023, comprises 84.8% from Term Loans, 10.2% from Non-Convertible Debentures (NCD), and 5% from other sources such as External Commercial Borrowings (ECB) and Cash Credit Limit.

In terms of profitability, the company's Profit After Tax increased by 85% year-on-year to INR 35 crore for FY23. The Return on Assets (ROA) is 3.62%, and the Return on Equity (ROE) is 7.35% for FY23. Ummeed is well-capitalized with a net worth of INR 488 crore and a capital adequacy ratio of 74.09%. The company has also maintained a strong liquidity position with INR 145.98 crore of funds, including cash credit lines and undrawn sanction lines of INR 385 crore.

Outlook

The AHF sector demonstrates a stable outlook, supported by ICRA research indicating a resurgence in loan growth and improved asset quality, which are expected to drive sector profitability. Ummeed is well-positioned to capitalize on these positive trends and maintain a steady growth trajectory.

At Ummeed, our commitment to social entrepreneurship and extending credit to the underbanked segments of society sets us apart. We take pride in promoting gender equality by ensuring 100% women participation as coborrowers and co-homeowners. Additionally, we prioritize providing upgraded water and sanitation facilities to our customers, contributing to their overall well-being.

During FY23, our company achieved strong disbursement volumes, resulting in the highest growth in our loan books. Gross disbursements amounted to Rs. 642 Crores, reflecting a 71% increase compared to the previous financial year's total disbursements of Rs. 375 Crores. While our market share in the overall housing finance industry remains relatively small, we recognize the immense growth potential in the under-penetrated affordable housing market.

Looking ahead, we are prepared to navigate potential margin pressures that the industry may face. Our focus on controlled credit costs and enhanced operating efficiency will support our overall profitability. By streamlining our processes and leveraging technology, we aim to optimize our operations and mitigate any potential impact on our margins. With a stable outlook for the AHF sector and our strategic positioning within the market, Ummeed is poised for continued growth and sustained success in the coming years.

Risks and concerns

AHFCs in India face a range of challenges that can impact their operations and financial performance. These challenges include economic slowdowns affecting housing affordability, rising non-performing assets, funding difficulties, increased competition, limited affordable housing supply, and the need for customer awareness.

These concerns are anticipated to persist and interrelate with each other, evolving over time. Economic downturns can lead to a decline in housing demand and loan disbursements, while a higher NPA ratio can adversely affect the financial well-being of companies. The availability of affordable funding plays a vital role and influences the overall operating environment. Additionally, intensified competition may exert pressure on margins, and the limited supply of affordable housing restricts the growth prospects for companies operating in this sector.

Moreover, a lack of awareness among potential borrowers regarding the benefits and availability of AHF options can hinder market penetration. To address this, we actively engage with customers, launch awareness campaigns, and educate the target audience about our offerings and eligibility criteria to stimulate demand.

To effectively mitigate these risks and concerns, our company adopts proactive measures and implements robust risk management strategies. We prioritize adapting to market conditions, implementing effective risk management practices, driving innovation in our offerings, and actively engaging with customers to understand their needs and preferences.

Additionally, we place a strong emphasis on regulatory compliance. We maintain a dedicated committee, implement comprehensive policies, employ cybersecurity measures, and provide regular reports to regulators and shareholders. Through these efforts, our objective is to effectively manage risks, meet regulatory expectations, and ensure sustainable growth while delivering value to our stakeholders.

Internal control systems and their adequacy

The company has implemented robust methods for internal control systems, including effective policies, internal manuals, and processes aligned with regulatory and business requirements. Standard operating procedures (SOPs) are part of the Internal Control Framework (ICF) and are reviewed and tested by the Statutory Auditor.

The Risk Management Committee conducts monthly meetings to comprehensively review risks and provide updates to the Board. While the RBI's mandate for Risk-Based Internal Audit does not apply to our company, we have proactively established an independent audit function and a Risk-Based Internal Audit Framework. The internal audit department of the company conducts business and support function's audit according to an approved Annual Audit Plan and Scope by Audit Committee of the Board, tailored to the size and nature of our business. Compliance reporting is conducted through assigned function owners, and internal audits are carried out by the Internal Audit Head and team.

The company also conducts information system audits, IT risk assessments, and cyber drills, holding ISO 27001:2013 certification for information security. The Audit Committee oversees the internal audit function's performance and evaluates the adequacy of internal control systems, providing necessary oversight, recommendations, and monitoring implementation.

HR updates: Workforce size and significant developments

As of March 31, 2023, our company had a total of 892 employees on roll. Out of these, 847 were male and 45 were female. We also employed 102 individuals who were classified as youth, below the age of 25, maintaining a strong and cohesive workforce. Since our inception, we have followed a gender-agnostic approach to recruitment, ensuring equal opportunities for all candidates. Analysing the distribution of our employees, we found that 148 individuals, with 22% of them being women, were stationed at our Head Office. On the other hand, 744 employees, with 2% of them being women, were assigned to our branches. The nature of field roles, which involve frequent travel to multiple customer locations, combined with cultural barriers, has resulted in a lower number of female applicants for branch positions. This trend aligns with industry peers. However, our Head Office exhibits a higher participation of women, primarily in function and support roles.

At our organization, we place a strong emphasis on promoting gender diversity in leadership positions. We take great pride in featuring a distinguished One-Woman Independent Director on our Board. Furthermore, we have accomplished women leading key departments within our organization. They play pivotal roles in critical functions such as Customer Service, HR, and Treasury. Their exceptional expertise and significant contributions are instrumental in driving our overall success.

We adhere to all applicable social and environmental laws in India, ensuring our operations align with regulatory requirements. Our codes of business principles, derived from IFC performance standards, outline our commitment to safe working conditions, fair treatment of employees, consultative workplace structures, community impact assessment, and maintaining high standards of integrity and honesty. We strictly prohibit engagement in any form of forced labour, child labour, or involvement in prohibited trades.

We prioritize fair and competitive compensation for our employees. Monthly remuneration, benchmarked against market rates, forms the basis of their earnings. In addition to salary, employees receive periodic incentives, bonuses, and comprehensive retirement benefits, including provident fund (PF) contributions. We also provide extensive health insurance coverage, including group personal accidental insurance policy and a free 24/7 access to medical professionals. These benefits underscore our commitment to the overall well-being of our employees.

We maintain a proactive approach to address employee grievances and foster a safe work environment. Our Policy on Prevention of Sexual Harassment at the Workplace is widely disseminated through multiple channels, including our website, training modules, appointment letters, and notice boards at branches. Regular trainings, conducted by our L&D Department, ensure awareness and understanding of the policy among employees. Additionally, we have established an Internal Complaints Committee comprising the Audit Committee Chairperson and an external member. Our leadership consistently emphasizes a zero-tolerance policy towards policy violations and disrespectful behaviour during business meetings and employee interactions.

In summary, our organization has made significant strides in Human Resources and Industrial Relations, encompassing various aspects such as workforce composition, gender representation, recruitment policies, compliance with labour laws, and employee welfare. Through our comprehensive approach, we prioritize equal opportunities, employee well-being, and a safe work environment. These material developments demonstrate our commitment to fostering a diverse, inclusive, and thriving workforce.

*****

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INDEPENDENT AUDITOR'S REPORT

To the Members of Ummeed Housing Finance 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 2023, 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, 2023, 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.

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, 2023. 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 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.

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<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2"><u>Impairment of Financial assets (as described in Note 8 of the standalone financial statements) –</u></td></tr>
<tr><td>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.
e. Management overlay for macro-economic factors and estimation of their impact on the credit quality.

The Company has developed models that derive key assumptions used within the ECL calculation such as probability of default (PD) and loss given default (LGD). The output of these models is then applied to the expected credit loss calculation with other information including and the exposure at default (EAD).

Considering the significance of such expected credit loss to the overall financial statements and the degree of management's judgement, any error or misstatement in such estimate may give rise to a material misstatement of the financial statements or omission of any disclosure required by the Standards. Therefore, it is considered as a key audit matter.</td><td>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 Master Directions - Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued on February 17, 2021, as amended.
• 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.
• Assessed the additional management overlay applied by the Company to factor the impact of macro-economic factors and estimation of their impact on credit quality as approved by their board of directors.
• 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, Ind AS 109 and other guidelines/directions issued by Reserve Bank of India from time to time.</td></tr>
</table>

Other Information

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

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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.

The Director's report is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

Responsibility 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.

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.

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- 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, 2023 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.

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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2023;

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(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 have some pending litigations cases which does not have material impact on its financial position;

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

iii. There were no amounts 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 57 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(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 57 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.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

AGIWAL & ASSOCIATES
New Delhi
FRN 000181N
Chartered Accountants

per P.C. Agiwal
Partner
Membership Number: 080475
UDIN: 23080475BGWKSI6367
Place of Signature: Delhi
Date: May 18, 2023

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, 2023.

(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 been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions. However, such loans are secured by way of negative lien over assets of the Company. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

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

(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 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, 2023 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.

AGIWAL & ASSOCIATES New Delhi FRN 000181N Chartered Accountants

(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 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 wilful 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 has been applied for the purpose for which they were raised other than temporary deployment pending application of proceeds.

(ix)(d) On an overall test 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 not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

AGIWAL & ASSOCIATES New Delhi FRN 000181N Chartered Accountants

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

(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 inhouse 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 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) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 52 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.

AGIWAL & ASSOCIATES New Delhi FRN Chartered Accountants (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

per P.C. Agiwal
Partner
Membership Number: 080475
UDIN: 23080475BGWKSI6367
Place of Signature: Delhi
Date: May 18, 2023

AGIWAL & ASSOCIATES New Delhi FRN 000181N Chartered Accountants

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, 2023 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 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

AGIWAL & ASSOCIATES New Delhi FRN 000181N Chartered Accountants

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, 2023, 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

per P.C. Agiwal
Partner
Membership Number: 080475
UDIN: 23080475BGWKSI6367
Place of Signature: Delhi
Date: May 18, 2023

AGIWAL & ASSOCIATES New Delhi FRN 000181N Chartered Accountants

Ummeed Housing Finance Private Limited

Balance Sheet as at March 31, 2023

(Amount in Rs. lakhs unless stated otherwise)

	Note	March 31, 2023	March 31, 2022
ASSETS			
Financials assets			
Cash and cash equivalents	6A	36.28	27.86
Bank Balance other than cash and cash equivalents	6B	5,775.38	6,053.57
Derivative financial instruments	7	28.64	75.65
Loans	8	1,00,791.98	67,383.07
Investments	9	1,098.08	420.00
Other financials assets	10	1,829.87	1,825.44
		1,09,560.23	**75,785.59**
Non-financials assets			
Current tax assets (net)		141.86	-
Deffered tax assets (net)	31	-	155.95
Property, plant and equipment	11A	257.41	212.08
Intangible assets	11B	107.71	99.51
Right to use assets	11C	350.97	418.37
Intangible assets under Development	11D	42.54	-
Other non-financial assets	12	306.42	185.58
		1,206.91	**1,071.49**
Asset held for Sale		27.36	-
Total assets		**1,10,794.50**	**76,857.08**
LIABILITIES AND EQUITY			
Liabilities			
Financials liabilities			
Trade Payables	13		
(i) total outstanding dues of micro enterprise and small enterprises		5.12	1.34
(ii) total outstanding dues of creditors other than micro enterprise and small enterprises		108.98	67.21
Debt securities	14	5,536.01	4,452.34
Borrowings (other than debt securities)	15	53,377.38	22,697.33
Lease liabilities		386.61	469.99
Other financials liabilities	16	1,974.60	3,526.27
		61,388.70	**31,214.48**
Non-financial liabilities			
Deffered tax Liabilities (net)	31	7.95	-
Current tax liabilities (net)		-	7.96
Provisions	17	389.40	265.79
Other non-financial liabilities	18	188.06	151.49
		585.41	**425.24**
Equity			
Equity share capital	19	1,604.19	1,604.19
Instruments entirely equity in nature	20	6,917.23	6,917.23
Other equity	21	40,298.97	36,695.94
Total equity		**48,820.39**	**45,217.36**
Total liabilities and equity		**1,10,794.50**	**76,857.08**

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

AGIWAL & ASSOCIATES New Delhi FRN 000181N Chartered Accountants

Date: May 18, 2023
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 K Mishra

Bikash Kumar Mishra
Chief Financial Officer

Nitin Kumar Agrahari
Company Secretary
M No.: A36376

Date: May 18, 2023
Place: Gurugram

Ummeed Housing Finance Private Limited

Ummeed Housing Finance Private Limited
Statement of Profit and Loss for the year ended March 31, 2023
(Amount in Rs. lakhs unless stated otherwise)

	Note	March 31, 2023	March 31, 2022
Revenue from operations			
Interest income	22	13,860.09	9,462.99
Fees and commission Income	23	912.41	458.24
Net gain on fair value changes	25	157.53	262.52
Net gain on derecognition of financial instruments under amortised cost	24	1,014.79	539.48
Total revenue from operations		**15,944.82**	**10,723.23**
Other income	26	183.54	182.85
Total income		**16,128.36**	**10,906.08**
Expenses			
Finance costs	27	4,223.36	3,567.70
Impairment on financial instruments	28	34.95	75.39
Employee benefits expenses	29	5,194.76	3,486.02
Depreciation, amortization and impairment	11A/11B/11C	332.92	264.27
Other expenses	30	1,828.35	1,088.29
Total expenses		**11,614.34**	**8,481.67**
Profit before tax		4,514.02	2,424.41
Tax expense:	31		
Current tax			
Pertaining to profit for the current period		860.11	487.54
Adjustment of tax relating to earlier periods		17.92	(23.22)
Deferred tax		176.20	94.17
Total tax expense		**1,054.23**	**558.49**
Profit for the period		**3,459.79**	**1,865.92**
Other comprehensive income			
(A) (i) Items that will not be reclassified to profit or loss			
(a) Remeasurement gain of defined benefit plan		(5.02)	(1.68)
(ii) Income tax impact on above		1.26	0.42
(B) (i) Items that will be reclassified			
(a) Derivative instruments in Cash flow hedge relationship		(43.86)	1.58
(ii) Income tax impact on above		11.04	(0.40)
Other comprehensive income (net of tax) (A+B)		**(36.58)**	**(0.08)**
Total comprehensive income for the year		**3,423.21**	**1,865.84**
Earnings per equity share	32		
Basic (Rs.)		6.85	3.99
Diluted (Rs.)		6.62	3.86
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 18, 2023
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 K. Mishra

Bikash Kumar Mishra
Chief Financial Officer

Nitin Kumar Agrahari
Company Secretary
M No.: A36376

Date: May 18, 2023
Place: Gurugram

AGIWAL & ASSOCIATES New Delhi Chartered Accountants

Ummeed Housing Finance Private Limited

Ummeed Housing Finance Private Limited
Statement of Cash Flows for the year ended March 31, 2023
(Amount in Rs. lakhs unless stated otherwise)

	March 31, 2023	March 31, 2022
Cash flow from operating activities		
Profit before tax	4,514.02	2424.41
Adjustments to reconcile profit before tax to net cash flows:		
Expenses on employee stock option	179.82	121.20
Depreciation and amortization	332.92	264.27
Loss on sale/discard of fixed assets	0.48	0.46
Interest income on fixed deposits	(492.54)	(384.05)
Gain on sale of mutual funds and redemption of bonds and market linked debentures	(157.53)	(262.52)
Impairment on financial instruments	(52.55)	26.14
Loss assets written off	87.50	49.25
Provision for employee benefits	55.95	39.12
Interest on borrowings	4,184.65	3,520.02
Interest on lease liabilities	38.71	47.68
Operating profit before working capital changes	8,691.43	5,845.98
Movements in working capital :		
Change in loans	(33,472.89)	(17,314.99)
Change in other financial assets	269.63	1,505.85
Change in other non financial assets	(120.84)	(108.54)
Change in trade payables	45.55	(1.16)
Change in other financial liabilities	(1,540.62)	(1,254.53)
Change in provisions	68.30	61.14
Change in other non-financial liabilities	36.57	54.38
Cash used in operations	(26,022.87)	(11,211.87)
Less: taxes paid (net of refunds)	999.04	443.87
Net cash flow used in operating activities (A)	(27,021.91)	(11,655.74)
Cash flows from investing activities		
Purchase of property, plant and equipment	(138.15)	(128.56)
Purchase of intangible assets including intangible assets under development	(76.98)	(44.91)
Sale of property, plant and equipment	0.25	4.01
Purchase of current investments	(8,151.04)	(12,250.00)
Proceeds from sale/maturity of current investments	7,624.06	17,952.99
Interest income from fixed deposits	492.54	384.05
Net cash used in investing activities (B)	(249.32)	5,917.58
Cash flows from financing activities		
Proceeds from issuance of instrument entirely equity in nature (including securities premium)	-	1489.72
Payment of share issue expense	-	15,079.28
Proceeds from borrowings	48,530.07	7,135.00
Repayment of borrowings	(16,788.74)	(14,778.34)
Interest paid on borrowings	(4,195.70)	(3,688.38)
Payment of lease liabilities	(227.27)	(161.65)
Payment of interest on lease liabilities	(38.71)	(47.68)
Net cash from financing activities (C)	27,279.65	5,027.95
Net increase in cash and cash equivalents (A+B+C)	8.42	(710.21)
Cash and cash equivalents at the beginning of the year	27.86	738.07
Cash and cash equivalents at the end of the year	36.28	27.86
Cash and bank balance include		
Cheques in hand	-	-
Balance with banks		
In current accounts	36.28	27.86
Deposits with maturity of less than three months	-	-
Cash and cash equivalents at the end of the year	36.28	27.86

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 18, 2023
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 18, 2023
Place: Gurugram

Ummeed Housing Finance Private Limited
Statement of changes in equity for the year ended March 31, 2023
(Amount in Rs. Lakhs unless stated otherwise)

A. Equity share capital

Particulars	No.	Amount
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 1 April 2022	1,60,41,882	1,604.19
Changes in equity share capital due to prior period errors	-	-
Restated Balance as at 1 April 2022	1,60,41,882	1,604.19
Changes in equity share capital during the year	-	-
Balance as at 31 March 2023	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 2021	2,70,11,933	5,402.38
Changes in equity share capital due to prior period errors	-	-
Restated Balance as at 1 April 2021	2,70,11,933	5,402.38
Changes in equity share capital during the year	74,49,772	1,489.95
Balance as at 1 April 2022	3,44,61,705	6,892.33
Changes in equity share capital due to prior period errors	-	-
Restated Balance as at 1 April 2022	3,44,61,705	6,892.33
Changes in equity share capital during the year	-	-
Balance as at 31 March 2023	3,44,61,705	6,892.33

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

Particulars	No.	Amount
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	11.90
Balance as at 1 April 2022	24,89,068	24.90
Changes in equity share capital due to prior period errors	-	-
Restated Balance as at 1 April 2022	24,89,068	24.90
Changes in equity share capital during the year	-	-
Balance as at 31 March 2023	24,89,068	24.90

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, 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	(0.07)
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
Balance as at 1 April 2022	33,011.04	773.49	458.16	2,474.12	(20.87)	36,695.94
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated Balance as at 1 April 2022	33,011.04	773.49	458.16	2,474.12	(20.87)	36,695.94
Profit for the year	-	-	-	3,459.79	-	3,459.79
Other comprehensive income for the year	-	-	-	(3.76)	(32.82)	(36.59)
Premium on issue of preference shares (CCPS)	-	-	-	-	-	-
Share issue expenses	-	-	-	-	-	-
Share based payments	-	-	179.82	-	-	179.82
Transfer to statutory reserve*	-	691.96	-	(691.96)	-	-
Balance as at March 31, 2023	33,011.04	1,465.45	637.98	5,238.19	(53.69)	40,298.97

*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

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 Agrawal
Company Secretary
M No.: A36376

Date: May 18, 2023
Place: New Delhi

Date: May 18, 2023
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, 2013. 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. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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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 (OCI). 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.

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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.

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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 and hedge accounting
4.2.4.1 Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged, and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

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4.2.4. Derivative financial instruments and hedge accounting (continued)

(i) Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the Effective portion of cash flow hedges, while any ineffective portion is recognised immediately in the statement of profit and loss. The Effective portion of cash flow hedges is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

The Company designates only the spot element of a forward contract as a hedging instrument. The forward element is recognised in OCI.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

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

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

- 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.

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.

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.

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.

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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.

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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.

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.

Agiwal & Associates Chartered Accountants

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(Amount in Rs. lakhs unless stated otherwise)

Note 6: Cash and cash equivalents

Particulars	March 31, 2023	March 31, 2022
6A. Cash and cash equivalents		
Cheques in hand	-	-
Balance with banks		
In current accounts	36.28	27.86
Deposits with maturity of less than three months	-	-
Total	36.28	27.86

6B. Bank balance other than above

Particulars	March 31, 2023	March 31, 2022
Fixed Deposit with Bank	34.17	1,737.30
Balance with banks to the extent held as margin mangin or security deposit against the borrowings, guarantees, other commitments	5,741.21	4,316.27
Total	5,775.38	6,053.57

Note 7: Derivative financial instrument

Particulars	As at March 31, 2023				As at March 31, 2022			
	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	1,379.52	28.64	-	-	1,260.99	75.65	-	-
Part II Included in above are derivatives held for hedging and risk management purposes as follows: Cash flow hedging: - Currency swaps **Undesignated derivatives**	1,379.52	28.64	-	-	1,260.99	75.65	-	-
Total derivative financial instruments	1,379.52	28.64	-	-	1,260.99	75.65	-	-

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, 2023			
	Notional Amount	Carrying Amount	Line Item in Balance Sheet	Change in fair value
The impact of hedging instruments (net)	1,379.52	28.64	Derivative Financial Assets	(47.01)

	As of March 31, 2023			
	Notional Amount	Accumulated fair value adjustment	Line Item in Balance Sheet	Change in fair value
The impact of hedged instruments (net)	1,379.52	100.38	Borrowings (other than debt securities)	100.38

	As of March 31, 2023		
	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	(43.86)	-	Finance Cost

	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

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Notes to the Financial Statements for the year ended March 31, 2023
(Amount in Rs. lakhs unless stated otherwise)
Note 8: Loans

Particulars	March 31, 2023	March 31, 2022
At amortised cost:		
Loans assets	1,01,337.96	67,982.02
Staff loans	-	-
Total Gross	1,01,337.96	67,982.02
Less: Impairment loss allowance	(545.98)	(598.95)
Total Net	1,00,791.98	67,383.07
Secured by tangible assets	1,01,337.96	67,982.02
(hypothecation of equitable mortgage of immovable property etc.)		
Unsecured	-	-
Total Gross	1,01,337.96	67,982.02
Less: Impairment loss allowance	(545.98)	(598.95)
Total Net	1,00,791.98	67,383.07
Loans in India		
Public sector	-	-
Others	1,01,337.96	67,982.02
Total Gross	1,01,337.96	67,982.02
Less: Impairment loss allowance	(545.98)	(598.95)
Total Net	1,00,791.98	67,383.07

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. 6551.70 lakh during the year ended March 31, 2023 (March 31, 2022 Rs. 3,162.35 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.5,264.65 as on March 31, 2023 (Rs.3,643.20 as on March 31, 2022) (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.

An analysis of risk categorisation, changes in gross carrying amount and the corresponding ECL allowances

8.1.1 Analysis of risk categorisation

As at March 31, 2023

Risk Categorisation	Stage 1	Stage 2	Stage 3	Total
Low risk	87,635.57	1,159.58	327.02	89,122.17
Medium risk	9,419.08	319.07	41.91	9,780.06
High risk	2,286.81	99.49	49.43	2,435.73
Total	99,341.46	1,578.14	418.36	1,01,337.96

As at March 31, 2022

Risk Categorisation	Stage 1	Stage 2	Stage 3	Total
Low risk	51,984.65	1,371.78	423.49	53,779.92
Medium risk	11,541.28	447.52	127.99	12,116.79
High risk	1,958.26	115.00	12.05	2,085.31
Total	65,484.19	1,934.30	563.53	67,982.02

8.1.2 Reconciliation of gross carrying amount

As at March 31, 2023

Particulars	Stage 1 *	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2022	65,484.19	1,934.30	563.53	67,982.02
New assets originated or purchased	52,248.10	-	-	52,248.10
Assets derecognised or repaid (excluding write offs)	(17,887.89)	(565.80)	(350.97)	(18,804.66)
Transfers from stage 1	(933.99)	698.47	235.52	-
Transfers from stage 2	399.99	(488.83)	88.84	-
Transfers from stage 3	31.06		(31.06)	-
Amounts written off			(87.50)	(87.50)
Gross carrying amount as at March 31, 2023	99,341.46	1,578.14	418.36	1,01,337.96

As at March 31, 2022

Particulars	Stage 1 *	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2021	49,091.81	1,282.11	342.36	50,716.28
New assets originated or purchased	30,801.44	-	-	30,801.44
Assets derecognised or repaid (excluding write offs)	(13,057.76)	(290.47)	(138.22)	(13,486.45)
Transfers from stage 1	(1,488.33)	1,264.09	224.24	-
Transfers from stage 2	125.16	(321.43)	196.27	-
Transfers from stage 3	11.87	-	(11.87)	-
Amounts written off	-	-	(49.25)	(49.25)
Gross carrying amount as at March 31, 2022	65,484.19	1934.30	563.53	67,982.02

* Includes over due from 1 to 30 days amounting to Rs. 983.39 lakhs and Rs. 956.35 lakhs as at 31st March 2023 and 31st March 2022.

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Notes to the Financial Statements for the year ended March 31, 2023
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8.1.3 Impairment allowance for loans to customers

As at March 31, 2023

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 1, 2022	223.52	175.46	199.97	598.95
ECL remeasurements due to changes in EAD/Credit Risk/Assumptions (Net)	37.07	(44.11)	(19.68)	(26.72)
Transfers from Stage 1	(5.30)	4.02	1.28	-
Transfers from Stage 2	28.62	(36.23)	7.61	-
Transfers from Stage 3	14.50		(14.50)	-
Amounts written off			(26.25)	(26.25)
Impairment allowance for loans to customers as at March 31, 2023	298.41	99.14	148.43	545.98

Decrease in ECL is attributable to decrease in credit impaired and significant increase in credit risk loans.

As at March 31, 2022

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 1, 2021	267.89	189.03	121.65	578.57
ECL remeasurements due to changes in EAD/Credit Risk/Assumptions (Net)	(48.37)	16.74	66.76	35.13
Transfers from Stage 1	(12.24)	10.39	1.84	(0.01)
Transfers from Stage 2	11.37	(40.70)	29.32	(0.01)
Transfers from Stage 3	4.87	-	(4.87)	-
Amounts written off	-	-	(14.73)	(14.73)
Impairment allowance for loans to customers as at March 31, 2022	223.52	175.46	199.97	598.95

Decrease in ECL is attributable to decrease in credit impaired and significant increase in credit risk loans.

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, 2023 and March 31, 2022. There was no change in the Company's collateral policy during the year.

Note 9: Investments

Particulars	March 31, 2023	March 31, 2022
Investments carried at fair value through profit or loss		
Mutual funds		
Arbitrage Funds	208.61	-
Short term debt funds	284.95	-
Ultra Short term debt funds	-	420.00
Market Linked Debentures	604.52	-
Total	1,098.08	420.00
Investments outside India	-	-
Investments in India	1,098.08	420.00
Total	1,098.08	420.00

Note 10: Other financial assets

Particulars	March 31, 2023	March 31, 2022
Balances with other financial institutions (refer note 10.1)	-	560.37
Excess Interest Spread (EIS) receivable (refer note 10.2)	1,708.55	1,062.59
Security deposits	125.12	92.42
Other receivables	-	114.88
Gross	1,833.67	1,830.26
Less: Impairment loss allowance on EIS Receivable	(3.80)	(4.82)
Net	1,829.87	1,825.44

Note 10.1: Balance with financials institutions include Fixed deposit with NBFC's of Rs. Nil (March 31, 2022: 560.37 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.

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Notes to financial statements for the year ended March 31, 2023
(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, 2021	31.04	145.81	6.02	9.40	97.75	290.02
Additions	8.05	79.89	0.00	-	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**
Additions	18.99	113.34	-	5.82	-	138.15
Disposals	(0.24)	(0.88)	-	(0.62)	-	(1.74)
At March 31, 2023	**56.97**	**336.26**	**5.67**	**14.45**	**120.42**	**533.77**
Depreciation						
At April 1, 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**
Charge for the year	7.78	59.59	0.89	0.94	22.88	92.08
Disposals	(0.07)	(0.67)	-	(0.26)	-	(1.00)
At March 31, 2023	**28.58**	**187.56**	**3.98**	**3.74**	**52.50**	**276.36**
Net book value:						
At April 1, 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**
At March 31, 2023	**28.39**	**148.70**	**1.69**	**10.71**	**67.92**	**257.41**

Note 11B: Intangibles

Particulars	Software	Total
Cost:		
At April 1, 2021	118.56	118.56
Additions	44.91	44.91
At March 31, 2022	**163.47**	**163.47**
Additions	34.44	34.44
At March 31, 2022	**197.91**	**197.91**
Accumulative amortisation:		
At April 1, 2021	42.63	42.63
Charge for the year	21.33	21.33
At March 31, 2022	**63.96**	**63.96**
Charge for the year	26.24	26.24
At March 31, 2023	**90.20**	**90.20**
Net book value		
At April 1, 2021	**75.93**	**75.93**
At March 31, 2022	**99.51**	**99.51**
At March 31, 2023	**107.71**	**107.71**

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Notes to financial statements for the year ended March 31, 2023

Note 11C: Right to use asset

Particulars	Building and office premises	Total
Gross block		
At April 1, 2021	661.88	661.88
Addition	275.75	275.75
Write offs	(66.73)	(66.73)
At March 31, 2022	**870.90**	**870.90**
Addition	187.03	187.03
Disposals	-	-
At March 31, 2023	**1,057.93**	**1,057.93**
Depreciation		
At April 1, 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**
Charge for the year	214.58	214.58
Reversal for the year	39.85	39.85
At March 31, 2023	**706.96**	**706.96**
Net book value		
At April 1, 2021	**334.66**	**334.66**
At March 31, 2022	**418.37**	**418.37**
At March 31, 2023	**350.97**	**350.97**

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 2023 and 31 March 2022.

Note 11D: Intangible assets under Development

Intangible assets under Development as at March 31, 2023 is Rs. 42.54 Lakhs (March 31,2022- Rs. Nil)

March 31, 2023

Intangible assets under Development	Amount in CWIP for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in Progress	42.54	-	-	-	42.54
Projects temporarily suspended	-	-	-	-	-
Total	**42.54**	**-**	**-**	**-**	**42.54**

March 31, 2022

Intangible assets under Development	Amount in CWIP for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in Progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

(Amount in Rs. lakhs unless stated otherwise)

Note 12: Other non-financial assets

Particulars	March 31, 2023	March 31, 2022
GST Input	29.33	28.93
Prepaid expenses	112.35	108.91
Other advances	156.71	42.98
Employee Advance	8.03	4.76
Total	306.42	185.58

Note 13: Trade Payables

Particulars	March 31, 2023	March 31, 2022
Trade Payables		
Total outstanding dues of Micro Enterprises and Small Enterprises	5.12	1.34
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	108.98	67.21
Total	114.10	68.55

Based on the information available, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures as required by section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

Particulars	March 31, 2023	March 31, 2022
Principal amount remaining unpaid	5.12	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	5.12	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 2023					
(i) MSME	5.12	-	-	-	5.12
(ii) Others	103.78	4.57	0.63	-	108.98
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Unbilled dues	-	-	-	-	-
Total	108.90	4.57	0.63	-	114.10
As at 31 March 2022					
(i) MSME	1.34	-	-	-	1.34
(ii) Others	63.00	2.44	0.63	1.14	67.21
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Unbilled dues	-	-	-	-	-
Total	64.34	2.44	0.63	1.14	68.55

Note 14: Debt securities

Particulars	March 31, 2023	March 31, 2022
At amortised cost:		
Secured		
Redeemable non-convertible debentures	5,536.01	4,452.34
Total	5,536.01	4,452.34
Debt securities in India	333.24	665.51
Debt securities outside India	5,202.77	3,786.83
Total	5,536.01	4,452.34

Detail of Secured Redeemable Non-Convertible Debentures

Particulars/ISIN No.	INE870W07076	INE870W07068	INE870W07035	INE870W07043
No. of Debentures	206	320	100	380
Call/Put Option	N.A.	N.A.	N.A.	N.A.
Date of Redemption	30-12-2027	01-02-2028	21-04-2023	03-01-2023
Rate of Interest	8.90%	8.80%	11.90%	11.72%
Interest Type	Fixed	Fixed	Fixed	Fixed
Listed/unlisted	Unlisted	Unlisted	Listed	Listed
Face value	10,00,000	10,00,000	10,00,000	10,00,000
Carrying Amount as at March 31, 2023	2,036.78	3,165.99	333.24	-
Carrying Amount as at March 31, 2022	-	-	665.51	3,786.83

Redeemable Non-Convertible Debentures are secured by hypothecation of specified receivables under financing Activities and are repayable in bullet payments
These debentures are privately placed and are redeemable at par.

Terms of repayment of Debt securities as at March 31, 2023

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	-	-	1	333.33	1	333.33
Due 1 to 3 years	-	-	-	-	-	-
Due 3 to 5 years	-	-	2	5,260.00	2	5,260.00
Due above 5 years	-	-	-	-	-	-
Total	-	-	3	5,593.33	3	5,593.33

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

Note 15: Borrowings (other than debt securities)

Particulars	March 31, 2023	March 31, 2022
At amortised cost:		
Secured		
Term Loans		
-from National Housing Bank (refer note 15.1)	12,279.39	5,241.35
-from Banks (refer note 15.2)	31,590.73	9,744.17
-from Non-Banking Financial Institutions (refer note 15.3)	2,065.22	1,065.67
-from Financial institutions (refer note 15.4)	1,219.32	2,024.57
Term Loans in foreign currency (USD)		
-from Financial institutions (ECB) (refer note 15.4)	1,476.76	1,361.05
Others		
-Cash credit facilities with scheduled banks (refer note 15.5)	1,462.90	1,981.37
-Working Capital Demand Loan with scheduled banks	-	200.00
-Securitized Borrowings from Banks and NBFC	3,283.06	1,079.15
Total	53,377.38	22,697.33
Borrowings in India	50,681.30	19,311.71
Borrowings outside India	2,696.08	3,385.62
Total	53,377.38	22,697.33

Note 15.1: Secured term loans from National Housing Bank carry rate of interest in the range of 2.80% to 8.75% p.a. The loans are having tenure of 5 to 10 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. 10,814.74 lakhs (Previous year Rs Rs. 3,037 lakhs) have been guaranteed by Bank guarantee of Utkarsh Small Finance Bank limited (Rs.900.00 lakhs).

Note 15.2: Secured term loans from Banks carry rate of interest in the range of 7.30% to 12.25%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 9.40% to 12.75%p.a. The loans are having tenure of 3 to 10 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 10.07% to 10.09%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 6.50% to 11.89%.

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 2023 and 31 March 2022 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, 2023

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	375	5,086.11	83	8,076.29	458	13,162.40
Due 1 to 3 years	536	8,077.68	152	10,679.17	688	18,756.85
Due 3 to 5 years	358	6,284.18	108	4,650.59	466	10,934.77
Due above 5 years	123	1,989.98	90	4,130.33	213	6,120.31
Total	1392	21,437.95	433	27,536.38	1825	48,974.33

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

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Note 16: Other financial liabilities

Particulars	March 31, 2023	March 31, 2022
Interest accrued but not due on		
-Redeemable non-convertible debentures	48.47	109.52
-Term Loans		
-from banks	93.53	36.98
-from Non-Banking Financial Institutions	5.70	4.17
-from Financial institutions (ECB)	65.98	74.06
Loan pending disbursement	23.44	1,887.16
Payable towards collections in derecognised assets	383.59	341.61
Payable/refundable to borrowers	88.08	23.15
Employee benefits payable	650.77	604.02
Advance from borrowers	293.32	75.14
Payable to Insurance companies	320.72	313.21
Others liabilities	1.00	57.25
Total	1,974.60	3,526.27

Note 17: Provisions

Particulars	March 31, 2023	March 31, 2022
Provision for employee benefits		
-Leave encashment	50.77	32.18
-Gratuity	139.43	102.07
Provision for Other Expenses	180.15	111.85
ECL on undisbursed loan commitment	19.05	19.69
Total	389.40	265.79

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, 2023

Risk Categorisation	Stage 1	Stage 2	Stage 3	Total
Low Risk	4,887.92	13.65	13.19	4,914.76
Medium Risk	300.24	1.53	-	301.77
High Risk	44.40	0.13	3.58	48.11
Total	5,232.56	15.31	16.77	5,264.64

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	331.24	4.78	18.58	354.60
High Risk	32.97	3.71	-	36.68
Total	3,599.28	20.28	23.64	3,643.20

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, 2023

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2022	3,599.28	20.28	23.64	3,643.20
New assets originated or purchased	4,093.68	-	-	4,093.68
Assets derecognised or repaid (excluding write offs)	(2,459.36)	(2.70)	(10.18)	(2,472.24)
Transfers from Stage 1	(18.03)	7.16	10.87	-
Transfers from Stage 2	5.85	(9.43)	3.58	-
Transfers from Stage 3	11.14		(11.14)	-
Gross carrying amount as at March 31, 2023	5,232.56	15.31	16.77	5,264.64

As at March 31, 2022

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 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

Reconciliation of ECL balance amount as at March 31, 2023

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at April 1, 2022	9.93	1.49	8.28	19.70
ECL remeasurements due to changes in EAD/Credit Risk/Assumptions (Net)	(5.11)	(0.29)	4.77	(0.63)
Transfers from Stage 1	(0.16)	0.05	0.11	-
Transfers from Stage 2	0.72	(0.90)	0.18	-
Transfers from Stage 3	7.46		(7.46)	-
ECL allowance as at March 31, 2023	12.84	0.35	5.88	19.07

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Reconciliation of ECL balance amount as at March 31, 2022

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at April 1, 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

Note 18: Other non-financial liabilities

Particulars	March 31, 2023	March 31, 2022
Statutory dues payable	188.06	151.49
Total	188.06	151.49

Note 19: Equity Share Capital

Particulars	March 31, 2023	March 31, 2022
Authorized shares		
1,63,00,000 (March 31, 2022: 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, 2022: 16,041,882) equity shares of ₹ 10/- each	1,604.19	1,604.19
Total issued, subscribed and fully paid-up share capital	1,604.19	1,604.19

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

Equity shares

Particulars	March 31, 2023		March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	1,60,41,882	1,604.19	1,59,80,416	1598.04
Issued during the year	-	-	61,466	6.15
Outstanding at the end of the year	1,60,41,882	1,604.19	1,60,41,882	1,604.19

(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, 2023		March 31, 2022	
	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%	89,92,172	56.05%
Thyme Private Limited, Mauritius	31,40,927	19.58%	31,40,927	19.58%
Norwest Capital, LLC, USA	10,51,947	6.56%	10,51,947	6.56%
NHPEA Kabru Holding B.V., Netherlands	21,08,005	13.14%	21,08,005	13.14%

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

Promoter Name	March 31, 2023		March 31, 2022	
	Number of shares	% of share holding	Number of shares	% of share holding
Ashutosh Sharma	89,92,172	56.05%	89,92,172	56.05%

Note 20: Instruments entirely equity in nature

Particulars	March 31, 2023	March 31, 2022
Authorized shares		
3,45,63,000 (March 31, 2022: 3,45,63,000) 0.001% Compulsorily Convertible Preference shares (CCPS) of ₹ 20/- each	6,912.60	6,912.60
25,02,000 (March 31, 2022: 25,02,000) Optionally Convertible Non Cumulative Redeemable Preference shares (OCNCRPS) of ₹ 10/- each	250.20	250.20
Total authorized shares capital	7,162.80	7,162.80
Issued, subscribed and paid-up shares		
CCPS:		
Cumulative:		
26,36,204 0.001%, Participative CCPS of ₹ 20/- each-Series A	527.24	527.24
74,19,322 0.001%, Participative CCPS of ₹ 20/- each-Series B	1,483.86	1,483.86
Non-Cumulative:		
76,85,840 0.001%, Participative CCPS of ₹ 20/- each-Series C	1,537.17	1,537.17
92,70,567 0.001%, Participative CCPS of ₹ 20/- each-Series D	1,854.11	1,854.11
74,49,772 0.001%, Participative CCPS of ₹ 20/- each-Series E	1,489.95	1,489.95
OCNCRPS:		
24,89,068 (March 31, 2022: 24,89,068) OCNCRPS of ₹ 10/- each (partly paid up ₹ 1)	24.90	24.90
Total issued, subscribed and paid-up share capital	6,917.23	6,917.23

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(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, 2023		March 31, 2022	
	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	92,70,567	1,854.11
Issued during the year	-	-	-	-
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	74,49,772	1,489.95	-	-
Issued during the year	-	-	74,49,772	1,489.95
Outstanding at the end of the year	**74,49,772**	**1,489.95**	**74,49,772**	**1,489.95**

Optionally Convertible Non-cumulative Redeemable Preference shares (OCNCRPS)

	March 31, 2023		March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	24,89,068	24.90	13,00,516	13.01
Issued during the year	-	-	11,88,552	118.86
Less: ₹ 9 per share not called up	-	-	-	(106.97)
Outstanding at the end of the year	**24,89,068**	**24.90**	**24,89,068**	**24.90**

(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.

Agiwal & Associates
New Delhi
Chartered Accountants

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(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, 2023		March 31, 2022	
	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%
Lightrock 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%
CX Alternative Investment Fund	6,27,239	8.45%	6,27,239	8.45%
Ashutosh Sharma	3,86,279	5.21%	3,86,279	5.21%
Atma Ram Properties Private Limited	3,86,279	5.21%	3,86,279	5.21%
Norwest Capital, LLC	34,20,338	46.10%	34,20,338	46.10%
Series C-Compulsorily convertible preference shares				
Lightrock Global Fund	70,94,614	92.31%	70,94,614	92.31%
Norwest Capital, LLC	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%
Lightrock 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%	16,83,963	22.60%
Norwest Capital, LLC	57,65,809	77.40%	57,65,809	77.40%

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

Promoter Name	March 31, 2023		March 31, 2022	
	Number of shares	% of share holding	Number of shares	% of share holding
Ashutosh Sharma	3,86,279	5.21%	3,86,279.00	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, 2023		March 31, 2022	
	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%	21,44,285	86.15%
Sachin Grover	2,90,175	11.66%	2,90,175	11.66%

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

Promoter Name	March 31, 2023		March 31, 2022	
	Number of shares	% of share holding	Number of shares	% of share holding
Ashutosh Sharma	21,44,285	86.15%	21,44,285.00	86.15%

Note 21: Other equity

Particulars	March 31, 2023	March 31, 2022
Share premium		
Opening Balance	33,011.04	17,931.76
Add: Premium on issue of share capital	-	15,338.12
Less: Share issue expenses	-	(258.84)
Total (A)	33,011.04	33,011.04
Statutory reserve under Section 29C of NHB Act, 1987		
Opening Balance	773.49	400.30
Add: Transfer to statutory reserve	691.96	373.19
Total (B)	1,465.45	773.49
Share based payment reserve		
Opening Balance	458.16	355.23
Add: Charge for the year	179.82	102.93
Total (C)	637.98	458.16
Retained earnings (accumulated losses)		
Opening Balance	2474.12	982.63
Add: Profit for the year	3459.79	1865.93
Add: Other Comprehensive income for the year	(3.76)	(1.26)
Less: Transfer to statutory reserve	(691.96)	(373.19)
Total (D)	5,238.19	2,474.12
Other comprehensive income		
Opening Balance	(20.87)	(22.05)
Add: Other Comprehensive income for the year	(32.82)	1.18
Total (E)	(53.69)	(20.87)
Grand Total (A+B+C+D+E)	40,298.97	36,695.94

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 2023 and 31 March 2022, 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.

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Notes to the Financial Statements for the year ended March 31, 2023
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Note 22: Interest Income

Particulars	March 31, 2023	March 31, 2022
On financial assets measured at amortised cost		
Interest on term loans	13,367.55	9,078.94
Interest Income on deposits with banks	492.54	384.05
Total	**13,860.09**	**9,462.99**

Note 23: Fee and commission Income

Particulars	March 31, 2023	March 31, 2022
Commitment fee	422.24	210.47
Other fee Income	388.96	200.03
Commission Income	101.21	47.74
Total	**912.41**	**458.24**
Geographical markets		
In India	912.41	458.24
Outside India	-	-
Total revenue from contracts with customers	**912.41**	**458.24**
Timing of revenue recognition		
Services transferred at a point in time	912.41	458.24
Services transferred over time	-	-
Total revenue from contracts with customers	**912.41**	**458.24**

Note 24: Net gain on derecognition of financial instruments at amortised cost

Particulars	March 31, 2023	March 31, 2022
Net gain on derecognition of financial instruments	1014.79	539.48
Total	**1014.79**	**539.48**

Note 25: Net gain on fair value changes

Particulars	March 31, 2023	March 31, 2022
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	147.25	262.52
- On trading portfolio - investment in Bonds and Market Linked Debentures	10.28	-
	157.53	**262.52**
Total net gain on fair value changes on financial instruments measured at fair value through profit and loss		
Fair value changes:		
-Realised	131.39	406.92
-Unrealised	26.14	(144.40)
Total	**157.53**	**262.52**

Note 26: Other Income

Particulars	March 31, 2023	March 31, 2022
Advertisement income	150.00	155.04
Other income	33.54	27.81
Total	**183.54**	**182.85**

Note 27: Finance Cost

Particulars	March 31, 2023	March 31, 2022
On financial liabilities measured at Amortised Cost:		
Interest on borrowings		
-Redeemable non-convertible debentures	617.36	841.08
-Term Loans		
-from National Housing Bank	577.06	396.86
-from banks	1,951.31	1,099.55
-from Non-Banking Financial Institutions	156.25	400.97
-from Financial institutions	350.25	454.64
-Cash credit facilities with scheduled banks	96.55	70.26
-Working Capital Demand Loan with scheduled banks	3.22	1.01
Interest expenses on lease liability	38.71	47.68
Unwinding of Interest expense on servicing liability	5.98	8.54
Interest on Securitised pool	366.38	163.54
Other borrowing Cost	60.29	83.57
Total	**4,223.36**	**3,567.70**

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Note 28: Impairment on financial instruments

Particulars	March 31, 2023	March 31, 2022
On financial assets measured at amortised cost:		
Loan assets and EIS receivable	(54.00)	20.34
Loans written off and Loss on acquired asset	89.59	49.25
Loan commitment (refer note 17.1.2)	(0.64)	5.80
Total	34.95	75.39

Note 29: Employee benefits expenses

Particulars	March 31, 2023	March 31, 2022
Salaries and wages	4,739.18	3,192.02
Contribution to provident and other funds	177.06	110.86
Share based payments to employees	179.82	121.20
Staff welfare expenses	98.70	61.94
Total	5,194.76	3,486.02

Note 30: Other expenses

Particulars	March 31, 2023	March 31, 2022
Rent	72.48	42.75
Rates and taxes	21.23	4.06
Repairs and maintenance		
Computers	248.01	147.46
Others	152.00	100.59
Electricity & Water charges	25.06	29.38
Travelling and conveyance	279.25	129.92
Communication expenses	86.32	70.66
Printing and stationery	57.76	39.38
Manpower Cost	92.89	44.35
Advertising and sales promotion	92.71	45.43
Legal and professional fee	216.26	133.64
Customer Acquisition Cost	357.64	222.56
Directors' sitting fee	34.12	22.75
Auditor's remuneration (refer note A below)	7.70	11.74
Bank charges	37.44	17.92
Donations	29.79	16.11
Miscellaneous expenses	17.69	9.59
Total	1828.35	1088.29

A: Payment to auditors

Particulars	March 31, 2023	March 31, 2022
As auditor:		
Audit fee	3.50	5.00
Limited Review	1.00	4.25
Tax audit fee	0.50	1.00
In other capacity:		
Certification fee	2.70	1.40
Reimbursement of expenses	-	0.09
Total	7.70	11.74

Note 31: Income tax

The components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

Profit or loss section	March 31, 2023	March 31, 2022
Current income tax:		
Current income tax charge	860.11	487.54
Adjustment in respect of current income tax of previous year	17.92	(23.22)
Deferred tax:		
Relating to origination and reversal of temporary differences	176.20	94.17
Income tax expense reported in the statement of profit or loss	1054.23	558.49

Other Comprehensive Income section	March 31, 2023	March 31, 2022
Deferred tax:		
Relating to origination and reversal of temporary differences	12.30	0.03
Income tax expense reported in other comprehensive section	12.30	0.03

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(Amount in Rs. lakhs unless stated otherwise)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2023 and March 31, 2022

Particulars	March 31, 2023	March 31, 2022
Accounting profit before tax from continuing operations	4514.02	2424.41
Tax at Statutory Income Tax rate of @25.17% (Previous year 25.17%)	1136.09	610.18
Permanent differences	7.50	4.05
Impact of tax deduction u/s 36(1)(viii) of Income-tax Act 1961	(96.50)	(37.46)
Others (including rate change)	(10.78)	4.93
Tax at Effective Income Tax rate of@23.04% (Previous year 22.71%)	1,036.31	581.70
Tax on other comprehensive Income	12.30	0.03
Tax for earlier years	17.92	(23.22)
Total tax expense reported in statement of profit and loss	1066.53	558.51

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 liabilities	Income Statement	OCI
	March 31, 2023	March 31, 2023	March 31, 2023	2022-23	2022-23
EIS receivables	-	(430.01)	(430.01)	(162.58)	-
EIR- borrowings	-	(126.04)	(126.04)	(95.63)	-
Property, plant and equipment	-	(9.11)	(9.11)	(2.78)	-
Provision for employee benefits	47.87	-	47.87	14.08	1.26
Expected credit loss (ECL)	143.16	-	143.16	12.42	-
Unamortised processing fees on loans	346.31	-	346.31	110.81	-
Foreign exchange loss on derivative instrument	18.06	-	18.06	11.04	11.04
Unrealised gain on mutual fund	(6.58)	-	(6.58)	(42.92)	-
Employee stock compensation expenses	-	-	-	-	-
Other Adjustments	97.30	(88.91)	8.39	(20.62)	-
Gross deferred tax asset	646.12	(654.07)	(7.95)	(176.20)	12.30

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)	-
Total	565.40	(409.45)	155.95	(94.14)	0.02

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, 2023	March 31, 2022
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.)	5,05,03,587	4,67,99,239
Net profit for calculation of basic EPS	3,459.79	1,865.92
Basic earning per share (in Rs.)	6.85	3.99
Diluted		
Weighted average number of equity shares of computation of Diluted EPS (in Nos.)	5,22,45,635	4,82,96,949
Net profit for calculation of diluted EPS	3,459.79	1,865.92
Diluted earning per share (in Rs.)	6.62	3.86
Reconciliation of Weighted average number of shares outstanding		
Weighted average number of equity shares of computation of Basic EPS	5,05,03,587	4,67,99,239
Add: Dilutive potential equity shares	17,42,048	14,97,710
Weighted average number of equity shares of computation of Diluted EPS	5,22,45,635	4,82,96,949
Nominal/Face value of equity share (in Rs.)	10	10

Note 33: Retirement benefit plan

(A) Defined contribution plan

Particulars	March 31, 2023	March 31, 2022
Employer's contribution to Employee's Provident Fund *	157.78	111.26

* Provident fund is a defined contribution plan. The contribution towards provident fund has been deposited with Regional Provident fund Commissioner and is charged to Statement of Profit and Loss.

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(B) 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 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, 2023	March 31, 2022
Change in benefit obligations		
Present value of benefit obligations at the beginning of the year	102.07	70.34
Interest cost	5.65	3.81
Current service cost	37.08	26.71
Actuarial gain on Obligations due to change in demographic assumptions	-	-
Actuarial loss on Obligations due to change in financial assumptions	(9.59)	0.50
Actuarial Losses on Obligations-Due to Experience	14.61	1.18
Regular benefit payments directly by the sponsor	(10.39)	(0.47)
Liability at the end of the year	**139.43**	**102.07**

Amount recognized in the Balance Sheet

Particulars	March 31, 2023	March 31, 2022
Present value of benefit obligation at the end of the year	139.43	102.07
Net liability recognized in the Balance Sheet	**139.43**	**102.07**

Expenses recognized in the Statement of Profit and Loss

Particulars	March 31, 2023	March 31, 2022
Current service cost	37.08	26.71
Net Interest cost	5.65	3.81
Net liability recognized in the Balance Sheet	**42.73**	**30.52**

Expenses recognized in the Other comprehensive Income (OCI)

Particulars	March 31, 2023	March 31, 2022
Remeasurement loss/(gain) of defined benefit plan	5.02	1.68
Net loss/(Income) for the year recognized in OCI	**5.02**	**1.68**

The actuarial assumptions used to determine benefit obligations as at March 31, 2023, March 31, 2022 are as follows:

Particulars	March 31, 2023	March 31, 2022
Discount Rate	7.13%	5.83%
Salary escalation rate	8.50%	5% for the first year 8.5% thereafter
Employee Turnover rate	20.00%	20.00%

Balance Sheet reconciliation for defined benefit obligations

Particulars	March 31, 2023	March 31, 2022
Opening net liability	102.07	70.34
Expenses recognized in Statement of Profit and Loss	42.73	30.52
Expenses recognized in OCI	5.02	1.68
Benefits paid during the year	(10.39)	(0.47)
Net liability recognized in the Balance Sheet	**139.43**	**102.07**

Cash Flow Projection

Maturity analysis of the benefit payments

Particulars	March 31, 2023	March 31, 2022
Projected benefits payable in future years from the date of reporting		
1st following year	16.89	11.34
2 to 5 years	82.63	52.72
6 to 10 years	61.03	46.75
More than 10 years	52.01	34.60

Sensitivity analysis

Particulars	March 31, 2023	March 31, 2022
Projected benefit obligation on current assumptions		
Delta effect of +1% change in rate of discounting	(6.62)	(5.12)
Delta effect of -1% change in rate of discounting	7.27	5.64
Delta effect of +1% change in rate of salary increase	6.34	4.85
Delta effect of -1% change in rate of salary increase	(5.92)	(4.52)
Delta effect of +25% change in rate of employee turnover	(8.98)	(7.87)
Delta effect of -25% change in rate of employee turnover	10.89	10.22

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(Amount in Rs. lakhs unless stated otherwise)

(C) Other Retirement benefits

Compensated Absence

The company provides compensated absences benefits to the employees of the company which can be carried forward to future periods. Amount recognised in the Statement of Profit and Loss for compensated absences is as under-

Particulars	March 31, 2023	March 31, 2022
Amount Recognised in Balance Sheet		
-Leave Encashment	50.77	32.18

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.

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, 2022	Cash flows (net)	Others*	March 31, 2023
Debt securities	4,452.34	1,126.66	(42.99)	5,536.01
Borrowings other than debt securities	22,697.33	31,020.19	(340.14)	53,377.38
Total	**27,149.67**	**32,146.85**	**(383.13)**	**58,913.39**

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**

**Others column includes amortisation of transaction cost and hedge impact of borrowings*

Note 36: Contingent liabilities and commitments

Particulars	March 31, 2023	March 31, 2022
Undisbursed amount of loans sanctioned (refer note 17.1)	5,264.65	3,643.21

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
Lightrock Global Fund,Luxembourg
Norwest Capital LLC,USA

3. Key management personnel

Mr. Ashutosh Sharma	Managing Director
Mr. Sachin Grover	Whole Time Director
Mr. Inderjit Walia	Independent Director
Mrs. Geeta Mathur	Independent Director
Mr. Kartik Srivatsa	Non-Executive Nominee Director
Mr. Rajeev Yashwant Inamdar	Non-Executive 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, 2023	March 31, 2022
A. Remuneration to KMP:		
(a) Short term employee benefits	459.39	398.06
(b) Share based Payment	16.68	41.59
B. Issue of Shares (OCNCRPS)		
(a) Mr. Ashutosh Sharma	-	10.79
(b) Mr. Sachin Grover	-	0.91
C. Sitting fee		
(a) Mrs. Geeta Mathur	13.30	8.90
(b) Mr. Inderjit Walia	12.00	4.50
(c) Mr. Rajeev Yashwant Inamdar	6.00	7.47

Agiwal & Associates Chartered Accountants

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(Amount in Rs. lakhs unless stated otherwise)

2. Balances receivable/(payable) at year end

Particulars	March 31, 2023	March 31, 2022
Short Term employee benefits	-	14.08

Note: Short term employee benefits with remuerations to 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 2023 and 31st March 2022

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, 2023	March 31, 2022
Debts	58,913.39	27,149.67
Net worth	48,670.14	44,961.90
Debt to Net worth (in times)	**1.21**	**0.60**

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, 2023			March 31, 2022		
Assets	**Within 12 Months**	**After 12 Months**	**Total**	**Within 12 Months**	**After 12 Months**	**Total**
Financials assets						
Cash and cash equivalents	36.28	-	36.28	27.86	-	27.86
Bank Balance other than cash and cash equivalents	3,821.75	1,953.63	5,775.38	5,413.32	640.25	6,053.57
Derivative financial instruments	-	28.64	28.64	75.65	-	75.65
Loans	7,296.48	93,495.50	1,00,791.98	5,010.89	62,372.18	67,383.07
Investments	1,098.08	-	1,098.08	420.00	-	420.00
Other financials assets	614.31	1,215.56	1,829.87	1,043.14	782.30	1,825.44
Non-financials assets						
Current tax assets (net)	-	141.86	141.86	-	-	-
Deffered tax assets (net)	-	-	-	-	155.95	155.95
Property, plant and equipment	-	257.41	257.41	-	212.08	212.08
Intangible assets	-	107.71	107.71	-	99.51	99.51
Right to use assets	-	350.97	350.97	-	418.37	418.37
Intangible assets under Development	-	42.54	42.54			-
Other non-financial assets	275.84	30.58	306.42	159.73	25.85	185.58
Asset held for Sale	27.36	-	27.36	-	-	-
Total assets	**13,170.10**	**97,624.40**	**1,10,794.50**	**12,150.59**	**64,706.49**	**76,857.08**
Financials liabilities						
Trade Payables						
(i) total outstanding dues of micro enterprise and small enterprises	5.12	-	5.12	1.34	-	1.34
(ii) total outstanding dues of creditors other than micro enterprise and small enterprises	108.98	-	108.98	67.21	-	67.21
Debt securities	325.65	5,210.36	5,536.01	1,273.23	3,179.11	4,452.34
Borrowings (other than debt securities)	14,779.08	38,598.30	53,377.38	9,534.27	13,163.06	22,697.33
Lease liabilities	167.27	219.34	386.61	185.39	284.60	469.99
Other financials liabilities	1,974.60	-	1,974.60	3,526.27	-	3,526.27
Non-financial liabilities						
Deffered tax Liabilities (net)	-	7.95	7.95	-	-	-
Current tax liabilities (net)	-	-	-	7.96	-	7.96
Provisions	229.46	159.94	389.40	151.09	114.70	265.79
Other non-financial liabilities	188.06	-	188.06	151.49	-	151.49
Total liabilities	**17,778.22**	**44,195.89**	**61,974.11**	**14,898.25**	**16,741.47**	**31,639.72**
Net	**(4,608.12)**	**53,428.51**	**48,820.39**	**(2,747.66)**	**47,965.02**	**45,217.36**

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 and 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. 1,03,046.51 lakhs and Rs. 69,044.61 lakhs as of 31st March 2023 and 31st March 2022 respectively, being the total of the carrying amount of Loan assets and EIS receivable

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 sanction amount 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, 2023

LTV bucket	Stage 1	Stage 2	Stage 3	Total
<=40	35,038.23	530.05	136.23	35,704.51
40-60	40,226.04	691.70	146.10	41,063.84
60-70	13,293.48	165.58	81.13	13,540.19
70-80	9,534.90	108.23	33.58	9,676.71
>80	1,248.81	82.58	21.32	1,352.71
Total	**99,341.46**	**1,578.14**	**418.36**	**1,01,337.96**

Employment	Stage 1	Stage 2	Stage 3	Total
Salaried	27,225.95	370.41	77.32	27,673.68
Self Employed	72,115.51	1,207.73	341.04	73,664.28
Total	**99,341.46**	**1,578.14**	**418.36**	**1,01,337.96**

Geographical Concentration	Stage 1	Stage 2	Stage 3	Total
Rajasthan	52,439.59	903.41	232.14	53,575.14
Haryana	20,861.83	250.62	53.38	21,165.83
Delhi	8,930.85	204.04	52.47	9,187.36
Chandigarh	7,269.13	70.99	25.74	7,365.86
Uttar Pradesh	3,962.48	149.08	48.15	4,159.71
Uttarakhand	3,510.06	-	6.48	3,516.54
Punjab	2,367.52	-	-	2,367.52
Total	**99,341.46**	**1,578.14**	**418.36**	**1,01,337.96**

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**

Employment	Stage 1	Stage 2	Stage 3	Total
Salaried	18,713.74	417.74	91.80	19,223.28
Self Employed	46,770.45	1,516.56	471.73	48,758.74
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**

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Notes to the Financial Statements for the year ended March 31, 2023
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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, 2023

Particulars	Up to 1 year	1-3 years	3-5 years	5 years and above	Total
Lease liabilities	167.27	178.03	41.31	-	386.61
Borrowings (including debt securities)	19,058.60	24,344.31	19,046.49	6,861.73	69,311.13
Trade payables	114.10	-	-	-	114.10
Other financials liabilities	1,974.60	-	-	-	1,974.60
Total	21,314.57	24,522.34	19,087.80	6,861.73	71,786.44

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

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, 2023		Year ended March 31, 2022	
	Basis point	Effect on profit before tax	Basis point	Effect on profit before tax
Increase in basis points	50	231.15	50	145.53
Decrease in basis points	-50	(231.15)	-50	(145.53)

(b) Borrowings (Other than debt securities) (at floating rate)

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Basis point	Effect on profit before tax	Basis point	Effect on profit before tax
Increase in basis points	50	(213.20)	50	(77.71)
Decrease in basis points	-50	213.20	-50	77.71

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, 2023		Year ended March 31, 2022	
	Basis point	Effect on profit before tax	Basis point	Effect on profit before tax
Increase in basis points	50	5.49	50	2.10
Decrease in basis points	-50	(5.49)	-50	(2.10)

Note 41: Corporate social responsibility

Particulars	March 31, 2023	March 31, 2022
(a) Gross amount required to be spent by the Company for respective financial year	29.77	15.73
(b) Total amount of expenditure incurred during the year:	29.79	16.11
i) construction/acquisition of any asset	-	-
ii) on purposes other than (i) above	29.79	16.11
(c) Shortfall at the end of the year	-	-
(d) Total amount of previous years shortfall	-	-
(e) Reason for shortfall	NA	NA
The Company undertakes the following activities in the nature of Corporate social responsibility (CSR):		
1. Promoting health care	5.00	9.86
2. Promoting education, for the Girl Child through Community-Based Learning Centres	15.52	6.25
3. Financial literacy & business training program for women kirana entrepreneurs in Jaipur	5.00	-
4. Promoting sports, nationally recognized sports & olympic sports	3.27	-
5. Welfare project for disadvantaged children and women living in the rehabilitation communities	1.00	-

Note: There have been no related party transactions during the year ended 31 March 2023 and 31 March 2022 in respect of CSR activities.

AGIWAL & ASSOCIATES New Delhi Chartered Accountants

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Note 42: Expenditure in foreign currency

Particulars	March 31, 2023	March 31, 2022
Interest payments*	-	-
Legal and professional charges	77.64	-
Total	**77.64**	**-**

* *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 formulated 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, 2023, 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	7,76,675	3,09,492	42,329	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	4 Years
5. Exercise price per option	10	28.50	28.50	28.50	28.50	28.50	28.50
6. Fair value of options	33.94-43.42	22.77-31.30	31.3	47.67 - 49.42	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	4 Years	4 Years	4 Years	4 Years	4 Years	4 Years	4 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	93.10-97.75	93.10-97.75	93.10-97.75	93.10-97.75	93.10-97.75	93.10-97.75
7. Stock price on the date of grant	116.34	176.6	176.6	176.6	176.6	176.6	176.6

Particulars	ESOP 2017 XVI	ESOP 2017 XVII	ESOP 2017 XVIII	ESOP 2017 XIX	ESOP 2017 XX	ESOP 2017 XXI	ESOP 2017 XXII
1. Date of grant	09-04-2022	25-05-2022	01-08-2022	15-09-2022	21-09-2022	01-12-2022	01-01-2023
2. Number of Options granted	25,000	1,03,000	3,000	5,000	30,000	5,000	7,000
3. Method of settlement	Shares	Shares	Shares	Shares	Shares	Shares	Shares
4. Total vesting period	4 Years	4 Years	4 Years	4 Years	4 Years	4 Years	4 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	203.5-205.4	204.2-206	204.4 -206.1	204.5-206.1	204.5-206.2	204.5-206.2	204.6-206.3
7. Stock price on the date of grant	227.9	227.9	227.9	227.9	227.9	227.9	227.9

Particulars	ESOP 2017 XXIII	ESOP 2017 XXIV	ESOP 2017 XXV
1. Date of grant	21-01-2023	01-02-2023	27-03-2023
2. Number of Options granted	85,000	3,500	60,000
3. Method of settlement	Shares	Shares	Shares
4. Total vesting period	4 Years	4 Years	4 Years
5. Exercise price per option	28.50	28.50	28.50
6. Fair value of options	204.6-206.2	204.6-206.3	204.7 -206.3
7. Stock price on the date of grant	227.9	227.9	227.9

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, 2023	March 31, 2022
Expense arising from equity-settled share-based payment transactions	179.82	121.20
Total	**179.82**	**121.20**

(iii) Reconciliation of options

As at March 31, 2023

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, 2022	7,69,714	2,53,322	27,664	28,267	23,477	50,992	1,48,574
2. Granted during the year	-	-	-	-	-	-	-
3. Forfeited during the year	-	-	750	1,375	-	10,500	17,500
4. Exercised during the year	-	-	-	-	-	-	-
5. Expired during the year	-	-	-	-	-	-	-
6. Outstanding at March 31, 2023	7,69,714	2,53,322	26,914	26,892	23,477	40,492	1,31,074
7. Exercisable at March 31, 2023	7,69,714	2,53,322	18,840	12,101	10,565	12,148	26,215

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, 2022	10,000	3,000	20,000	3,000	17,500	2,500	15,000
2. Granted during the year	-	-	-	-	-	-	-
3. Forfeited during the year	-	-	15,000	-	-	-	-
4. Exercised during the year	-	-	-	-	-	-	-
5. Expired during the year	-	-	-	-	-	-	-
6. Outstanding at March 31, 2023	10,000	3,000	5,000	3,000	17,500	2,500	15,000
7. Exercisable at March 31, 2023	2,000	600	1,000	600	3,500	500	3,000

Particulars	ESOP 2017 XVI	ESOP 2017 XVII	ESOP 2017 XVIII	ESOP 2017 XIX	ESOP 2017 XX	ESOP 2017 XXI	ESOP 2017 XXII
1. Options outstanding at April 1, 2022	-	-	-	-	-	-	-
2. Granted during the year	25,000	1,03,000	3,000	5,000	30,000	5,000	7,000
3. Forfeited during the year	-	17,500	-	-	-	-	-
4. Exercised during the year	-	-	-	-	-	-	-
5. Expired during the year	-	-	-	-	-	-	-
6. Outstanding at March 31, 2023	25,000	85,500	3,000	5,000	30,000	5,000	7,000
7. Exercisable at March 31, 2023	-	-	-	-	-	-	-

(Amount in Rs. lakhs unless stated otherwise)

Particulars	ESOP 2017 XXIII	ESOP 2017 XXIV	ESOP 2017 XXV
1. Options outstanding at April 1, 2022	-	-	-
2. Granted during the year	85,000	3,500	60,000
3. Forfeited during the year	-	-	-
4. Exercised during the year	-	-	-
5. Expired during the year	-	-	-
6. Outstanding at March 31, 2023	85,000	3,500	60,000
7. Exercisable at March 31, 2023	-	-	-

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	7,76,675	2,94,492	36,485	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	41,170	4,321	2,233	1,523	508	-
5. Expired during the year	-	-	-	-	-	-	-
6. Outstanding at March 31, 2022	7,69,714	2,53,322	27,664	28,267	23,477	50,992	1,48,574
7. Exercisable at March 31, 2022	5,38,800	1,77,325	12,449	8,480	7,043	7,649	-

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	-	-	-	-	-	-	-

1. Weighted average remaining contractual life for the share options outstanding as at March 31, 2023 was 6.73 (Previous year 6.02).
2. Weighted average fair value of options granted during the year was Rs. 204.81 (Previous year Rs. 95.67)
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)

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

Particulars	ESOP 2017 XVI	ESOP 2017 XVII	ESOP 2017 XVIII	ESOP 2017 XIX	ESOP 2017 XX	ESOP 2017 XXI	ESOP 2017 XXII
Date of grant	09-04-2022	25-05-2022	01-08-2022	15-09-2022	21-09-2022	01-12-2022	01-01-2023
Fair Market value of options on Grant Date (Rs.)	203.5-205.4	204.2-206	204.4 -206.1	204.5-206.1	204.5-206.2	204.5-206.2	204.6-206.3
Expected volatility (%)	30%	30%	30%	30%	30%	30%	30%
Risk free interest rate (%)	5.2% to 5.90%	6.21% to 6.62%	6.39% to 6.69%	6.53% to 6.71%	6.62% to 6.83%	6.58% to 6.78%	6.75% to 6.93%
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 XXIII	ESOP 2017 XXIV	ESOP 2017 XXV
Date of grant	21-01-2023	01-02-2023	27-03-2023
Fair Market value of options on Grant Date (Rs.)	204.6-206.2	204.6-206.3	204.7 -206.3
Expected volatility (%)	30%	30%	30%
Risk free interest rate (%)	6.69% to 6.86%	6.75% to 6.90%	6.89% to 6.91%
Dividend yield (%)	NIL	NIL	NIL
Expected maturity from the date of vesting	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 companies most of the borrowings are at floating rate which approximates the fair value.

Debt securities 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.

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Notes to the Financial Statements for the year ended March 31, 2023
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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, 2023	March 31, 2022
Carrying amount of securitized assets measured at amortised cost	4,430.97	1,494.99
Carrying amount of associated liabilities	3,379.59	1,132.69

The carrying amount of above assets and liabilities is a reasonable approximation of fair value.

Assignment Deal:

During the year ended March 31, 2023, 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, 2023	March 31, 2022
Carrying amount of derecognised financial assets	6,551.70	3,162.35
Gain from derecognition	1,014.79	539.48

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, 2023	March 31, 2022
Opening net carrying balance	418.37	334.66
Additions*	187.03	275.75
Deletions	39.85	21.41
Depreciation	214.58	170.63
Closing net carrying balance	**350.97**	**418.37**

**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, 2023	March 31, 2022
Opening Balance	469.99	384.58
Additions	183.74	268.48
Deletions	47.18	26.58
Accretion of interest	46.04	52.84
Payments	265.98	209.33
Closing Balance	**386.61**	**469.99**

Particulars	March 31, 2023	March 31, 2022
Depreciation expense		
Depreciation on right of use assets	214.58	170.63
Other expenses		
Short-term lease rent expense	72.48	42.75

Note 47: 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 48: Details of Benami Property held

The Company does 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 2023 and 31 March 2022.

Note 49: Borrowings from banks or financial Institutions on the basis of security of current assets

The Company does not borrow from banks and financial institutions on the basis of security of current assets during the year ended 31 March 2023 and 31 March 2022.

Note 50: 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 2023 and 31 March 2022.

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Note 51: 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 2023 and 31 March 2022.

Note 52: Analytical Ratios

Particulars	March 31, 2023	March 31, 2022	% Variance	Reasons for Variance (if above 25%)
i) CRAR (%)	74.09%	99.86%	-25.77%	Impressive Increase of AUM during the year
ii) CRAR - Tier I Capital	74.09%	99.79%	-25.70%	
iii) CRAR - Tier II Capital	0.00%	0.07%	-0.07%	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 2023 and 31 March 2022.

Note 53: Registration of charges or satisfaction with Registrar of Companies (ROC)
The Company does not have any pending registration of charges or satisfaction with Registrar of Companies (ROC) for the year ended 31 March 2023 and 31 March 2022.

Note 54: 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 55: 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 2023 and 31 March 2022.

Note 56: 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 2023 and 31 March 2022, 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 2023 and 31 March 2022.

Note 57: 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 58: 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 2023 and 31 March 2022

Note 59: Title deeds of Immovable Properties not held in name of the Company
The Company do not own any immovable property as on 31 March 2023 and 31 March 2022. All the lease agreements are duly executed in favour of the Company for building and office premises where the Company is the lessee.

Note 60: Security 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 61: Previous year figures regrouping
Previous year figures have been regrouped/reclassified wherever applicable.

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Notes to financial statements for the year ended March 31, 2023

Note 62 : 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) and Disclosure as required by Notification No. RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022 by the Reserve Bank of India and as applicable to the Company.

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, 2023	March 31, 2022
i) CRAR (%)	74.09%	99.86%
ii) CRAR - Tier I Capital	74.09%	99.79%
iii) CRAR - Tier II Capital	0.00%	0.07%
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, 2023	March 31, 2022
Balance at the beginning 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
Addition /Appropriation / Withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of the NHB Act, 1987	3.09	2.24
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	3.83	1.49
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	8.60	5.51
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	6.06	2.23
c) Total	14.66	7.74

4: Investments: (Rs. in Crores)

Particular	March 31, 2023	March 31, 2022
Value of Investments		
i) Gross Value of Investments		
(a) In India	10.98	4.20
(a) Outside India	-	-
ii) Provisions for Depreciation		
(a) In India	-	-
(a) Outside India	-	-
iii) Net Value of Investments		
(a) In India	10.98	4.20
(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, 2023	March 31, 2022
(i) The notional principal of swap agreements	13.80	12.61
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	0.29	0.76
(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	14.09	13.37

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 2022
Termination Date	04th April 2025
Notional Amount (USD)	USD 18,00,000
Notional Amount (INR)	INR 13,79,52,000
Bullet/Amortisation	Bullet
Interest Calculation Periods	6 Months
Fixed Rate	9.78% on Outstanding INR Notional (Exclusive of withholding tax)

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(ii). Exchange Traded Interest Rate(IR) Derivative (Rs. in Crores)

Particulars	March 31, 2023	March 31, 2022
(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 (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)	13.80	-
(ii) Marked to Market Positions		
(a) Assets (+)	0.29	-
(b) Liability (-)	-	-
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures	-	-

6: (a) Securitisation: (Rs. in Crores)

Particulars	March 31, 2023	March 31, 2022
Number of Special Purpose (SPV) sponsored for Securitisations transactions	2	1
Total amount of Outstanding securitised assets as per books	44.31	14.95
Total amount of exposures retained by Company to comply towards Minimum Retention Ration (MRR) as on date of balance sheet		
I) Off-balance sheet exposures towards Credit Enhancement		
- First Loss	-	-
- Others	-	-
ii) On-balance sheet exposures towards Credit Enhancement		
- First Loss	11.56	4.18
- Others	5.70	1.41
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, 2023	March 31, 2022
(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, 2023	March 31, 2022
(i) No. of Accounts	1,163	567
(ii) Aggregate value (net of provisions) of accounts assigned	65.52	31.62
(iii) Aggregate Consideration	65.52	31.62
(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, 2023	March 31, 2022
(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, 2023	March 31, 2022
(i) No. of accounts sold	-	-
(ii) Aggregate outstanding	-	-
(iii) Aggregate consideration received	-	-

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Notes to financial statements for the year ended March 31, 2023

7: Asset Liability Management (Maturity pattern of certain assets and liabilities as at March 31, 2023

(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	15.36	0.49	2.65	5.88	7.61	50.74	49.43	167.53	111.55	74.92	**486.16**
Market borrowings*	0.27	-	3.85	0.81	0.81	6.54	6.61	10.50	54.64	4.18	**88.21**
Foreign currency liabilities (ECB)	-	-	-	-	-	-	(0.01)	14.78	-	-	**14.77**
Assets										-	
Advances**	30.49	2.33	2.33	22.79	22.26	63.70	114.60	325.42	185.28	242.69	**1,011.89**
Investments	4.94	-	-	2.41	3.63	-	-	-	-	-	**10.98**
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, 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	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

8: Exposure

(a) Exposure to Real Estate Sector:

(Rs. in Crores)

Category	**March 31, 2023**	**March 31, 2022**
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. Exposure would also include non-fund based (NFB) limited	1,017.10	675.11
(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	48.93	41.14
(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, 2023**	**March 31, 2022**
(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)	-	-
(ix) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds.	-	-
(x) Financing to stockbrokers for margin trading	-	-
(xi) All exposures to Alternative Investment Funds: (i) Category I (ii) Category II (iii) Category III	-	-
Total Exposure to Capital Market	-	-

8(c) Sectoral Exposure:

(Rs. in Crores)

Sectors	As at March 31, 2023			As at March 31, 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentag of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentag of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	-	-	-	-	-	-
2. Industry	-	-	-	-	-	-
3. Services	-	-	-	-	-	-
4. Personal Loans						
i. Housing Loans (Including Priority Sector Housing)	675.50	1.68	0.25%	432.19	2.62	0.61%
ii. Non- Housing Loans	390.52	2.67	0.68%	284.07	3.26	1.15%
Total of Personal loans (i + ii)	**1,066.02**	**4.35**	**0.41%**	**716.26**	**5.88**	**0.82%**

8(d). Details of financing of Parent Company products: These details are not applicable as the Company is not a subsidiary of any company.

8(e). 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 2023 and 31st March 2022.

8(f). Unsecured Advances: As on 31st March 2023 and 31st March 2022, the Company has not given any unsecured advances for which Intangibles securities has been taken.

8(g). 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 2023 and 31st March 2022:

(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 and Policy

Details of all material transactions with related parties are disclosed in Note 37 to the Financial Statements. Related party policy is available in directors report and also on company website.

12: Group Structure: Diagrammatic representation of group structure

The Company does not have any subsidiary/joint venture/associates as on 31st March 2023 and 31st March 2022, hence this disclosure requirement is not applicable to us.

13: Ratings assigned by Credit Rating Agencies

Particulars	March 31, 2023	March 31, 2022
Non-convertible debentures (Secured)	CARE A-; (A Minus)	CARE BBB+; [Triple B Plus]
Term loans from banks/NBFC (Secured)	CARE A-; (A Minus)	CARE BBB+; [Triple B Plus]
Term loans from banks/NBFC (Secured)	ACUITE A-; (A Minus)	ACUITE A-; (A Minus)
Non-convertible debentures (Secured)	ACUITE A-; (A Minus)	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 2023 and 31st March 2022, 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, 2023	March 31, 2022
(i) Provisions for depreciation on investment	-	-
(ii) Provisions for Income Tax	8.78	4.64
(iii) Provisions for Deferred tax	1.76	0.94
(iv) Provisions for NPA	(0.52)	0.78
(v) Provisions for standard assets	(0.02)	(0.58)
(vi) Other Provisions and Contingencies	-	-
- Employee benefits related provisions	6.42	3.82
- ECL on undrawn commitment	(0.01)	0.06

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Ummeed Housing Finance Private Limited

Ummeed Housing Finance Private Limited
Notes to financial statements for the year ended March 31, 2023
Break up of Loan & Advances and Provisions thereon

(Rs. in Crores)

Particulars	Housing		Non-Housing	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Standard Assets				
a) Total Outstanding Amount	626.30	396.47	382.90	277.72
b) Provisions made	1.85	1.86	2.13	2.13
Sub-Standard Assets				
a) Total Outstanding Amount	1.09	1.75	1.53	2.18
b) Provisions made	0.39	0.62	0.55	0.78
Doubtful Assets – Category-I				
a) Total Outstanding Amount	0.39	0.59	0.90	0.84
b) Provisions made	0.14	0.21	0.32	0.30
Doubtful Assets – Category-II				
a) Total Outstanding Amount	0.16	0.23	0.12	0.04
b) Provisions made	0.06	0.08	0.04	0.01
Loss Assets				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Total				
a) Total Outstanding Amount	627.94	399.04	385.45	280.78
b) Provisions made	2.44	2.77	3.04	3.22

18: Draw Down from Reserves: During the financial year 2022-23 and 2021-22, there were no draw down from Reserves.

19(a): Concentration of Public Deposits, Advances, Exposures and NPAs

(Rs. in Crores)

Particulars	March 31, 2023	March 31, 2022
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*	14.17	14.11
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	1.40%	2.07%
Concentration of Exposures (including off- balance sheet exposure)		
Total Exposure to twenty largest borrowers/customers*	16.21	14.36
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	1.52%	2.00%
Concentration of NPAs		
Total Exposure to ten NPA Accounts*	1.45	2.09

**Gross of Impairment loss allowance*

19(b):Sector-wise NPA

Sector	% of NPAs to total Advances in that sector	
	March 31, 2023	March 31, 2022
A. Housing Loans :		
1. Individuals	0.26%	0.65%
2. Builders/Project Loans	-	-
3. Corporates	-	-
4. Others (specify)	-	-
B. Non-Housing Loans :		
1. Individuals	0.66%	1.09%
2. Builders/Project Loans	-	-
3. Corporates	-	-
4. Others (specify)	-	-

20:Movement of NPAs

(Rs. in Crores)

Particulars	March 31, 2023	March 31, 2022
(i) Net NPAs to Net Advances (%)	0.27%	0.54%
(ii) Movement of NPAs (Gross)		
a) Opening balance	5.64	3.42
b) Additions during the year	3.24	4.21
c) Reductions during the year	4.70	1.99
d) Closing balance	**4.18**	**5.64**
(iii) Movement of Net NPAs		
a) Opening balance	3.64	2.20
b) Additions during the year	2.55	2.68
c) Reductions during the year	3.49	1.24
d) Closing balance	**2.70**	**3.64**
(iii) Movement of provisions for NPAs (excluding provisions on standards assets)		
a) Opening balance	2.00	1.22
b) Provisions made during the year	0.69	1.53
c) Write-off/write back of excess provisions	1.21	0.75
d) Closing balance	**1.48**	**2.00**

21: Overseas Assets

(Rs. in Crores)

Particulars	March 31, 2023	March 31, 2022
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 2023 and 31st March 2022

Ummeed Housing Finance Private Limited

Ummeed Housing Finance Private Limited
Notes to financial statements for the year ended March 31, 2023
23: Customer Complaints

a) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Particulars	March 31, 2023	March 31, 2022
1. Number of complaints pending at beginning of the year	5	-
2. Number of complaints received during the year	556	270
3. Number of complaints disposed during the year	(552)	(265)
3.1 Of which, number of complaints rejected by the NBFC	-	-
4. Number of complaints pending at the end of the year	9	5
Maintainable complaints received by the NBFC from Office of Ombudsman		
5. Number of maintainable complaints received by the NBFC from Office of Ombudsman*	NA	NA
5.1 Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	NA	NA
5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	NA	NA
5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	NA	NA
6. Number of Awards unimplemented within the stipulated time (other than those appealed)*	NA	NA

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

* The Reserve Bank - Integrated Ombudsman Scheme, 2021 is not applicable to the Company.

b) Top five grounds of complaints received by the NBFCs from customers

March 31, 2023

Grounds of complaints (i.e. complaints relating to)	Number of complaint pending at the beginning of the year	Number of complaints received during the year	% Increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
a. Document related (Account statement, outstanding letter, tax certificate, etc)	-	14	133.33%	-	-
b. Disbursement Related	2	458	143.62%	6	-
c. Legal Notice Related	-	11	10.00%	3	-
d. Refund Related	1	11	10.00%	-	-
e. PMAY Subsidy related	1	4	-66.67%	-	-
f. Others *	1	58	31.82%	-	-
Total	5	556	105.93%	9	-

** Others shows remaining complaints which is not cover above.*

March 31, 2022

Grounds of complaints (i.e. complaints relating to)	Number of complaint pending at the beginning of the year	Number of complaints received during the year	% Increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
a. Document related (Account statement, outstanding letter, tax certificate, etc)	-	6	0.00%	-	-
b. Disbursement Related	-	188	69.37%	2	-
c. Legal Notice Related	-	10	42.86%	-	-
d. Refund Related	-	10	66.67%	1	-
e. PMAY Subsidy related	-	12	20.00%	1	
f. Others *	-	44	15.79%	1	-
Total	-	270	56.98%	5	-

** Others shows remaining complaints which is not cover above.*

24: The Company has not given any Gold loan/loan against deposition of gold during the year ended 31 March 2023 and 31 March 2022

25: There were no instances of fraud reported during the year ended 31 March 2023 and 31 March 2022

26. Intra Group Exposure: These details are not applicable as the Company is single owned company.

27. Unhedged foreign currency exposure: There is no unhedged foreign currency transactions during the year ended 31 March 2023 and 31 March 2022. Refer note 7 for Companies policy to manage currency induced risk.

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Ummeed Housing Finance Private Limited

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Notes to financial statements for the year ended March 31, 2023
28. Related Party Disclosure

March 31, 2023 (Rs. in Crores)

Nature of transaction	Holding Company	Subsidiary	Associate / Joint Ventures	Directors	Key Managerial Personnel (KMP)	Relative of KMP	Others	Total	Maximum outstanding during the year
Borrowings	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	NA
Sale of fixed/other assets	-	-	-	-	-	-	-	-	NA
Interest Paid	-	-	-	-	-	-	-	-	NA
Interest Received	-	-	-	-	-	-	-	-	NA
Services Provided	-	-	-	-	-	-	-	-	NA
Services received	-	-	-	-	-	-	-	-	NA
Short term employee benefits	-	-	-	-	4.59	-	-	4.59	NA
Share based Payment	-	-	-	-	0.17	-	-	0.17	NA
Sitting fee	-	-	-	0.31	-	-	-	0.31	NA

March 31, 2022 (Rs. in Crores)

Nature of transaction	Holding Company	Subsidiary	Associate / Joint Ventures	Directors	Key Managerial Personnel (KMP)	Relative of KMP	Others	Total	Maximum outstanding during the year
Borrowings	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	NA
Sale of fixed/other assets	-	-	-	-	-	-	-	-	NA
Interest Paid	-	-	-	-	-	-	-	-	NA
Interest Received	-	-	-	-	-	-	-	-	NA
Services Provided	-	-	-	-	-	-	-	-	NA
Services received	-	-	-	-	-	-	-	-	NA
Short term employee benefits	-	-	-	-	3.98	-	-	3.98	NA
Share based Payment	-	-	-	-	0.42	-	-	0.42	NA
Sitting fee	-	-	-	0.21	-	-	-	0.21	NA
Issue of Shares (OCNCRPS)	-	-	-	-	0.12	-	-	0.12	NA

29: There is no breach of covenant of loan availed or debt securities issued during the year ended 31 March 2023 and 31 March 2022.

30: There has been no divergence in asset classification and provisioning requirements as assessed by NHB during the year ended 31 March 2023 and 31 March 2022.

31) Loans to Directors, Senior Officers and relatives of Directors (Rs. in Crores)

Particulars	March 31, 2023	March 31, 2022
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	-	-

32: 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, 2023	
Liabilities	**Amount outstanding**	**Amount overdue**
(1) Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:		
(a) Debentures: Secured	55.84	-
Unsecured	-	-
(other than falling within the meaning of public deposits)		
(b) Deferred Credits	-	-
(c) Term Loans	487.97	-
(d) Inter-corporate loans and borrowings	-	-
(e) Commercial Paper	-	-
(f) Public Deposits	-	-
(g) Other loans		
-Cash credit facilities with scheduled banks	14.63	-
-Working Capital Demand Loan with scheduled banks	-	-
-Securitized Borrowings from Banks and Financial Institutions	32.83	-
(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	1,013.38
(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	6.05
(iii) Units of mutual Bonds	4.94
(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	1,007.92	-	1,007.92
Total	**1,007.92**	**-**	**1,007.92**

(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	10.98	10.98
Total	**10.98**	**10.98**

(8) Other information

Particulars	Amount
(i) Gross Non-performing Assets	
(a) Related parties	-
(b) Other than related parties	4.18
(ii) Net Non-performing Assets	
(a) Related parties	-
(b) Other than related parties	2.70
(ii) Assets acquired in satisfaction of debt	-

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Notes to financial statements for the year ended March 31, 2023

33: 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, 2023 (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	993.41	2.98	990.43	2.99	(0.01)
	Stage 2	15.78	0.99	14.79	0.60	0.39
Subtotal		1009.19	3.97	1005.22	3.59	0.38
Non-Performing Assets (NPA)						
Substandard	Stage 3	2.62	0.93	1.69	0.39	0.54
Doubtful - up to 1 year	Stage 3	1.29	0.46	0.83	0.31	0.15
1 to 3 year	Stage 3	0.28	0.10	0.18	0.11	(0.01)
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		1.57	0.56	1.01	0.42	0.14
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	69.94	0.17	69.77	-	0.17
	Stage 2	0.15	0.00	0.15	-	0.00
	Stage 3	0.17	0.06	0.11	-	0.06
Subtotal		70.26	0.23	70.03	-	0.23
Total	**Stage 1**	1063.35	3.15	1060.20	2.99	0.16
	Stage 2	15.93	0.99	14.94	0.60	0.39
	Stage 3	4.36	1.55	2.81	0.81	0.74
	Total	1083.64	5.69	1077.95	4.40	1.29

34: Disclosure on Principal Business Criteria

Particulars	March 31, 2023	March 31, 2022
(1) Housing loans as per regulatory criteria	627.93	399.05
(2) Total Assets (Net off by intangibles assets)	1,108.43	767.85
(3) Minimum percentage of total assets towards housing finance	56.65%	51.97%
(4) Minimum percentage of total assets towards housing finance for individuals	56.65%	51.97%

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.

35: 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 **	5.89	-	0.03	0.17	5.69
Corporate persons*					
of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**5.89**	**-**	**0.03**	**0.17**	**5.69**

** As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016.*

*** Includes restructuring implemented pursuant to OTR 2.0 till 31 December 2021 for Housing loans, Loan against Property, business loans and small business loans.*

****Represents debt that slipped into stage 3 and was subsequently written off during the half year ended 31 March 2023*

*****Represents receipts net of interest accruals and other adjustments*

36: 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 transferred	1,163
Amount of loan account transferred	65.52
Retention of beneficial economic interest (MRR)	10%
Weighted Average residual tenure of the loans transferred	75.85 Months
Weighted Average holding period	16.77 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 2023

c) The company has not transferred/acquired any stressed loan during the year ended 31st March 2023

37: 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, 2023
i) Number of Significant Counterparties	23
ii) Amount(in Rs. crore)	564.22
iii) Percentage of funding concentration to total deposits	NA
iv) Percentage of funding concentration to total liabilities	91.04%

(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, 2023
i) Total amount of top 10 borrowings	403.92
ii) Percentage of amount of top 10 borrowings to total borrowings	68.56%

(iv) Funding Concentration based on significant Instrument/product (Rs. in Crores)

Particulars	March 31, 2023	Percentage of total liabilities*
i) Non-convertible debentures	55.36	8.93%
ii) Term Loans from NHB	122.79	19.81%
iii) Term Loans from banks	315.91	50.97%
iv) Term Loans from Non-Banking Financial Institutions	20.65	3.33%
v) Term Loans from Financial Institutions	26.96	4.35%
vi) Cash credit facilities with scheduled banks	14.63	2.36%
vii) Working Capital Demand Loan with scheduled banks	-	0.00%
viii) Securitized Borrowings from Banks and NBFC	32.83	5.30%

*Total liabilities are excluding Equity share capital and Other equity.

(v) Stock ratio

Particulars	March 31, 2023
(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*	28.69%
(ix) Other short term liabilities as a percentage of total assets	16.05%

*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.

Agiwal & Associates, New Delhi, Chartered Accountants

Ummeed Housing Finance Private Limited

38: Disclosure pursuant to RBI circular RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 dated September 24, 2021 by the Reserve Bank of India and as applicable to the Company.

Particulars	March 31, 2023	March 31, 2022
1) No of SPEs holding assets for securitisation transactions originated by the originator	2	1
2) Total amount of Outstanding securitised assets as per books	44.31	14.95
3) Total amount of exposures retained by Company to comply towards Minimum Retention Ration (MRR) as on date of balance sheet		
i) Off-balance sheet exposures		
- First Loss	-	-
- Others	-	-
ii) On-balance sheet exposures		
- First Loss	11.56	4.18
- Others	5.70	1.41
4) Amount of exposures to securitizations transactions other than MRR		
i) Off-balance sheet exposures		
a) Exposure to own securitisations	-	-
- First Loss		
- Others		
b) Exposure to third party securitisations	-	-
- First Loss		
- Others		
ii) On-balance sheet exposures		
a) Exposure to own securitisations	-	-
- First Loss		
- Others		
b) Exposure to third party securitisations	-	-
- First Loss		
- Others		
5(a) Sale consideration received for the securitised assets	57.80	19.24
5(b) Gain/loss on sale on account of securitisation	-	-
6) Form and quantum of services provided by way of, liquidity support, post-securitisation asset servicing, etc	-	-
7) Performance of facility provided		
- Cash Collateral		
a) Amount Paid	-	-
b) Repayment Received	-	-
b) Outstanding Amount	5.70	1.41
- Other Collateral		
a) Amount Paid	-	-
b) Repayment Received	-	-
b) Outstanding Amount	7.36	3.08
8) Average default rate of portfolios observed in the past		
- Housing Loans	0.29%	0.54%
- Non-Housing Loans	1.24%	2.18%
9) Amount and number of additional/top up loan given on same underlying asset	-	-
10) Investor complaints		
(a) Directly/Indirectly received	-	-
(b) Complaints outstanding	-	-

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

per P. C. Agiwal
Partner
Membership number: 080475

Date: May 18, 2023
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 18, 2023
Place: Gurugram

Ummeed Housing Finance Private Limited

CIN: U65922HR2016PTC057984

Registered & Corporate Office: Unit 809-815, 8th Floor, Tower A,
Emaar Digital Greens, Golf Course Extension Road
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