Independent Auditors' Report

To the
Member of
India Shelter Finance Corporation Limited

Report on the Audit of the standalone financial statements

1. Opinion

We have audited the accompanying standalone financial statements of India Shelter Finance Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

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

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current year. These matters were addressed in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
a.	**Impairment on Financial Instruments** As at 31 March 2022, the Company has reported gross loans assets amounting to Rs.2,65,687.27 lakhs and other financial assets amounting to Rs.6,236.01 lakhs against which impairment of Rs.3,434.82 lakhs and Rs.40.80 lakhs respectively have been recorded. Ind AS 109 Financial instruments (Ind AS 109) requires the Company to provide for impairment of its financial instruments (designated as amortized cost or fair value through other comprehensive income) using the expected credit loss (ECL) approach. ECL involves an estimation and a significant degree of judgement by the management for development of ECL model and its corresponding application in the ECL model. These judgement and estimates include: 1. Estimating the behavioral life of the product 2. Data inputs in relation to ECL model	Read and assessed the Company's accounting policies for impairment of financial instruments (Refer note 2.9) and their compliance with Ind AS 109 and the governance framework approved by the Board of Directors. Read and assessed the Company's policy with respect to one-time restructuring offered to customers pursuant to the "Resolution Framework 2.0- Resolution of COVID-19-related Stress of Micro, Small and Medium Enterprises" issued by RBI on May 5, 2021 and tested the implementation of such policy on a sample basis. We have evaluated the management response upon implementation of various RBI circulars and tested the implementation of requirements as per these circulars on sample basis. We also performed end to end process walkthroughs to identify the key systems, applications and controls used in the ECL processes. We tested the relevant manual controls, general IT and application controls over key systems used in the ECL process.

Sr. No.	Key Audit Matter	Auditor's Response
	3. Application of the macroeconomic factors on a forward-looking basis 4. Modification of assets in terms of restructuring 5. Determination of loan book segmentation based on homogeneity, probability of defaults, loss given defaults and exposure at default. 6. Management Overlay based on risk assessment and qualitative adjustments 7. Compliance with RBI circulars and assess the level of credit impairment of financial instrument. 8. Disclosures as required by IND AS 109 and RBI Circular Refer Note no. 5 & 7 of the standalone financial statements.	Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation. We tested the operating effectiveness of the controls for staging of loans and advances based on their past-due status. Tested a sample of performing (stage 1) loans to assess whether any Significant Increase in Credit Risk indicators were present requiring them to be classified under higher stages. Assessing the appropriateness of changes made in macro-economic factors and management overlays to calibrate the risks that are not yet fully captured by the existing model. We tested the arithmetical accuracy of computation of ECL provision performed by the Company. We assessed the disclosures included in the Ind-AS standalone financial statements with respect to such allowance / estimate are in accordance with the requirements of Ind AS 109 and Ind AS 107 Financial Instruments: Disclosures and also as per RBI Guidelines.
b.	**Evaluation of Company's IT systems and Controls** The Company's key financial accounting and reporting processes are highly dependent on information systems including automated controls in information systems, such that there exists a risk that, gaps in the IT control environment could result in the financial accounting and reporting records being misstated. We identified 'IT systems and controls' as key audit matter because of the high level of automation being used by management and the scale and complexity of the IT architecture.	Our audit procedures include assessment and identification of key IT applications, and further verifying, testing, and reviewing the design and operating effectiveness of the IT system on the basis of reports / returns and other financial and non-financial information generated from the system on a test check basis. Our audit procedures included: a) Obtained an understanding of the IT control environment, IT policies during the audit period. b) Testing IT general controls related to User and Application controls, Change Management Controls and Data backup. Where we identified the need to perform additional procedures, we placed reliance on manual reconciliations between systems and other information sources.

4. Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the standalone financial statements and our auditors' report thereon.

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

5. Management's Responsibility for the Standalone financial statements

The Company's Management and Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows 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. 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 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 Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

6. Auditor's Responsibilities for the Audit of the Standalone financial statements

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone 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 Standalone 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 financial 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 standalone 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 in the Standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 Standalone 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 Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the Standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

7. Other Matter

The Financial Statement also includes figures of the Company for the year ended March 31, 2021, audited by the predecessor firm of statutory auditor vide its report dated May 12, 2021, in which the predecessor auditor has expressed an unmodified opinion. Accordingly, we do not express any conclusion on aforesaid financial statement for the said year and have relied upon the said reports for the purpose of our report on this financial statement.

8. Report on Other Legal and Regulatory Requirements

I. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

II. As required by section 143(3) of the Act, based on our audit 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 Standalone balance sheet, the Standalone statement of profit and loss (including other comprehensive income), the Standalone statement of changes in equity and the Standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Standalone financial statements comply with the Ind AS specified under section 133 of the Act.

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

f) With respect to the adequacy of the internal financial controls with reference to Standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statement.

g) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act, as amended:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act

III. With respect to the other matters to be included in the Auditors' 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:

a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its Standalone financial statements - Refer Note 33 of Standalone financial statements;

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

c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

d) (i) The Management has represented that, to the best of its (knowledge and belief, no funds (which are material either individually or in aggregate) 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;

(ii) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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

(iii) Based on audit procedures that we have 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

e) During the year, the company has not paid or declared any dividend.

For **T R Chadha & Co LLP**
Chartered Accountants
Firm's Reg. No-: 006711N/N500028

Aashish Gupta
(Partner)
Membership No. 097343
UDIN No- 22097343AIWDRV9137

Place: Gurgaon
Date: 12 May 2022

Annexure A to the Independent Auditor's Report of even date

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that;

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of use assets;

(B) The Company has maintained proper records showing full particulars of intangible assets;

(b) The Company has a program of physical verification of these Property, Plant and Equipment whereby all these assets are verified once in three years. In our opinion, the periodicity of the physical verification is reasonable having regard to the size of the Company and the nature of its assets. For the assets where physical verification exercise was completed, no material discrepancies were noticed on such verification;

(c) The title deeds of the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements included under property, plant and equipment are held in the name of the Company;

(d) The Company has not revalued its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year;

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder;

ii (a) The Company is a service company primarily engaged in lending business. Accordingly, it does not hold any inventories. Thus, the provision of clause 3(ii)(a) of the Order is not applicable to the Company;

(b) The Company has not been sanctioned any working capital limit from banks or financial institutions on the basis of security of current assets. Accordingly, the provision of clause 3(ii)(b) of the Order is not applicable to the Company;

iii. The Company has not made investments in and provided any guarantee or security to companies, firms, Limited Liability Partnerships or any other parties. However, the Company has granted secured and unsecured loans to companies, firms, Limited Liability Partnerships and to others parties during the year in respect of which;

(a) Since the Company is principally engaged in providing loans reporting under clause 3(iii)(a) of the Order is not applicable;

(b) In our opinion, the terms and conditions of the loans granted during the year are prima facie not prejudicial to the Company's interest;

(c) The Company is principally engaged in the business of providing loans. In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been duly stipulated and the repayments of principal amounts and receipts of interest have been regular as per stipulation except for certain cases, the summary of which are as disclosed by the management in Note 5 of notes of the Financial Statements.

For the purpose of the above disclosure, the company has considered the Reserve Bank of India circular DOR. No.BP.BC/3/21.04.048/2020-21dated August 06, 2020 on Resolution Framework for COVID-19 related stress and RBI circular DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 (as amended time to time) wherein moratorium is to be granted to customers in relation to repayment of dues, due to which the repayment schedule of such customers has been modified to that extent;

(d) In respect of loans granted by the Company, the overdue amount remaining outstanding as at the balance sheet date is as reported in Note 5(viii) of notes of the Financial Statements. The total amount overdue for more than 90 days amounts to Rs. 5,703.90. Lakh with respect to 850 borrowers (995 loan accounts). The Company has generally taken reasonable steps in its normal course of business for recovery of overdue principal and interest in respect of such loans;

(e) As Company is principally engaged in providing loans, hence the reporting under clause 3(iii)(e) of the Order is not applicable;

(f) The Company has not granted any loans or advances, in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year.

iv The Company has not granted any loans, made investments, or provided guarantees and securities which attract the provisions of section 185 and section 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company;

V The Company has not accepted any deposits or amounts which are deemed to be deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Rules framed there under apply. Accordingly, the provision of clause 3(v) of the Order is not applicable to the Company;

vi The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the services rendered by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable to the Company;

vii (a) The amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income tax, cess and other applicable statutory dues have been regularly deposited by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, service tax, value added tax, duty of customs and duty of excise;

There were no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income tax, cess and other applicable statutory dues which were in arrears as at 31 March 2022 for a period of more than six months from the date they become payable;

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Nature of Act	Forum	Period (AY)	Demand Amount	Amount Deposited	Amount not deposited
Income Tax Act	CIT Appeals	AY 2017-18	445.23	89.05	356.18

viii There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961);

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

(b) The Company has not been declared as willful defaulter by any bank or financial institution or other lender;

(c) Term loans availed by the Company during the year have been generally applied for the purpose for which they were obtained other than temporary deployment in liquid assets which are recoverable on demand;

(d) On an overall examination of financial statements of the company, we report that no funds have been raised on short term basis. Accordingly, the provision of clause 3(ix)(d) of the Order is not applicable to the Company;

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its Subsidiary company or its associates' companies;

(f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, and accordingly, the provisions of clause 3(ix) (f) of the Order is not applicable;

X (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable;

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable;

xi (a) We report that no fraud by the company has been noticed or reported during the year nor have we been informed of any such case by the management. As regards to fraud on the company, there have been 2 instances aggregating to Rs. 10.35 Lakh wherein frauds have been perpetrated by the borrowers of the Company as disclosed in note 43.28 of the financial statements.;

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report;

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year;

xii The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable;

xiii In our opinion, the Company is in compliance with section 177 and 188 of the Companies Act, 2013 with respect to all applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards;

xiv (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business;

(b) We have considered the internal audit reports issued to the Company for the period under audit;

xv The company has not entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act have been complied with;

xvi (a) As the Company is a Non-Banking Financial institution and registered under National Housing Bank (NHB) Act, 1987, it has been exempted from the requirement of registration under section 45-IA of the Reserve Bank of India Act; 1934.

(b) The Company has a valid certificate of registration from National Housing Bank;

(c) The Company is not a core investment company and hence reporting under clause (xvi)(c) of the Order is not applicable;

(d) There are no core investment company as a part of the group;

xvii The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year;

Xviii As per RBI circular no. RBI/2021-22/25 Ref No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 the Statutory Auditors have resigned upon completion of their term of appointment as per the requirement of the said circular. There has not been any issues, concerns or objections raised by the outgoing auditors, based on our communication with outgoing auditor as required under ICAI Code of Ethics;

Xix According to the information and explanations given to us and on the basis of the financial ratios, 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 As disclosed by management in note 29.2 of the financial statements and as verified by us, the gross amount required to be spent by company towards Corporate Social Responsibility (CSR) during the year has been duly spent during the year. Hence reporting under clause (xx)(a) and clause (xx)(b) of the Order is not applicable;

For **T R Chadha & Co LLP**
Chartered Accountants
Firm's Reg. No-: 006711N/N500028

Aashish Gupta
(Partner)
Membership No. 097343
UDIN No- 22097343AIWDRV9137

Place: Gurgaon
Date: 12 May 2022

ANNEXURE – B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF INDIA SHELTER FINANCE CORPORATION LIMITED-

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

We have audited the internal financial controls with reference to financial statements of **INDIA SHELTER FINANCE CORPORATION LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements, both applicable to an audit of Internal Financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to 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 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control 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 control 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 authorizations 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 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to financial statements 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.

For **T R Chadha & Co LLP**
Chartered Accountants
Firm's Reg. No-: 006711N/N500028

Aashish Gupta
(Partner)
Membership No. 097343
UDIN No- 22097343AIWDRV9137

Place: Gurgaon
Date: 12 May 2022

Standalone Balance Sheet as at 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

		Notes	As at 31 March 2022	As at 31 March 2021
	Assets			
(1)	Financial assets			
(a)	Cash and cash equivalents	3	14,380.16	23,309.46
(b)	Bank balance other than cash and cash equivalents	4	18,649.21	18,058.31
(c)	Loans	5	2,62,252.45	1,98,116.96
(d)	Investments	6	17,532.00	-
(e)	Other financial assets	7	6,195.21	2,808.55
(2)	Non-financial assets			
(a)	Current tax assets (net)	8	-	3.55
(b)	Deferred tax assets (net)	9	295.06	933.65
(c)	Property, plant and equipment	10	1,657.28	1,403.13
(d)	Other intangible assets	11	46.54	107.74
(e)	Other non-financial assets	12	777.66	1,174.97
(f)	Assets held for sale		336.54	347.85
	Total assets		**3,22,122.11**	**2,46,264.17**
	Liabilities and equity			
	Liabilities			
(1)	Financial liabilities			
(a)	Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	13	-	12.12
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	13	459.41	450.63
(b)	Debt securities	14	18,659.85	8,222.38
(c)	Borrowings (other than debt securities)	15	1,88,341.12	1,40,906.65
(d)	Other financial liabilities	16	3,336.51	2,088.81
(2)	Non-financial liabilities			
(a)	Provisions	17	513.32	359.73
(b)	Current tax liabilities (Net)	8	432.22	-
(c)	Other non-financial liabilities	18	2,767.04	496.89
	Total liabilities		**2,14,509.47**	**1,52,537.21**
(3)	Equity			
(a)	Equity share capital	19	4,370.67	4,297.84
(b)	Other equity	20	1,03,241.97	89,429.12
	Total equity		**1,07,612.64**	**93,726.96**
	Total liabilities and equity		**3,22,122.11**	**2,46,264.17**

The accompanying notes form an integral part of these financial statements.
This is the balance sheet referred to in our report of even date.

For **T R Chadha & Co LLP**
Chartered Accountants
Firm's Registration No.: 006711N/N500028

Aashish Gupta
Partner
Membership No.: 097343

Place: Gurugram
Date: 12 May 2022

For and on behalf of the Board of Directors of
India Shelter Finance Corporation Limited

Anil Mehta
Chairman and
Non-Executive Director
DIN: 02132315

Rupinder Singh
Managing Director and
Chief Executive Officer
DIN: 09153382

Ashish Gupta
Chief Financial Officer

Mukti Chaplot
Company Secretary
Membership No. 38326

Standalone Statement of profit and loss as at 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

		Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
	Revenue from operations			
(i)	Interest income	21	37,764.74	27,457.21
(ii)	Fees and commission income	22	1,602.65	999.26
(iii)	Net gain on fair value changes	23	458.85	291.85
(iv)	Net gain on derecognition of financial instruments under amortised cost category		4,971.46	2,922.29
(I)	Total revenue from operations		44,797.70	31,670.61
(II)	Other income	24	1,182.80	609.22
(III)	Total income (I+II)		45,980.50	32,279.83
	Expenses			
(i)	Finance costs	25	14,833.86	10,534.81
(ii)	Impairment on financial instruments	26	1,188.87	1,984.73
(iii)	Employee benefits expenses	27	10,140.62	6,168.58
(iv)	Depreciation and amortisation	28	653.90	509.84
(v)	Other expenses	29	2,473.14	1,786.18
(IV)	Total expenses		29,290.39	20,984.14
(V)	Profit before tax (III-IV)		16,690.11	11,295.69
(VI)	Tax expense:	30		
	(1) Current tax		3,183.62	2,477.20
	(2) Deferred tax charge/(credit)		661.78	79.63
	Total tax expense		3,845.40	2,556.83
(VII)	Profit for the year (V-VI)		12,844.71	8,738.86
(VIII)	Other comprehensive income			
	(i) Items that will not be reclassified to profit or loss			
	-Remeasurement of defined benefit obligations		(92.12)	(28.39)
	-Income tax effect		23.18	7.15
	(i) Items that will be reclassified to profit or loss- net of taxes		-	-
	Total other comprehensive income		(68.94)	(21.24)
(IX)	Total comprehensive income for the year(VII+VIII)		12,775.77	8,717.62
(X)	Earnings per equity share	40		
	Basic (Rs.)		29.60	20.39
	Diluted (Rs.)		29.27	19.86

The accompanying notes form an integral part of these financial statements.
This is the statement of profit and loss referred to in our report of even date.

For **T R Chadha & Co LLP**
Chartered Accountants
Firm's Registration No.: 006711N/N500028

Aashish Gupta
Partner
Membership No.: 097343

Place: Gurugram
Date: 12 May 2022

For and on behalf of the Board of Directors of
India Shelter Finance Corporation Limited

Anil Mehta
Chairman and
Non-Executive Director
DIN: 02132315

Rupinder Singh
Managing Director and
Chief Executive Officer
DIN: 09153382

Ashish Gupta
Chief Financial Officer

Mukti Chaplot
Company Secretary
Membership No. 38326

Statement of changes in equity for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

A. Equity share capital

Particulars	Balance as at 01 April 2020	Changes during the year	Balance as at 31 March 2021	Changes during the year	Balance as at 31 March 2022
Equity share capital	4,283.02	14.82	4,297.84	72.83	4,370.67

A. Equity share capital

Particulars	Share application money pending allotment	Reserves and Surplus				Items of other comprehensive income	Total
		Statutory reserve	Securities premium	Employee share based payment reserve	Retained earnings	Re-measurements of defined benefit plans	
Balance as at 31 March 2020	-	2,675.79	67,819.42	389.13	9,630.52	30.49	80,545.35
Transfer to statutory reserve	-	1,747.77	-	-	(1,747.77)	-	-
Issue of share capital	-	-	4.94	-	-	-	4.94
Share options exercised during the year	-	-	0.23	(0.23)	-	-	-
Share based payment to employees	-	-	-	161.21	-	-	161.21
Profit for the year	-	-	-	-	8,738.86	-	8,738.86
Other comprehensive income(net of taxes)	-	-	-	-	-	(21.24)	(21.24)
Balance as at 31 March 2021	-	4,423.56	67,824.59	550.11	16,621.61	9.25	89,429.12
Transfer to statutory reserve	-	2,568.94	-	-	(2,568.94)		-
Issue of share capital	-	-	442.96	-	-	-	442.96
Share options exercised during the year	-	-	310.28	(310.28)	-	-	-
Share based payment to employees	-	-	-	594.12	12,844.71	-	13,438.83
Profit for the year	-	-	-	-	-	-	-
Other comprehensive income(net of taxes)	-	-	-	-	-	(68.94)	(68.94)
Balance as at 31 March 2022	-	6,992.50	68,577.83	833.95	26,897.38	(59.69)	1,03,241.97

The accompanying notes form an integral part of these financial statements.
This is the statement of changes in equity referred to in our report of even date.

For **T R Chadha & Co LLP**
Chartered Accountants
Firm's Registration No.: 006711N/N500028

Aashish Gupta
Partner
Membership No.: 097343

Place: Gurugram
Date: 12 May 2022

For and on behalf of the Board of Directors of
India Shelter Finance Corporation Limited

Anil Mehta
Chairman and
Non-Executive Director
DIN: 02132315

Rupinder Singh
Managing Director and
Chief Executive Officer
DIN: 09153382

Ashish Gupta
Chief Financial Officer

Mukti Chaplot
Company Secretary
Membership No. 38326

Standalone Statement of cash flows for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(A)	**Cash flows from operating activities**		
	Profit before tax	16,690.11	11,295.69
	Adjustments for:		
	Depreciation and amortisation	653.90	509.84
	Effective interest rate adjustment on financial assets	776.79	533.26
	Effective interest rate adjustment on debt securities and borrowings	(400.24)	(9.59)
	Share based payments to employees	594.12	161.21
	Impairment on financial instruments	1,188.87	1,984.73
	Impairment on assets held for sale	12.30	4.62
	Net loss on derecognition of property, plant and equipment	6.38	14.65
	Net unrealised gain on fair value change of investments	(30.72)	-
	Net gain on derecognition of financial instruments under amortised cost category	(4,971.46)	(2,922.29)
	Gain on termination of leases	(8.22)	(22.02)
	Interest expense on lease liabilities	91.93	77.33
	Operating profit before working capital changes	**14,603.76**	**11,627.43**
	Movements in working capital		
	Increase in loans	(66,058.59)	(53,068.15)
	Decrease in other financial assets	1,560.71	306.52
	Decrease/(increase) in other non-financial assets	396.33	(137.21)
	(Decrease)/increase in trade payables	(3.35)	55.69
	Increase in other financial liabilities	1,247.70	1,455.06
	Increase in other non-financial liabilities	2,270.15	328.41
	Increase/(decrease) in provisions	43.01	(104.69)
	Decrease in interest accrued on debt securities and borrowings	(840.23)	(411.95)
	Cash flows used in operating activities post working capital changes	**(46,780.51)**	**(39,948.89)**
	Income tax paid (net)	(2,747.86)	(2,136.19)
	Net cash flows used in operating activities (A)	**(49,528.37)**	**(42,085.08)**
(B)	**Cash flows from investing activities**		
	Payments made for purchase of property, plant and equipment and intangible assets	(507.89)	(177.95)
	Proceeds from sale of property, plant and equipment	22.32	0.76
	(Payments)/proceeds from investments	(17,501.28)	9,385.88
	Investment in other bank balance (net)	(590.90)	(1,544.51)
	Net cash used in investing activities (B)	**(18,577.75)**	**7,664.19**

Standalone Statement of cash flows for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(C)	**Cash flows from financing activities**		
	Proceeds from issue of equity share capital	515.78	19.99
	Proceeds from debt securities	16,500.00	1,500.00
	Proceeds from borrowings(other than debt securities)	1,14,063.55	97,840.02
	Repayment of borrowings	(66,456.29)	(25,184.81)
	Repayment of debt securities	(5,000.00)	(17,857.15)
	Payment towards lease liabilities	(446.22)	(321.68)
	Net cash flows from financing activities (C)	**59,176.82**	**55,996.37**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(8,929.30)**	**21,575.47**
	Cash and cash equivalents at the beginning of the year	23,309.46	1,733.99
	Cash and cash equivalents at the end of the year	14,380.16	23,309.46
	Components of cash and cash equivalents:-		
	Cash on hand	117.26	53.61
	Balances with banks (of the nature of cash and cash equivalents)		
	(a) Balance with banks in current accounts	55.96	4,051.21
	(b) Deposits with original maturity of less than 3 months	14,206.94	19,204.64
	Total cash and cash equivalents	**14,380.16**	**23,309.46**

Note:

1. The above statement of cash flows has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) - 7 'Statement of Cash flows' as specified under Section 133 of the Companies Act, 2013, ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended."
2. Refer note 15 for reconciliation of liabilities arising from financing activities.
3. Previous year figures have been regrouped/reclassified wherever applicable.

The accompanying notes form an integral part of these financial statements.
This is the statement of cash flows referred to in our report of even date.

For **T R Chadha & Co LLP**
Chartered Accountants
Firm's Registration No.: 006711N/N500028

Aashish Gupta
Partner
Membership No.: 097343

Place: Gurugram
Date: 12 May 2022

For and on behalf of the Board of Directors of
India Shelter Finance Corporation Limited

Anil Mehta
Chairman and
Non-Executive Director
DIN: 02132315

Rupinder Singh
Managing Director and
Chief Executive Officer
DIN: 09153382

Ashish Gupta
Chief Financial Officer

Mukti Chaplot
Company Secretary
Membership No. 38326

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

1. Company overview/Corporate information

India Shelter Finance Corporation Limited ("the Company") is a Housing Finance Company registered under section 29A of The National Housing Bank Act, 1987 vide Registration Certificate No. 09.0087.10 dated 14 September 2010. The Company is engaged in providing secured retail home loans, home equity loans and loans against property to borrowers for a period up to twenty years. These loans are primarily to be used by the borrowers for home purchase, home improvements, home extension and for construction of dwelling units on plots owned by borrowers.

The Company does not accept public deposits, and utilises internal and external funds to provide loans to borrowers.

The Company's registered office and principal place of business is situated at 6th Floor, Plot No-15, Sector 44, Gurugram- 122001. The debentures of the Company are listed on the Bombay Stock Exchange.

1.1 Basis of preparation

(i) Statement of compliance with Indian Accounting Standards (Ind AS)

These standalone financial statements ("the Financial Statements") have been prepared in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act and guidelines issued by Reserve Bank of India (RBI) and National Housing Bank (NHB) to the extent applicable. The Company has uniformly applied the accounting policies for the periods presented in these financial statements.

The financial statements for the year ended 31 March 2022 were authorised and approved for issue by the Board of Directors on 12 May 2022.

(ii) Historical cost convention

The financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities which are measured at fair values at the end of each reporting period as explained in relevant accounting policies. The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 'Leases' and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36 'Impairment of Assets'.

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

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

- **Level 2** inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- **Level 3** inputs are unobservable inputs for the asset or liability.

2. Summary of significant accounting policies

These financial statements have been prepared using the significant accounting policies and measurement bases summarised as below. These policies are applied consistently for all the periods presented in the financial statements, except where the Company has applied certain exemptions upon transition.

2.1. Revenue recognition

Interest and processing fee income on loans

Interest and processing fee income on financial assets is recognised on a time proportion basis considering the amount outstanding and the effective interest rate applicable.

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

Effective Interest Rate ("EIR")

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

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets measured at Fair Value Through Profit and Loss ("FVTPL"), transaction costs are recognised in the statement of profit and loss at initial recognition.

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

Interest/Dividend income on investment

Interest income on investments and fixed deposits is recognised on time proportionate basis with reference to EIR method. Dividend income is accounted for when the right to receive it is established.

Income from assignment

Gains arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of excess interest spread (EIS). The future EIS basis the scheduled cash flows on execution of the transaction, discounted at the EIR of underlying pool of loans rate entered into with the assignee is recorded upfront in the statement of profit and loss. EIS is evaluated and adjusted for ECL and expected prepayment.

Fee and Commission Income

Fee and commission income includes fees other than those that are an integral part of EIR method. The Company recognises the fee and commission income at fair value of the consideration received or receivable when the Company satisfies the performance obligation.

Other operating revenue

Interest on overdue of loans and other ancillary charges are recognised upon realisation. All other income is recognised on an accrual basis upon satisfaction of performance obligation, when there is no uncertainty in the ultimate realisation/collection and income can be measured reliably.

2.2. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand (including imprest), demand deposits and short-term highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value.

2.3. Cash flow statement

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit/loss before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.4. Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, wherever applicable.

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment is provided on the straight line method over the useful life of the assets as prescribed under Part 'C' of Schedule II of the Companies Act, 2013, or in case of assets where the estimated useful life was determined basis technical evaluation carried out by the Company, over the useful life so determined.

Depreciation on additions to fixed assets is provided for full month in which acquisition of the assets is made. No depreciation is provided for the month of sale/disposal of asset. Leasehold improvements are amortised over a period of lease. Asset costing less than Rs. 10,000 each are fully depreciated in the year of capitalisation.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

Estimated useful lives of the assets are as follows:

Asset category	Estimated useful life (in Years)	Life as per Schedule II
Plant & Equipment- Computer and other related equipment	3 years	3 years
Office equipment	5 years	5 years
Furniture and fixtures	10 years	10 years
Vehicles	8 years	8 years
Handheld communication devices (included in office equipment)	2 years	5 years
Leasehold improvements	Over the period of the lease or the estimated useful life whichever is lesser.	Over the period of the lease or the estimated useful life whichever is lesser.

De-recognition

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 recognised in the statement of profit and loss, when the asset is derecognised.

2.5. Intangible assets

Recognition and initial measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price including any import duties and other taxes (other than those subsequently recoverable from taxation authorities), borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Amortisation method, estimated useful lives and residual value

Intangible assets are amortised over a period of 4 years from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

De-recognition of intangible assets

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

2.6. Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date. If there is any indication of impairment based on internal / external factors, an impairment loss is recognised in the statement of profit and loss wherever the carrying amount of an asset exceeds its recoverable amount. For the purpose of assessing impairment, the smallest identifiable group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit.

Recoverable amount is higher of an asset's or cash generating unit's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

If at the reporting date there is an indication that previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount subject to maximum of depreciable historical cost.

2.7. Taxation

Tax expense recognised in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognized in other comprehensive income or directly in equity.

Current tax comprises the tax payable or receivable on taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current tax is computed in accordance with relevant tax regulations. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. 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 assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

With effect from 1 April 2019, with introduction of Taxation Laws (Amendment) Ordinance, 2019, where section 115BAA was introduced in the Income-tax Act, 1961 proposing option to compute income tax liability at revised taxation rates. Further, under section 115JB (MAT provisions) a sub-section was introduced stating non-applicability of Minimum Alternative Tax ('MAT') provisions on the companies exercising option to pay income tax under section 115BAA. The tax expense for the current financial year 2020-21 and previous year 2019-2020, has been computed considering the revised tax provisions and thereby the provisions of MAT are not applicable to the Company.

MAT policy applicable before 1 April 2019, MAT under the provisions of the Income-tax Act, 1961 was recognised as current tax in the Statement of Profit and Loss. The credit available under the Income-tax Act, 1961 in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets are recognised on unused tax loss, unused tax credits and deductible temporary differences to the extent it is probable that the future taxable profits will be available against which they can be used. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. 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. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

2.8. Employee benefits

Short-term employee benefits

Short-term employee benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Defined contribution plans

The Company has a defined contribution plans namely provident fund, pension fund and employees state insurance scheme. The contribution made by the Company in respect of these plans are charged to the Statement of Profit and Loss.

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

Defined benefit plans

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. Where in the employee will receive on retirement is defined by reference to employee's length of service and last drawn salary. Under the defined benefit plans, the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Company, even if plan assets for funding the defined benefit plan have been set aside. The liability recognised in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability/asset are included in other comprehensive income.

Other long-term employee benefits

The Company also provides the benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to be availed after one year from the Balance Sheet date is estimated in the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to Statement of Profit and Loss in the year in which such gains or losses are determined.

Share based payment

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the option determined at the grant date of the equity settled share-based payments is expensed on a straight line basis over the vesting period, 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 period, 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 the statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

In respect of re-pricing of existing stock option, the incremental fair value of the option on the date of re-pricing is accounted for as employee cost over the remaining vesting period.

2.9. Expected credit losses and write-off of financial assets

Loan assets

Loans are classified into performing and non-performing assets in terms of policy adopted by the Company, subject to minimum classification and provisioning norms required under 'Housing Finance Company (Reserve Bank) Directions, 2021' issued by RBI from time to time.

All loan exposures to borrowers with instalment structure are stated at disbursed value after netting off:

i. unearned income

ii. instalments appropriated up to the year end

Under Ind AS, the Company's assets have been classified as follows based on Exposure at Default:

- Stage 1: Performing Assets
- Stage 2: Under Performing Assets
- Stage 3: Non-Performing Assets

Under Ind AS, asset classification and provisioning moves from the 'rule based', incurred losses model to the Expected Credit Loss (ECL) model of providing for expected future credit losses. Thus, loan loss provisions are made on the basis of the Company's historical loss experience, future expected credit loss and after factoring in various macro-economic parameters

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

Probability of Default (PD) - The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD) – LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

Exposure at Default (EAD) – EAD is based on the amounts the Company expects to be owed at the time of default. For a revolving commitment, the Company includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

Forward-looking economic information (including management overlay) is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

Trade receivables

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of trade receivables.

Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Write-offs

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

2.10. Provisions, contingent assets and contingent liabilities

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

2.11. Leases

Company as a Lessee:

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

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is re measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property and equipment' and lease liabilities in 'borrowings (other than debt securities)' in the balance sheet.

2.12. 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.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through statement of profit and loss are recognised immediately in statement of profit and loss.

Financial assets

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. Loans and advances to customers are recognised when funds are disbursed to the customers

Classification and Subsequent measurement of financial assets

Financial assets are classified in to three categories for subsequent measurement:

- Financial asset at amortised cost
- Financial asset at fair value through other comprehensive income (FVTOCI)
- Financial asset at fair value through profit and loss(FVTPL)

Financial asset at amortised cost

Financial instruments that meet the following conditions are subsequently measured at amortised cost less impairment loss:

- 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.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in interest income in the Statement of Profit and Loss.

Financial assets (debt instruments) at FVOCI

Financial asset (debt instruments) 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. Financial assets included within the above category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial Asset at FVTPL

Financial asset which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. Financial assets classified under FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognised (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

Financial liabilities

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

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When 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 the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.13. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.14. Foreign currency

Functional and presentation currency

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements have been prepared and presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognised in the Statement of Profit and Loss in the year in which they arise.

2.15. Insurance Claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

2.16. Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months.

2.17. Share/Securities issue expense

Share/security issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share/security issue expenses in excess of the balance in the Securities Premium Account are expensed off in the Statement of Profit and Loss.

2.18. Borrowing Costs

Borrowing costs are interest and other costs incurred in connection with the borrowings of funds. Borrowing costs primarily include interest on amounts borrowed for the revenue operations of the Company. These are expensed to the statement of profit and loss using the EIR. All other Borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

2.19. Assets held for sale

Assets acquired by the Company under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. has been classified as assets held for sale, as their carrying amounts will be recovered principally through a sale of asset. In accordance with Ind AS 105, the company is committed to sell these assets and they are measured at the lower of their carrying amount and the fair value less costs to sell.

2.20. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). CODM is responsible for allocating the resources, assess the financial performance and position of the Company and make strategic decision.

2.21. Investment in Subsidiaries, Joint Ventures and Associates

Investment in subsidiaries are measured at cost less impairment loss (if any) as per Ind AS 27- Separate Financial Statements.

2.22. Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

Significant management judgements:

Expected credit loss ('ECL') – The measurement of expected credit loss allowance for financial assets measured at amortised cost requires use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. likelihood of customers defaulting and resulting losses). The Company makes significant judgements with regard to the following while assessing expected credit loss:

- Determining criteria for significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Significant estimates:

Provision for employee benefits - Provision for employee benefits, requires that certain assumptions such as expected future salary increases, average life expectancy and discount rates etc. are made in order to determine the amount to be recorded for retirement benefit obligations. Substantial changes in the assumed development of any of these variables may significantly change the Company's retirement benefit obligations.

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Standard issued but not yet effective

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

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

3. Cash and cash equivalents

	Particulars	As at 31 March 2022	As at 31 March 2021
I.	Cash on hand	117.26	53.61
II.	Balances with banks (of the nature of cash and cash equivalents)		
	(a) Balance with banks in current accounts	55.96	4,051.21
	(b) Deposits with original maturity of less than 3 months	14,206.94	19,204.64
	Sub-total (a and b)	14,262.90	23,255.85
	Total (I and II)	14,380.16	23,309.46

4. Bank balance other than cash and cash equivalents

	Particulars	As at 31 March 2022	As at 31 March 2021
I.	Deposits with original maturity of more than 3 months	14,779.54	14,612.61
II.	Deposit held as margin money under securitisation and borrowing agreements	3,869.67	3,445.70
	Total	18,649.21	18,058.31

5. Loans

Particulars	As at 31 March 2022	As at 31 March 2021
At amortised cost		
Term loans	2,65,507.65	2,01,084.25
Staff loans	179.62	133.04
Total gross	2,65,687.27	2,01,217.29
Less: Impairment loss allowance	3,434.82	3,100.33
Total net	2,62,252.45	1,98,116.96
Secured by tangible assets	2,65,687.27	2,01,217.29
Total	2,65,687.27	2,01,217.29
Less: Impairment loss allowance	3,434.82	3,100.33
Total net	2,62,252.45	1,98,116.96
Loans in India		
Public sectors	-	-
Others (individuals and other corporates)	2,65,687.27	2,01,217.29
Total gross	2,65,687.27	2,01,217.29
Less: Impairment loss allowance	3,434.82	3,100.33
Total net	2,62,252.45	1,98,116.96

5.1 Loans granted by the Company are secured by equitable mortgage/registered mortgage of the property and/or undertaking to create a security by way of equitable mortgage of property.

5.2 Loan details

Particulars	Principal	Interest outstanding	Overcollateral	Effective interest rate adjustment	Total
As at 31 March 2022	2,68,794.77	620.02	218.80	(3,946.32)	2,65,687.27
As at 31 March 2021	2,03,358.42	726.90	326.80	(3,194.83)	2,01,217.29

5.3 There were no loans given against the collateral of gold jewellery and hence the percentage of such loans to the total outstanding asset is Nil (31 March 2021: Nil).

5.4 Loans sanctioned but undisbursed amount to Rs.19,341.23 lakhs as on 31 March 2022 (31 March 2021: 11,022.64 lakhs).

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

5.5 The Company has securitised assets amounting to Rs.7,514.12 lakhs (31 March 2021: 6,143.84 lakhs). These loan assets have not been de-recognised from the loan portfolio of the Company as these does not meet the de-recognition criteria. The Company is responsible for collection and servicing of this loan portfolio on behalf of buyers/investors. In terms of the said securitisation agreements, the Company pays to buyer/investor on monthly basis the prorated collection amount as per the respective agreement terms.

5.6 During the financial year 2021-22, the Company has assigned pools of certain loans amounting to Rs. 27,326.80 lakh (31 March 2021: 16,949.36 Lakhs) by way of a direct assignment transactions. These loans 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 agreements, the Company pays to assignees, on a monthly basis, the pro-rata collection amounts.

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's business model remains to hold the assets for collecting contractual cash flows.

5.7 Expected credit loss

Expected credit loss is a calculation of the present value of the amount expected not to be recovered on a financial asset, for financial reporting purposes. Credit risk is the potential that the obligor and counterparty will fail to meet its financial obligations to the lender. This requires an effective assessment and management of the credit risk at both individual and portfolio level.

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.

(i) Definition of default

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

(ii) Exposure at default

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

iii) Loss given default

The Company segments its retail lending products into homogeneous portfolios, based on key characteristics that are relevant to the estimation of future cash flows. The data applied is collected loss data and involves a wider set of transaction characteristics (e.g., product type, wider range of collateral types, loan to value (LTV) ratio, expected realisation rate, etc.) as well as borrower characteristics.

iv) Significant increase in credit risk

The Company continuously monitors all assets subject to ECL. In order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or lifetime ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk when contractual payments are more than 30 days past due.

When estimating ECL on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

v) Delinquency buckets have been considered as the basis for the staging of all loans with:

0-30 days past due loans classified as stage 1,

31-90 days past due loans classified as stage 2 and

> 90 days past due loans classified as stage 3

- Accounts restructured during COVID as per RBI notification and standard as on 31 March 2022 are grouped under Stage 2.

- Pursuant to the RBI circular dated 12 November 2021-"Prudential norms on income recognition, Asset classification, and Provisioning pertaining to Advances-Clarifications", the Company has aligned its system of asset classification norms as directed by RBI. Such alignment has resulted in transition of sub 90 DPD assets of INR 1,211.02 Lakhs as additional non-performing assets/Stage 3 as at 31 March 2022.

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

5.7 Expected credit loss (contd.)

vi) Macro economic factors

Macro-economic variables relevant to the underlying loan portfolio such as Gross Domestic Product, Inflation, Housing Price Index and 10 year bond yield were analysed for their correlation. Based on the analysis of trend, the Company has considered the 10 year bond yield as relevant macro-economic factor as it shows improved correlation with the portfolio performance.

vii) Credit quality of asset

The Company has classified all individual loans as amortised cost and has assessed it at the collective pool level. The individual loan book has been divided into the housing and non-housing (Loan against property) sub portfolios.

The vintage analysis methodology has been used to create the PD term structure which incorporates both 12 month (Stage 1 Loans) and lifetime PD (Stage 2 Loans). The vintage analysis captures a vintage default experience across a particular portfolio by tracking the yearly slippages from advances originating in a particular year. The vintage slippage experience/default rate is then used to build the PD term structure.

The workout methodology has been used to determine LGD wherein the recoveries of loans defaulted in past are tracked and discounted to the date of default using the effective interest rate. The worked out LGD for loans has been bucketed into various levels of collateral cover. LGD based on collateral cover has been applied to each loan in the portfolio based on specific collateral cover adjusted for the expected fall in valuation. The Company has used the adjusted collateral value based on management estimate to reflect the forward looking LGD given the expected fall in property price due to COVID19.

viii) An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans is, as follows:

Reconciliation of gross carrying amount balance is as follows:

Particulars	Stage 1	Stage 2	Stage 3	Total
Loans to customers at amortised cost				
Balance as at 01 April 2020	1,47,074.63	2,087.05	1,956.93	1,51,118.61
Transfer to Stage 1	798.34	(619.37)	(178.97)	-
Transfer to Stage 2	(4,413.91)	4,560.49	(146.58)	-
Transfer to Stage 3	(3,000.17)	(798.08)	3,798.25	-
New financial assets originated	85,744.63	80.70	105.23	85,930.56
Financial assets that have been de-recognised/repaid	(32,773.14)	(317.13)	(600.48)	(33,690.75)
Balance as at 31 March 2021	1,93,430.38	4,993.66	4,934.38	2,03,358.42
Loans to customers at amortised cost				
Balance as at 01 April 2021	1,93,430.38	4,993.66	4,934.38	2,03,358.42
Transfer to Stage 1	2,218.23	(1,530.37)	(687.86)	-
Transfer to Stage 2	(5,400.36)	6,532.42	(1,132.06)	-
Transfer to Stage 3	(2,543.74)	(1,049.85)	3,593.59	-
New financial assets originated	1,21,607.30	148.33	82.56	1,21,838.19
Financial assets that have been de-recognised/repaid	(54,296.15)	(398.97)	(1,086.70)	(55,781.82)
Balance as at 31 March 2022	2,55,015.67	8,695.22	5,703.90	2,69,414.79

Reconciliation of ECL balance is as follows:

Particulars	Stage 1	Stage 2	Stage 3	Total
Balance as at 01 April 2020	906.15	36.30	676.80	1,619.25
Transfer to Stage 1	7.33	(5.81)	(1.52)	-
Transfer to Stage 2	(134.95)	139.55	(4.60)	-
Transfer to Stage 3	(1,015.17)	(246.82)	1,261.99	-
ECL re-measurements due to changes in EAD/assumptions (net)	1,339.71	232.23	(100.89)	1,471.05
New financial assets originated	363.79	2.44	27.91	394.14
Financial assets that have been de-recognised/repaid	(89.05)	(4.52)	(290.54)	(384.11)
Balance as at 31 March 2021*	1,377.81	153.37	1,569.15	3,100.33

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

5.7 Expected credit loss (contd.)

Particulars	Stage 1	Stage 2	Stage 3	Total
Balance as at 01 April 2021	1,377.81	153.37	1,569.15	3,100.33
Transfer to Stage 1	16.61	(11.21)	(5.40)	-
Transfer to Stage 2	(218.21)	324.36	(106.15)	-
Transfer to Stage 3	(639.41)	(244.88)	884.29	-
"ECL re-measurements due to changes in EAD/assumptions (net)"	654.15	232.79	(516.60)	370.34
New financial assets originated	509.13	5.98	21.89	537.00
Financial assets that have been de-recognised/repaid	(162.72)	(15.65)	(394.48)	(572.85)
Balance as at 31 March 2022*	**1,537.36**	**444.76**	**1,452.70**	**3,434.82**

*includes ECL amount of Rs.3.32 lakhs(31 March 2021: 15.49 lakhs) created on securitised loans derecognised from the books which has been adjusted from EAD as at 31 March 2022.

ix) A comparison between provisions required under Income recognition, asset classification and provision norms (IRACP) and impairment allowances made under IND AS 109

As at 31 March 2022

Asset classification as per RBI Directions	Asset classifi-cation as per Ind AS 109	Gross carrying amount as per Ind AS*	Loss allowance as per Ind AS*	Net Carrying Amount	Provision required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Performing assets						
Standard assets	Stage 1	2,55,015.67	1,536.26	2,53,479.41	815.98	720.28
	Stage 2	8,695.22	444.69	8,250.53	285.65	159.04
Sub-total		**2,63,710.89**	**1,980.95**	**2,61,729.94**	**1,101.63**	**879.32**
Non- performing assets (NPA)						
Substandard	Stage 3	4,475.84	1,100.26	3,375.58	920.27	179.99
Doubtful - up to 1 year	Stage 3	1,195.08	348.17	846.91	451.33	(103.16)
Doubtful - 1 to 3 years	Stage 3	5.33	0.41	4.92	5.33	(4.92)
Doubtful - More than 3 years	Stage 3	-	-	-	-	-
Sub-total for doubtful		**1,200.41**	**348.58**	**851.83**	**456.66**	**(108.07)**
Loss	Stage 3	27.65	1.71	25.93	27.65	(25.93)
Sub-total for NPA		**5,703.90**	**1,450.55**	**4,253.35**	**1,404.57**	**45.98**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current (IRACP) norms	Stage 1	19,341.23	73.10	19,268.13	-	73.10
	Stage 2	-		-	-	-
	Stage 3	-		-	-	-
Subtotal		**19,341.23**	**73.10**	**19,268.13**	**-**	**73.10**
Total	Stage 1	2,74,356.90	1,609.36	2,72,747.54	815.98	793.38
	Stage 2	8,695.22	444.69	8,250.53	285.65	159.04
	Stage 3	5,703.90	1,450.55	4,253.35	1,404.57	45.98
	Total	**2,88,756.02**	**3,504.60**	**2,85,251.42**	**2,506.20**	**998.39**

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

5.7 Expected credit loss (contd.)

As at 31 March 2021

Asset classification as per RBI Directions	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS*	Loss allowance as per Ind AS*	Net Carrying Amount	Provision required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Performing assets						
Standard assets	Stage 1*	1,93,430.38	1,373.54	1,92,056.84	626.12	747.42
	Stage 2	4,993.66	152.75	4,840.91	36.84	115.91
	Stage 3**	1,315.69	409.31	906.38	131.42	277.89
Sub-total		**1,99,739.73**	**1,935.60**	**1,97,804.13**	**794.38**	**1,141.22**
Non- performing assets (NPA)						
Substandard	Stage 3	2,857.44	895.79	1,961.65	462.47	433.32
Doubtful - up to 1 year	Stage 3	717.56	238.23	479.33	221.62	16.61
Doubtful - 1 to 3 years	Stage 3	20.27	6.38	13.89	10.76	(4.38)
Doubtful - More than 3 years	Stage 3	-	-	-	-	-
Sub-total for doubtful		**737.83**	**244.61**	**493.22**	**232.38**	**12.23**
Loss	Stage 3	23.43	8.84	14.59	23.43	(14.59)
Sub-total for NPA		**3,618.70**	**1,149.24**	**2,469.46**	**718.28**	**430.97**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current (IRACP) norms	Stage 1	11,022.64	54.65	10,967.99	-	54.65
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**11,022.64**	**54.65**	**10,967.99**	**-**	**54.65**
Total	Stage 1	2,04,453.02	1,428.19	2,03,024.83	626.12	802.07
	Stage 2	4,993.66	152.75	4,840.91	36.84	115.91
	Stage 3	4,934.39	1,558.55	3,375.84	849.71	708.85
	Total	**2,14,381.06**	**3,139.49**	**2,11,241.58**	**1,512.66**	**1,626.83**

* Does not includes ECL amount of Rs. 3.32 lakhs(31 March 2021: Rs. 15.49 lakhs) created on securitised loans derecognised from the books which has been adjusted from EAD and EIR impact.

** Loans which were restructured during the year as per RBI notification no. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020 and standard as on 31 March 2021 have been classified under respective stage where they were prior to restructuring for the purpose of computation of ECL.

6. Investments

Particulars	As at 31 March 2022	As at 31 March 2021
At fair value through profit and loss		
Investments in India		
Mutual funds	17,532.00	-
Total	**17,532.00**	**-**

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

7. Other financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Security deposits	261.88	214.35
Receivables on securitised loans (refer note a)	38.01	27.79
EIS receivable on direct assignment (refer note b)	5903.74	2,425.87
Other receivables	32.38	157.25
Total gross	**6,236.01**	**2,825.26**
Less: Impairment loss allowance (on EIS Receivable assets)	(40.80)	(16.71)
Total	**6,195.21**	**2,808.55**

Note:

a) Receivables on securitised loans is amount receivable towards collections made, presently lying with buyers and recoverable by the Company as at the end of the year.

b) Under Ind AS, with respect to Assignment deals, Company has created an Excess Interest Spread (EIS) receivable, with corresponding credit to Statement of Profit and loss for the year, which has been computed by discounting EIS to present value.

8. Current tax assets/ (liabilities) (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Income tax advance/ (liabilities)(net)	(432.22)	3.55
Total	**(432.22)**	**3.55**

9. Deferred tax assets (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax assets		
Provision for employee benefits	110.80	76.79
Difference in written down value as per Companies Act and Income Tax Act	57.44	53.40
Impairment loss allowance on loans	893.13	681.83
Unamortised processing fees on loans	999.57	804.07
Lease liabilities	31.32	26.11
Provision for impairment on assets held for sale	15.41	9.01
Others	-	1.10
Deferred tax liabilities		
Unamortised borrowing cost	(331.57)	(121.95)
EIS receivable on direct assignment	(1,481.04)	(596.71)
Net deferred tax assets	**295.06**	**933.65**

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

9. Deferred tax assets (net) (contd.)

Movement in deferred tax assets (net)

Particulars	As at 1 April 2021	(Charged)/ credited to statement of profit and loss	Credited/ (charged) to other comprehensive income	As at 31 March 2022
Deferred tax assets				
Provision for employee benefits	76.79	10.83	23.18	110.80
Difference in written down value as per Companies Act and Income Tax Act	53.40	4.04	-	57.44
Impairment loss allowance on loans	681.83	211.30	-	893.13
Unamortised processing fees on loans	804.07	195.50	-	999.57
Lease liability	26.11	5.21	-	31.32
Provision for impairment on assets held for sale	9.01	6.40	-	15.41
Others	1.10	(1.10)	-	0.00
Deferred tax liabilities				-
Unamortised borrowing cost	(121.95)	(209.62)	-	(331.57)
EIS receivable on direct assignment	(596.71)	(884.33)	-	(1,481.04)
Net deferred tax assets	**933.65**	**(661.77)**	**23.18**	**295.06**

Movement in deferred tax assets (net)

Particulars	As at 1 April 2020	(Charged)/ credited to statement of profit and loss	Credited/ (charged) to other comprehensive income	As at 31 March 2021
Deferred tax assets				
Provision for employee benefits	95.99	(26.35)	7.15	76.79
Difference in written down value as per Companies Act and Income Tax Act	43.89	9.51	-	53.40
Impairment loss allowance on loans	295.77	386.06	-	681.83
Unamortised processing fees on loans	669.86	134.21	-	804.07
Lease liability	20.25	5.86	-	26.11
Provision for impairment on assets held for sale	7.85	1.16	-	9.01
Others	1.10	-	-	1.10
Deferred tax liabilities				
Fair valuation of financial instruments through profit and loss	(9.03)	9.03	-	0.00
Unamortised borrowing cost	(119.54)	(2.41)	-	(121.95)
EIS receivable on direct assignment	-	(596.71)	-	(596.71)
Net deferred tax assets	**1,006.14**	**(79.63)**	**7.15**	**933.65**

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

10. Property, plant and equipment

Gross block	Freehold land	Plant and equipment - computer and other related equipment	Office equipment	Furniture and fixtures	Vehicles	Leasehold improvements	Right-of-use assets*	Total
Balance as at 01 April 2020	9.17	384.84	150.39	154.91	22.29	368.78	1,525.24	2,615.62
Additions during the year	-	94.80	17.14	4.49	55.45	11.98	616.15	800.01
Disposals/adjustments	-	(57.37)	(25.68)	(8.75)	-	(20.72)	(676.92)	(789.44)
Balance as at 31 March 2021	9.17	422.27	141.85	150.65	77.74	360.04	1,464.47	2,626.19
Additions during the year	-	223.25	48.83	0.44	214.42	20.96	447.87	955.77
Disposals/adjustments	-	(0.57)	(4.29)	(4.73)	(39.08)	(15.64)	(315.92)	(380.24)
Balance as at 31 March 2022	9.17	644.95	186.38	146.36	253.08	365.36	1,596.42	3,201.72
Accumulated depreciation								
Balance as at 01 April 2020	-	301.76	87.99	67.33	10.00	187.58	339.77	994.43
Depreciation charge for the year		60.52	22.34	12.53	4.16	55.65	289.63	444.83
Disposals/adjustments		(54.67)	(24.85)	(6.48)	-	(11.79)	(118.41)	(216.20)
Balance as at 31 March 2021	-	307.61	85.48	73.38	14.16	231.44	510.99	1,223.06
Depreciation charge for the year	-	89.73	30.27	12.36	24.29	55.72	383.19	595.56
Disposals/adjustments	-	(0.37)	(3.70)	(3.27)	(16.58)	(15.47)	(234.79)	(274.18)
Balance as at 31 March 2022	-	396.97	112.05	82.47	21.87	271.69	659.39	1,544.44
Net block								
Balance as at 31 March 2021	9.17	114.66	56.37	77.27	63.58	128.60	953.48	1,403.13
Balance as at 31 March 2022	9.17	247.98	74.33	63.89	231.21	93.67	937.03	1,657.28

11. Other intangible assets

Gross block	Total
Balance as at 01 April 2020	295.43
Additions during the year	9.22
Balance as at 31 March 2021	304.65
Additions during the year	-
Disposal during the year	(24.47)
Balance as at 31 March 2022	280.18
Accumulated amortisation	
Balance as at 01 April 2020	131.90
Amortisation charge during the year	65.01
As at 31 March 2021	196.91
Amortisation charge during the year	58.34
Disposal during the year	(21.61)
Balance as at 31 March 2022	233.64
Net block	
Balance as at 31 March 2021	107.74
Balance as at 31 March 2022	46.54

12. Other non-financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Prepaid expenses	427.86	453.58
Capital advances	40.35	15.95
Advance to employees	47.02	44.46
Advance to suppliers	112.44	88.07
Balance with government authorities	149.99	572.91
Total	777.66	1,174.97

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

13. Trade payables

Particulars	As at 31 March 2022	As at 31 March 2021
(i) total outstanding dues of micro enterprises and small enterprises (refer note 34)	-	12.12
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	459.41	450.63
Total	459.41	462.75

Trade Payables ageing schedule as at 31 March 2022

Particulars	MSME	Others	Disputed dues – MSME	Disputed dues - Others
Less than 1 year	-	459.41	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
Total	-	459.41	-	-

Trade Payables ageing schedule as at 31 March 2021

Particulars	MSME	Others	Disputed dues – MSME	Disputed dues - Others
Less than 1 year	12.12	450.63	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
Total	12.12	450.63	-	-

14. Debt securities (at amortised cost)

Particulars	As at 31 March 2022	As at 31 March 2021
Secured		
Non-convertible debentures (including interest accrued)	18,659.85	8,222.38
Total	18,659.85	8,222.38
Debt securities in India	18,659.85	8,222.38
Debt securities outside India	-	-
Total	18,659.85	8,222.38

i) 150 (31 March 2021: 150), @ 10.25% Secured listed non-convertible debentures (NCD) of face value Rs. 10,00,000 each aggregating to Rs. 1,500 lakhs repayable on 12 June 2023 . The date of allotment was 12 June 2020. The amount outstanding as on 31 March 2022 Rs.1500 Lakh (31 March 2021: Rs. 1,500 Lakh).

(These NCD having exclusive first charge floating via a deed of hypothecation over specific standard asset portfolio of receivables to the extent equal to an amount aggregating to the total outstanding such that the value of security shall be equal of 1.10 times).

ii) 5,000 (31 March 2021: Nil), @ 8.68% Secured listed non-convertible debentures (NCD) of face value Rs.1,00,000 each aggregating to Rs. 5,000 lakhs repayable on 27 December 2023. The date of allotment is 22 June 2021. The amount outstanding as 31 March 2022 Rs. 5,000 Lakhs (31 March 2021: Nil).

(These NCD having exclusive first charge floating via a deed of hypothecation over specific standard asset portfolio of receivables to the extent equal to an amount aggregating to the total outstanding and interest accrued thereon shall be maintained at all times until the redemption of these NCD such that the value of security shall be equal of 1.28 times).

iii) 500 (31 March 2021: Nil), @ 9.29% Secured listed non-convertible debentures of face (NCD) value Rs.10,00,000 each aggregating to Rs. 5,000 lakhs payable in 7 half yearly installment ending on 21 March 2025. The date of allotment of NCD was 23 November 2021. The amount outstanding as 31 March 2022 Rs. 5,000 lakhs (31 March 2021: Nil).

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

14. Debt securities (at amortised cost) (contd.)

(These NCD are secured by way of a first ranking exclusive and continuing charge created pursuant to the deed of hypothecation over certain identified receivables of the Issuer. A security cover of 1.10 times of the value of the aggregate principal amount outstanding on the NCD and interest accrued thereon (if any) shall be maintained at all times until the redemption of these NCD).

iv) 300 (31 March 2021: Nil), @ 8.75% Secured listed non-convertible debentures of face (NCD) value Rs.10,00,000 each aggregating to Rs. 3,000 lakhs repayable on 31 August 2026. The date of allotment of NCD was 31 August 2021. The amount outstanding as at 31 March 2022 Rs. 3,000 lakhs (31 March 2021: Nil).

(These NCD are secured by way of a first ranking exclusive and continuing charge created pursuant to the deed of hypothecation over certain identified receivables of the Issuer. A security cover of 1.10 times of the value of the aggregate principal amount outstanding on the NCD shall be maintained at all times until the redemption of these NCD).

v) 350 (31 March 2021: Nil), @ 9.25% Secured listed non-convertible debentures of face (NCD) value Rs.10,00,000 each aggregating to Rs. 3,500 lakhs repayable on 15 September 2026. The date of allotment of NCD was 15 September 2021. The amount outstanding as 31 March 2022 Rs. 3,500 lakhs (31 March 2021: Nil).

(These NCD are secured by way of a first ranking exclusive and continuing charge created pursuant to the deed of hypothecation over certain identified receivables of the Issuer. A security cover of 1.28 times of the value of the aggregate principal amount outstanding on the NCD and interest accrued thereon (if any) shall be maintained at all times until the redemption of these NCD).

vi) Amounts repayable from the date of balance sheet*

Particulars	As at 31 March 2022	As at 31 March 2021
less than 1 year	1,500.00	-
one to three years	10,000.00	1,500.00
three to five years	6,500.00	5,000.00
more than five years	-	-

*All the above mentioned repayments disclosed as per the contractual maturities of principal amount of debt securities.

15. Borrowings (Other than debt securities)

Particulars	As at 31 March 2022	As at 31 March 2021
At amortised cost		
(a) Term loans - Secured (including interest accrued)		
(i) from banks	1,24,741.85	73,434.06
(ii) from other parties		
- National housing bank	34,404.92	52,854.52
- Financial institutions	23,956.16	9,919.00
(b) Lease liabilities	1,061.43	1,057.19
(c) Liability against securitised assets (net of over collateralisation amount)	4,176.76	3,641.88
Total	**1,88,341.12**	**1,40,906.65**
Borrowings in India	1,88,341.12	1,40,906.65
Borrowings outside India	-	-
Total	**1,88,341.12**	**1,40,906.65**

i) Secured term loans from National Housing Bank carry rate of interest in the range of 3% to 7.35% p.a (31 March 2021: 3.00% to 7.80%). The loans are having tenure of 1 to 15 years from the date of disbursement and are repayable in quarterly or yearly installments. These loans are secured by hypothecation (exclusive charge) of certain loans given by the Company.

ii) Secured term loans from banks and financial institutions include loans from various banks and financial institutions and carry rate of interest in the range of 7.5% to 11.2% p.a (31 March 2021: 7.65% to 11.20%). The loans are having tenure of 34 to 120 months from the date of disbursement and are repayable in monthly or quarterly installments. These loans are secured by hypothecation (exclusive charge) of certain loans given by the Company.

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

15. Borrowings (Other than debt securities) (contd.)

iii) In addition to above, the term loans amounting to Rs. Nil (31 March 2021: Rs. 4,306 lakhs) from banks and Rs. Nil (31 March 2021: Rs. 2,500 lakhs) from National Housing Bank are also personally guaranteed by a director.

iv) The Company is not a declared willful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2022 and 31 March 2021.

v) The Company has borrowings from banks and financial institutions on the basis of security of loans and the quarterly details filed by the Company with the banks and financial institutions are in accordance with the books of accounts of the Company for the respective quarters.

vi) The Company has not defaulted in the repayment of debt, borrowings(other than debt securities) and interes thereon for the year ended 31 March 2022 and 31 March 2021

Terms of principal repayment of borrowings as at 31 March 2022*

Particulars	Number of installments	Monthly repayment	Number of installments	Quarterly repayment
less than one year	557	31,201.15	112	16,448.85
one to three years	939	53,928.88	182	25,000.15
three to five years	542	28,868.31	113	12,636.96
more than five years	267	10,649.92	97	10,451.12

Terms of principal repayment of borrowings as at 31 March 2021*

Particulars	Number of installments	Monthly repayment	Number of installments	Quarterly repayment
less than one year	372	17,209.20	97	17,728.06
one to three years	677	32,932.06	225	25,801.10
three to five years	315	15,165.62	145	16,528.68
more than five years	105	4,334.20	131	11,441.61

*All the above mentioned repayments disclosed as per the contractual maturities of principal amount of borrowings (other than debt securities).

Reconciliation of liabilities arising from financing activities

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Debt securities	Borrowings (other than debt securities)	Total
01 April 2020	**24,588.20**	**68,872.16**	**93,460.36**
Cash flows:			
-Repayments	(17,857.15)	(25,184.81)	(43,041.96)
-Proceeds	1,500.00	97,840.90	99,340.90
-Payment of lease liability	-	(321.68)	(321.68)
Non-cash:			
-Amortization of upfront fees and others (net)	182.97	(192.56)	(9.59)
-Accrued interest (net)	(191.64)	(220.31)	(411.95)
-Recognition of lease liabilities	-	112.95	112.95
31 March 2021	**8,222.38**	**1,40,906.65**	**1,49,129.03**
Cash flows:			
-Repayments	(5,000.00)	(66,456.29)	(71,456.29)
-Proceeds	16,500.00	1,14,063.55	1,30,563.55
-Payment of lease liability	-	(446.22)	(446.22)
Non-cash:			
-Amortisation of upfront fees and others (net)	(137.98)	(261.35)	(399.33)
-Accrued interest (net)	(924.55)	84.32	(840.23)
-Recognition of lease liabilities	-	450.46	450.46
31 March 2022	**18,659.85**	**1,88,341.12**	**2,07,000.97**

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

16. Other financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Employee related payable	1464.75	854.30
Payable towards assignment transactions	1055.71	512.21
Advance received from customers	410.28	376.54
Payable towards securitisation transactions	305.99	225.05
Insurance payables	99.78	120.71
Total	3,336.51	2,088.81

17. Provisions

Particulars	As at 31 March 2022	As at 31 March 2021
Provisions for employee benefits		
- Provision for gratuity (Refer note 36)	365.01	253.74
- Provision for compensated absences	75.21	51.34
Impairment loss allowance on Undrawn commitments	73.10	54.65
Total	513.32	359.73

18. Other non-financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Book Overdraft	2615.24	297.09
Statutory dues payables	151.80	199.80
Total	2,767.04	496.89

19. Equity share capital

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Authorised capital		
8,10,00,000 (31 March 2021: 81,000,000) equity shares of Rs. 10 each	8,100.00	8,100.00
(b) Issued capital		
4,37,06,655 (31 March 2021: 4,29,78,405) equity shares of Rs. 10 each	4,370.67	4,297.84
(c) Subscribed and paid up capital		
4,37,06,655 (31 March 2021: 4,29,78,405) equity shares of Rs. 10 each	4,370.67	4,297.84

(d) Reconciliation of the number of shares outstanding at the beginning and at the end of the period

Particulars	As at 31 March 2022	As at 31 March 2021
Equity shares outstanding at the beginning of the year	4,29,78,405	4,28,30,155
Issued during the year (Refer note (e) below)	7,28,250	1,48,250
Equity shares outstanding at the end of the year	4,37,06,655	4,29,78,405

(e) Issue of shares against exercise of ESOPs

A) During the current year, the Board of Directors have approved allotment of 7,28,250 equity shares to 14 option holders, who exercised their options as per the following:

a. 92,250 shares of Rs. 10 each at a premium of Rs. 3.27 each (aggregating to Rs. 12.24 lakhs) vide circular dated on 25 July 2021 & 06 January 2022.

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

19. Equity share capital (contd.)

b. 5,000 shares of Rs. 10 each at a premium of Rs. 4.18 each (aggregating to Rs. 0.71 lakhs) vide circular dated on 06 January 2022.

c. 50,000 shares of Rs. 10 each at a premium of Rs.10.32 each (aggregating to Rs. 10.16 lakhs) vide circular dated on 29 April 2021 & 25 July 2021.

d. 5,62,500 shares of Rs. 10 each at a premium of Rs.73.20 each (aggregating to Rs. 468 lakhs) vide circular dated on 25 July 2021 , 08 August 2021 & 23 August 2021

e. 12,000 shares of Rs. 10 each at a premium of Rs.108.48 each (aggregating to Rs. 14.22 lakhs) vide circular dated on 08 August 2021

f. 6,000 shares of Rs. 10 each at a premium of Rs.149.01 each (aggregating to Rs. 9.54 lakhs) vide circular dated on 08 August 2021

g. 500 shares of Rs. 10 each at a premium of Rs.169.92 each (aggregating to Rs. 0.90 lakhs) vide circular dated on 08 August 2021

B) During the previous year, the Board of Directors vide circular/resolution dated 10 January 2021 have approved allotment of 1,48,250 equity shares to 9 option holders, who exercised their options as per the following:

a. 1,38,250 shares of Rs. 10 each at a premium of Rs. 3.27 each (aggregating to Rs. 18.35 lakhs).

b. 10,000 shares of Rs. 10 each at a premium of Rs. 4.18 each (aggregating to Rs. 1.42 lakhs).

(f) Terms and conditions of the main features of each class of shares

The Company has only one class of equity shares having a face value of Rs. 10 per share. Each shareholder is entitled to one vote per share. The Company will pay dividend as and when declared. The dividend as and when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to shareholding.

(g) Detail of shareholders holding 5 percent or more

Name of shareholders	As at 31 March 2022		As at 31 March 2021	
	No. of shares	% of holding	No. of shares	% of holding
Sequoia Capital India Investments III	-	0.00%	14,48,776	3.37%
Nexus Ventures III Limited	99,61,798	22.79%	99,61,798	23.18%
Sequoia Capital India Growth Investments I	-	0.00%	21,70,560	5.05%
WestBridge Crossover Fund, LLC	1,08,54,151	24.83%	1,08,54,151	25.25%
Milestone Trusteeship Services Private Limited acting as trustee for Madison India opportunity trust fund	23,79,954	5.45%	23,79,954	5.54%
Aravali Investment Holdings	1,42,11,409	32.52%	1,05,92,073	24.65%
Nexus Opportunity Fund II, Ltd.	29,10,037	6.66%	29,10,037	6.77%

(h) Shares held by promoter

Name of Promoter	As at 31 March 2022		As at 31 March 2021		% change during the year
	No. of shares	% of holding	No. of shares	% of holding	
Anil Mehta	8,20,367	1.88%	10,95,367	2.55%	(25.11%)
WestBridge Crossover Fund, LLC (w.e.f 26 October 2021)	1,08,54,151	24.83%	-	-	
Aravali Investment Holdings (w.e.f 26 October 2021)	1,42,11,409	32.52%	-	-	

(i) Shares reserved for issue under options and contracts/commitments for the sale of shares

The Company has reserved 30,38,344 (31 March 2021: 24,63,494) number of shares for a pool of employee stock options/right to subscribe to equity shares representing 6.50% (31 March 2021: 5.42%) of share capital for the benefit of employees on such terms and conditions as determined by the Investors and Board of Directors. This include 3,55,000 Rights to Subscribe to equity shares to Mr. Anil Mehta approved by Board of Directors in their meeting held on 28 April, 2016.

(j) The Company (except disclosed above) has not allotted any shares for consideration other than cash, bonus shares and shares bought back for the five years immediately preceding the reporting date.

(k) The Board of Directors have not proposed any dividend for the year ended 31 March 2022 and 31 March 2021.

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

20. Other equity

Particulars	As at 31 March 2022	As at 31 March 2021
Securities premium	68,577.83	67,824.59
Statutory reserve	6,992.50	4,423.56
Employee share based payment reserve	833.95	550.11
Retained earnings	26,837.69	16,630.86
Total	**1,03,241.97**	**89,429.12**

Nature and purpose of other reserve

Securities premium

Securities premium represents premium received on issue of shares. The amount is utilised in accordance with the provisions of the Companies Act, 2013.

Statutory reserve

This reserve is created as per the provision of Section 29C of the National Housing Bank Act, 1987 (read with Section 36(1)(viii) of the Income-tax Act, 1961).

The Company transfers amount at least 20% of the total comprehensive income after tax to Statutory reserve.

Employee share based payment reserve

This reserve is used to recognise the fair value of the options issued to employees of the Company under Company's employee stock option plan.

Retained earnings

Retained earnings represents the amount of accumulated earnings of the Company.

21. Interest income (on financial assets measured at amortised cost)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on loans	35,663.21	25,719.71
Interest on investments	566.16	28.86
Interest on deposits with banks	1,471.99	1,658.48
Income on securitised loans	63.38	50.16
Total	**37,764.74**	**27,457.21**

22. Fees and commission income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Fee based income	1,602.65	999.26
Total	**1,602.65**	**999.26**

23. Net gain on fair value changes

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Net gain on financial instruments at fair value through profit or loss		
On trading portfolio		
- Investments	458.85	291.85
Total net gain on fair value changes	**458.85**	**291.85**
Fair value changes		
- Realised	428.13	291.85
- Unrealised	30.72	-
Total net gain on fair value changes	458.85	291.85

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

24. Other income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Marketing support income	1,172.55	587.20
Gain on termination of leases	8.22	22.02
Liabilities no longer required, written back	2.03	-
Total	1,182.80	609.22

25. Finance costs (on financial liabilities measured at amortised cost)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Interest expenses on		
- Borrowings	13,264.25	8,352.47
- Debt securities	1,043.86	1,611.33
- Securitised loans	427.46	485.04
(b) Other borrowing costs		
- Securitisation expense	2.37	7.49
- Interest expense on lease liabilities	91.93	77.33
- Other interest expense	3.99	1.15
Total	14,833.86	10,534.81

26. Impairment on financial instruments (measured at amortised cost)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Impairment loss on loans	352.97	1,515.97
Net loans written off*	811.81	452.05
Impairment loss on EIS receivable	24.09	16.71
Total	1,188.87	1,984.73

*Net of bad debt recovery of INR 123.36 lakhs (31 March 2021: INR 66.06 lakhs)

27. Employee benefits expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	8,913.41	5,665.43
Contribution to provident and other funds	540.92	328.56
Share based payments to employees	594.12	161.21
Staff welfare expenses	92.17	13.38
Total	10,140.62	6,168.58

28. Depreciation and amortisation

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation of property, plant and equipment (Refer note 10)	595.56	444.83
Amortisation of intangible assets (Refer note 11)	58.34	65.01
Total	653.90	509.84

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

29. Other expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Legal and professional charges	260.40	221.82
Loan processing cost	284.48	161.30
Advertisement and marketing expenses	132.09	77.88
Rent and hire charges	84.53	67.63
Travelling and conveyance	213.49	138.92
Information technology expense	680.14	496.21
Communication expenses	80.94	66.70
Rates and taxes expenses	3.97	2.92
Repairs and maintenance - others	52.63	50.95
Office expenses	106.19	69.68
Electricity and water expenses	88.95	55.56
Printing, stationery and office supplies	24.43	23.92
Workshop, seminar and conference expenses	15.70	5.66
Insurance expenses	160.43	119.17
Directors' sitting fees	27.47	31.07
Auditor's remuneration (Refer note 29.1 below)	38.15	32.00
Bank charges	34.90	36.67
Loss on derecognition of property, plant and equipment	6.39	14.65
Corporate social responsibility expenses (Refer note 29.2 below)	146.54	90.00
Loss on Stock of Acquired Properties	12.30	4.62
Miscellaneous expenses	19.02	18.85
Total	**2,473.14**	**1,786.18**

29.1 Auditor's remuneration

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
a) As auditors		
- Statutory audit including limited review	31.00	27.50
- Certification and other charges	6.20	3.70
b) for re-imbursement of expenses	0.95	0.80

29.2 Expenditure incurred on Corporate Social Responsibility (CSR)

As per section 135 of the Companies Act, 2013 along with Companies (Corporate Social Responsibility Policy) Rules 2014, the Company is required to spend for CSR activities in accordance with its CSR policy. The details of the CSR expenses for the year are as under:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
a) Gross amount required to be spent by the Company during the year	146.54	90.00
b) Amount spent during the year on:		
i) Construction/acquisition of any asset	-	-
ii) On purpose other than (a) above		
Contribution towards Trust/NGOs	146.54	90.00
c) Amount unpaid	-	-

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

30. Tax expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
In respect of the current year	3,183.62	2,477.20
	3,183.62	**2,477.20**
Deferred tax charge/(credit)	661.78	79.63
	661.78	**79.63**
Total income tax expense recognised (excluding tax recognised in other comprehensive income)	**3,845.40**	**2,556.83**

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate and the reported tax expense in statement of profit and loss, is as follows:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit before tax	16,690.11	11,295.69
Applicable tax rate	25.17%	25.17%
Expected tax expense [A]	**4,200.57**	**2,842.90**
Effect of expenses that are not deductible in determining taxable profit	80.39	13.83
Deductions under section 80JJAA of the Income-tax Act, 1961	(52.80)	(38.90)
Deductions under Section 36(1)(viii) of the Income-tax Act, 1961	(382.76)	(261.00)
Total	**3,845.40**	**2,556.83**

With introduction of Taxation Laws (Amendment) Ordinance, 2019 in previous year, where section 115BAA was introduced in the Income-tax Act, 1961 proposing option to compute income tax liability at revised taxation rates, the Company has elected to exercise the option and thereby the applicable tax rates have reduced from 29.12% to 25.17%.The tax expense for the current financial year and previous financial year, has been computed considering the revised tax provisions.

Income tax expense recognised in other comprehensive income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Income tax relating to re-measurement loss on defined benefit plans	23.18	7.15
Total	**23.18**	**7.15**

31. Expenditure in foreign currency

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Software license expense	197.67	149.96
Total	**197.67**	**149.96**

The Company's unhedged foreign currency exposure as on 31 March 2022 is Nil (31 March 2021: Nil).

For the year ended 31 March 2022 and 31 March 2021

Particulars	Unhedged			Hedged through forward or derivative			Natural hedge
	</=1 year	> 1 year	Total	</=1year	> 1 year	Total	</=1 year
Foreign currency (FCY) receivables							
Exports	-	-	-	-	-	-	-
Loans to Joint Venture/Wholly Owned Subsidiary (JV/WOS)	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

31. Expenditure in foreign currency (contd.)

Particulars	Unhedged			Hedged through forward or derivative			Natural hedge
	</=1 year	> 1 year	Total	</=1year	> 1 year	Total	</=1 year
FCY payables							
Imports	-	-	-	-	-	-	-
Trade credits	-	-	-	-	-	-	-
External Commercial Borrowings (ECBs)	-	-	-	-	-	-	-
Other FCY loans	-	-	-	-	-	-	-
INR to USD swaps	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

32. Segment reporting

The Company is a housing finance company registered with the National Housing Bank predominantly engaged in a single business segment i.e. providing housing loans and loan against properties in India only, which has similar nature of products and services, type/class of customers and the nature of the regulatory environment, risks and returns and accordingly there are no separately reportable business or geographical segments as per the Indian Accounting Standard ('Ind AS') 108 on Operating Segments. The aforesaid is in line with the way operating results are reviewed and viewed by the chief operating decision maker. Accordingly, the amounts appearing in these financial statements relate to the Company's single business segment.

33. Contingent liabilities and commitments

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
a) In respect of following:		
- Income tax matters	445.23	445.23
b) Commitments		
- Undrawn loans commitments	19,341.23	11,022.64
- Capital commitments	5.00	2.05

Note:

The Company received income tax notice under section 143(3) of the Income Tax Act ,1961 (the Act) dated 25 December 2019 for tax demand amounting to Rs. 445.23 lakhs on account of unexplained credit under Section 68 of the Act for assessment year 2017-18. In response to such notice, the Company has filed an appeal before Commissioner of Income Tax (Appeals). The Company has deposited Rs. 89.05 lakhs under protest. The legal proceeding when ultimately concluded will not, in the opinion of the management, have a material effect on the financial position of the Company. Above amount does not include the contingencies, the likelihood of which is remote.

34. Disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March 2022	As at 31 March 2021
(i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;		
- Principal due	Nil	12.12
- Interest due	Nil	Nil
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
(iii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

34. Disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (contd.)

Particulars	As at 31 March 2022	As at 31 March 2021
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

35. Assets held for sale

The Company has obtained possession of certain properties mortgaged by customers, under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (The SARFAESI Act, 2002), which shall be sold to realise the loan and other amounts receivable by the Company. The Company is in the process of selling these properties and has classified these as assets held for sale.

36. Employee benefit plans

A) Defined contribution plans

Provident and other funds

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and other funds which are defined contribution plans. The Company has no obligations other than this to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue.

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Employer's contribution to provident and other funds	540.92	328.56
	540.92	**328.56**

B) Defined benefit plans

Gratuity

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Longevity risk

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

Salary risk

The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31 March 2022 by Mr. Ashok Kumar Garg (FIAI M.No. 00057), Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method.

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

36. Employee benefit plans (contd.)

Principal assumptions	31 March 2022	31 March 2021
Discount rate(s)	7.00%	7.00%
Expected rate(s) of salary increase	10.00%	10.00%
Retirement age	58	58
Withdrawal rate	8.00%	8.00%
In service mortality	IALM (2012-14)	IALM (2012-14)

Amounts recognised in the statement of profit and loss in respect of these defined benefit plans are as follows:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Service cost:		
Current service cost	148.93	89.74
Interest cost	17.76	11.31
Components of defined benefit costs recognised in profit or loss	**166.69**	**101.05**
Remeasurement on the net defined benefit liability:		
Actuarial losses/(gains) arising from changes in financial assumptions	-	35.68
Actuarial (gains)/losses arising from experience adjustments	92.12	(7.29)
Components of defined benefit costs recognised in other comprehensive income	**92.12**	**28.39**

The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Present value of funded defined benefit obligation	**365.01**	**253.74**
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation	**365.01**	**253.74**

Movements in the present value of the defined benefit obligation are as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Opening defined benefit obligation	253.74	161.62
Current service cost	148.93	89.74
Interest cost	17.76	11.31
Remeasurement (gains)/losses:		
Actuarial losses/(gains) arising from changes in financial assumptions	-	35.68
Actuarial (gains)/losses arising from experience adjustments	92.12	(7.29)
Past service cost, including losses/(gains) on curtailments	-	-
Benefits paid	(147.54)	(37.32)
Closing defined benefit obligation	**365.01**	**253.74**

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase, mortality, etc. The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by Rs. 37.95 lakhs (increase by Rs. 44.40 lakhs) [31 March 2021: 24.82 lakhs (increase by Rs. 29.76 lakhs)].

- If the expected salary growth increases (decreases) by 100 basis points, the defined benefit obligation would increase by Rs. 42.67 lakhs (decrease by Rs. 37.31 lakhs) [31 March 2021: increase by Rs. 28.58 lakhs (decrease by Rs. 24.40 lakhs)].

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

36. Employee benefit plans (contd.)

Sensitivities due to change in mortality rate and change in withdrawal rate are not expected to be material and hence impact of such change is not calculated.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Other disclosures

Maturity profile of defined benefit obligations

Particulars	As at 31 March 2022	As at 31 March 2021
Average duration of the defined benefit obligation (in years)		
Less than 1 year	7.03	24.32
Between 1-2 years	3.06	1.21
Between 2-5 years	9.82	6.26
Over 5 years	345.10	221.95

-The expected contributions to the plan for the next year is INR 219.03 lakh.

37. Maturity analysis of assets and liabilities

Assets	31 March 2022			31 March 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	14,380.16	-	14,380.16	23,309.46	-	23,309.46
Bank balance other than cash and cash equivalents	17,789.59	859.62	18,649.21	16,062.94	1,995.37	18,058.31
Loans	36,602.66	2,25,649.79	2,62,252.45	9,870.88	1,88,246.08	1,98,116.96
Investments	17,532.00	-	17,532.00	-	-	-
Other financial assets	2,225.83	3,969.38	6,195.21	1,192.74	1,615.81	2,808.55
Non-financial assets			-			
Current tax assets (net)	-	-	-	-	3.55	3.55
Deferred tax assets (net)	-	295.06	295.06	-	933.65	933.65
Property, plant and equipment	-	1,657.28	1,657.28	-	1,403.13	1,403.13
Other intangible assets	-	46.54	46.54	-	107.74	107.74
Other non-financial assets	556.52	221.14	777.66	427.21	747.76	1,174.97
Assets held for sale	336.54	-	336.54	347.85	-	347.85
Total assets	**89,423.30**	**2,32,698.81**	**3,22,122.11**	**51,211.08**	**1,95,053.09**	**2,46,264.17**
Liabilities						
Financial liabilities						
Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-		-	12.12	-	12.12
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	459.41	-	459.41	450.63	-	450.63
Debt securities	1,955.81	16,704.04	18,659.85	111.08	8,111.30	8,222.38
Borrowings (Other than debt securities)	47,675.60	1,40,665.52	1,88,341.12	34,703.38	1,06,203.27	1,40,906.65
Other financial liabilities	3,336.51	-	3,336.51	2,088.81	-	2,088.81

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

37. Maturity analysis of assets and liabilities (contd.)

Assets	31 March 2022			31 March 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Non-financial liabilities						-
Provisions	84.58	428.74	513.32	84.89	274.84	359.73
Current tax liabilities (Net)	432.22	-	432.22	-	-	-
Other non-financial liabilities	2,767.04	-	2,767.04	496.89	-	496.89
Total liabilities	**56,711.17**	**1,57,798.30**	**2,14,509.47**	**37,947.80**	**1,14,589.41**	**1,52,537.21**
Net	**32,712.12**	**74,900.50**	**1,07,612.64**	**13,263.28**	**80,463.68**	**93,726.96**

Classification of assets & liabilities under maturity buckets is based on estimates and assumptions of the company.

38. Financial instruments

38.1Capital management

Capital

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the National Housing Bank (NHB) and Reserve Bank of India (RBI). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by NHB and RBI.

Capital management

The capital management objectives of the Company are:

- to ensure that the Company complies with externally imposed capital requirements, if any and maintains strong credit ratings and healthy capital ratios

- to ensure the ability to continue as a going concern

- to provide an adequate return to shareholders

Gearing ratio

The gearing ratio at the end of reporting period was as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Debt		
Borrowings(other than debt securities)	1,88,341.12	1,40,906.65
Debt securities	18,659.85	8,222.38
Cash and cash equivalents	(14,380.16)	(23,309.46)
Net debt	**1,92,620.81**	**1,25,819.57**
Total equity	1,07,612.64	93,726.96
Net debt to equity ratio	**1.79**	**1.34**

Management assesses the capital requirements of the Company in order to maintain an efficient overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends, issue new shares, moderate business growth or sell assets to reduce debt.

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

38.2 Categories of financial instruments

The carrying value of financial assets and financial liabilities are as follows:

As at 31 March 2022

Particulars	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying value
Financial assets				
Cash and cash equivalents	-	-	14,380.16	14,380.16
Bank balance other than cash and cash equivalents	-	-	18,649.21	18,649.21
Loans	-	-	2,62,252.45	2,62,252.45
Investments	17,532.00	-	-	17,532.00
Other financial assets	-	-	6,195.21	6,195.21
Total financial assets	**17,532.00**	**-**	**3,01,477.03**	**3,19,009.03**
Financial liabilities				
Trade payables	-	-	459.41	459.41
Debt securities	-	-	18,659.85	18,659.85
Borrowings (Other than debt securities)	-	-	1,88,341.12	1,88,341.12
Other financial liabilities	-	-	3,336.51	3,336.51
Total financial liabilities	**-**	**-**	**2,10,796.89**	**2,10,796.89**

As at 31 March 2021

Particulars	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying value
Financial assets				
Cash and cash equivalents	-	-	23,309.46	23,309.46
Bank balance other than cash and cash equivalents	-	-	18,058.31	18,058.31
Loans	-	-	1,98,116.96	1,98,116.96
Other financial assets	-	-	2,808.55	2,808.55
Total financial assets	**-**	**-**	**2,42,293.28**	**2,42,293.28**
Financial liabilities				
Trade payables	-	-	462.75	462.75
Debt securities	-	-	8,222.38	8,222.38
Borrowings (Other than debt securities)	-	-	1,40,906.65	1,40,906.65
Other financial liabilities	-	-	2,088.81	2,088.81
Total financial liabilities	**-**	**-**	**1,51,680.59**	**1,51,680.59**

38.3 Fair value measurement of assets and liabilities

- Fair value hierarchy

Assets and liabilities are measured at fair value in the financial statements and are grouped into three levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- **Level 1:** Quoted prices (unadjusted) for identical instruments in an active markets;
- **Level 2:** Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and
- **Level 3:** Inputs which are not based on observable market data (unobservable inputs).

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

38.3 Fair value measurement of assets and liabilities (contd.)

The following table shows the levels within the hierarchy of assets measured at fair value on a recurring basis:

As at 31 March 2022

Particulars	Level 1	Level 2	Level 3	Total
Asset measured at fair value on a recurring basis				
Financial Assets carried at fair value through profit and loss				
Investments in mutual fund	17,532.00			17,532.00
Assets measured at fair value on a non recurring basis				
Assets held for sale	-	336.54	-	336.54

As at 31 March 2021

Particulars	Level 1	Level 2	Level 3	Total
Asset measured at fair value on a recurring basis				
Assets measured at fair value on a non recurring basis				
Assets held for sale	-	347.85	-	347.85

Valuation methodologies of financial instruments measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are recorded and measured at fair value in the Company's financial statements:

a) **Mutual funds -** Units held in Mutual funds are valued based on their published Net asset value (NAV) and such instruments are classified under Level 1.

b) **Asset held for sale -** Assets held for sale valuation are basis independent valuations by a specialist in valuing these type of assets. The best estimate of fair value is current prices in an active market for similar assets.

38.4 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

As at 31 March 2022

Particulars	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Cash and cash equivalents	14,380.16			14,380.16	14,380.16
Bank balance other than cash and cash equivalents	18,649.21			18,649.21	18,649.21
Loans	2,62,252.45			2,62,252.45	2,62,252.45
Other financial assets	6,195.21			6,195.21	6,195.21
	3,01,477.03	**-**	**-**	**3,01,477.03**	**3,01,477.03**
Financial liabilities					
Trade payables	459.41	-	-	459.41	459.41
Debt securities	18,659.85			18,659.85	18,659.85
Borrowings (Other than debt securities)	1,88,341.12			1,88,341.12	1,88,341.12
Other financial liabilities	3,336.51			3,336.51	3,336.51
	2,10,796.89	**-**	**-**	**2,10,796.89**	**2,10,796.89**

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

38.3 Fair value measurement of assets and liabilities (contd.)

As at 31 March 2021

Particulars	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Cash and cash equivalents	23,309.46	-	-	23,309.46	23,309.46
Bank balance other than cash and cash equivalents	18,058.31	-	-	18,058.31	18,058.31
Loans	1,98,116.96	-	-	1,98,116.96	1,98,116.96
Other financial assets	2,808.55	-	-	2,808.55	2,808.55
	2,42,293.28	**-**	**-**	**2,42,293.28**	**2,42,293.28**
Financial liabilities					
Trade payables	462.75	-	-	462.75	462.75
Debt securities	8,222.38	-	-	8,222.38	8,222.38
Borrowings (Other than debt securities)	1,40,906.65	-	-	1,40,906.65	1,40,906.65
Other financial liabilities	2,088.81	-	-	2,088.81	2,088.81
	1,51,680.59	**-**	**-**	**1,51,680.59**	**1,51,680.59**

The management is of view that the fair value of bank balances and cash and cash equivalents, other bank balances, loans, other financial assets, trade payables, borrowings including debt securities and other financial liabilities that are being carried at amortised cost, approximates to their respective net carrying value.

38.5. Financial risk management

Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Loan receivables, cash and bank balances, investments, financial assets measured at amortised cost	Expected loss analysis	Credit risk analysis, diversification of customers/asset base, high rated bank deposits, credit limits and collateral.
Liquidity risk	Business commitments and other liabilities	Rolling cash flow forecasts	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.
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks.

The Board has the overall responsibility of risk management. There are two committees of the Board which takes care of managing overall risk in the organisation. In accordance with the RBI guidelines to enable Housing Finance Companies to adopt best practices and greater transparency in their operations, the Board of Directors of the Company has constituted a Risk Management Committee to review risk management in relation to various risks, namely, credit risk, and operational risk, and an Asset Liability Management Committee (ALCO) to review the liquidity and market risk.

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

38.5. Financial risk management (contd.)

a) Credit risk

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

The credit risk is governed by various product policies. The product policies outlines the type of products that can be offered, customer categories, the targeted customer profile and the credit approval process and limits. The Company measures, monitors and manages credit risk at an individual borrower level. The credit risk for individual borrowers is being managed at portfolio level for both Housing Loans and Non-housing Loans. The Company has a structured and standardised credit approval process, which includes a well-established procedure of comprehensive credit appraisal.

Credit risk arises from loan financing, cash and cash equivalents, investments and deposits with banks and financial institutions, as shown below:

Particulars	As at 31 March 2022	As at 31 March 2021
Loans	2,62,252.45	1,98,116.96
Cash and cash equivalents	14,380.16	23,309.46
Bank balance other than cash and cash equivalents	18,649.21	18,058.31
Investments	17,532.00	-
Other financial assets	6,195.21	2,808.55

Credit risk management

The Company assesses and manages credit risk based on internal credit rating system and external ratings.

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Loans

The customers are primarily low and middle -income, salaried and self-employed individuals. The credit officers evaluate credit proposals on the basis of active credit policies as on the date of approval. The criteria typically include factors such as the borrower's income and obligations, the loan-to-value ratio and demographic parameters subject to regulatory guidelines. Any deviations need to be approved at the designated levels.

The various process controls such as PAN Number Check, CERSAI database scrubbing, Credit Bureau Report analysis are undertaken prior to approval of a loan. Individual loans are secured by the mortgage of the borrowers property.

Investments

Investments are generally made in mutual funds. Credit risk related to these investments is managed by monitoring the recoverability of such amounts continuously.

Other financial assets measured at amortised cost

Other financial assets measured at amortized cost includes security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

Management of the Company monitors forecast of liquidity position and cash and cash equivalents on the basis of expected cash flows. The Asset Liability Management Policy aims to align market risk management with overall strategic objectives, articulate current interest rate view and determine pricing, mix and maturity profile of assets and liabilities. The asset liability management policy involves preparation and analysis of liquidity gap reports and ensuring preventive and corrective measures. It also addresses the interest rate risk by providing for duration gap analysis and control by providing limits to the gaps.

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

38.5. Financial risk management (contd.)

The tables below analyse the financial assets and liabilities of the Company into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows except EIS receivables on direct assignment included in other financial assets. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Maturities of financial assets

31 March 2022	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Cash and cash equivalents	14,380.16	-	-	-	14,380.16
Bank balance other than cash and cash equivalents	17,789.59	784.18	75.44	-	18,649.21
Loans	37,114.84	73,535.98	58,811.42	99,952.55	2,69,414.79
Investments	17,532.00	-	-	-	17,532.00
Other financial assets	2,225.83	2,762.75	1,126.04	80.59	6,195.21
Total	**89,042.42**	**77,082.91**	**60,012.90**	**1,00,033.14**	**3,26,171.37**

31 March 2021	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Cash and cash equivalents	23,309.46	-	-	-	23,309.46
Bank balance other than cash and cash equivalents	16,062.94	1,868.43	101.64	25.30	18,058.31
Loans	9,870.88	23,528.34	29,174.48	1,40,784.73	2,03,358.43
Other financial assets	1,192.74	1,120.57	495.24	-	2,808.55
Total	**50,436.02**	**26,517.34**	**29,771.36**	**1,40,810.03**	**2,47,534.75**

Maturities of financial liabilities

The tables below analyse the financial liabilities of the Company into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

31 March 2022	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Borrowings (Other than debt securities)	47,972.87	78,929.03	41,505.27	21,101.04	1,89,508.21
Debt securities	1,963.93	10,000.00	6,846.26	-	18,810.19
Trade payables	459.41	-	-	-	459.41
Other financial liabilities	3,336.51	-	-	-	3,336.51
Total	**53,732.72**	**88,929.03**	**48,351.53**	**21,101.04**	**2,12,114.32**

31 March 2021	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Borrowings (Other than debt securities)	35,175.87	58,733.16	31,694.30	15,775.81	1,41,379.14
Debt securities	123.42	1,500.00	6,611.30	-	8,234.72
Trade payables	462.75	-	-	-	462.75
Other financial liabilities	2,088.81	-	-	-	2,088.81
Total	**37,850.85**	**60,233.16**	**38,305.60**	**15,775.81**	**1,52,165.42**

c. Public disclosure on Liquidity Risk of India Shelter Finance Corporation Limited as on 31 March 2022 in accordance with RBI circular No. RBI/2019-20/88 DOR.NBFC(PD) CC. No.102/03.10.001/2019-20 dated 04 November 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies (NBFCs) including Core Investment Companies and RBI circular No. RBI/2020-21/60 DOR.NBFC(HFC). CC.No.118/ 03.10.136/2020-21 dated 22 October 2020 for regulatory framework for Housing Finance Companies (HFCs).

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

38.5. Financial risk management (contd.)

Funding concentration based on significant counterparty*# (borrowings)

Number of significant counterparties	As at 31 March 2022 Amount	As at 31 March 2022 % of total liabilities
29	1,97,713.82	92.17%

Number of significant counterparties	As at 31 March 2021 Amount	As at 31 March 2021 % of total liabilities
20	1,40,419.16	92.06%

*A significant counterparty is a single counterparty that has an amount outstanding for more than 1% of the total liabilities as on the reporting date.

Funding concentration based on significant instrument/product*#

Name of the instrument	As at 31 March 2022		As at 31 March 2021	
	Amount	% of total liabilities	Amount	% of total liabilities
Term loans from banks and financial institutions	1,49,495.11	46.41%	83,574.58	54.79%
Term loans from National Housing Bank	34,415.56	10.68%	52,866.79	34.66%
Non-convertible debentures	18,000.00	5.59%	6,500.00	4.26%
Securitisation	4,176.76	1.30%	3,641.88	2.39%
	2,06,087.43		1,46,583.25	

*A significant instrument/product is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the total liabilities.

Top 10 borrowings#

Particulars	As at 31 March 2022		As at 31 March 2021	
	Amount	% of total borrowings	Amount	% of total borrowings
Term Loan/NCD/Securitisation	1,20,527.77	58.48%	1,13,206.11	77.23%

#All the above mentioned outstanding borrowings are disclosed at principal contractual liability.

Stock Ratios:

Particulars	As at 31 March 2022	As at 31 March 2021
Commercial papers issued to total liabilities	Nil	Nil
Commercial papers issued to total assets	Nil	Nil
NCD (original maturity < one year) to total liabilities	Nil	Nil
NCD (original maturity < one year) to total assets	Nil	Nil
Other short-term liabilities to total liabilities	3.06%	2.00%
Other short-term liabilities to total assets	2.04%	1.24%

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

38.5. Financial risk management (contd.)

c) Market risk

Interest rate risk

Liabilities

The policy of the Company is to minimise interest rate cash flow risk exposures on long-term loans and borrowings. As at 31 March 2022, the Company is exposed to changes in market interest rates through loans and bank borrowings at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	As at 31 March 2022	As at 31 March 2021
Variable rate borrowing	1,73,329.79	1,03,837.45
Fixed rate borrowing	28,580.89	39,103.92
Total borrowings	**2,01,910.68**	**1,42,941.37**

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates:

Particulars	Impact on profit before tax	
	Year ended 31 March 2022	Year ended 31 March 2021
Interest rate - Increase by 100 basis points*	1,368.45	697.28
Interest rate - Decrease by 100 basis points*	(1,368.45)	(697.28)

* Holding all other variables constant

39. Related party transactions

List of related parties:	
i. Holding Company	WestBridge Crossover Fund, LLC (w.e.f 26 October 2021)
ii. Wholly owned subsidiary of the Company	India Shelter Capital Finance Limited (w.e.f 24 March 2022)
iii. Key management personnel	a. Anil Mehta - Chairman and Non-Executive Director (w.e.f 23 November 2021, Managing Director and Chief Executive Officer (till 22 November 2021))
	b. Rupinder Singh- Managing Director and Chief Executive Officer (w.e.f. 23 November 2021)*
	b. Ashish Gupta - Chief Financial Officer
	c. Mukti Chaplot - Company Secretary
	d. GV Ravishankar - Nominee Director (till 26 October 2021)
	e Anup Gupta - Nominee Director
	f. Sumir Chadha - Nominee Director
	g. Anisha Motwani - Independent Director (till 17 February 2021)
	h. Shailesh J Mehta - Nominee Director (w.e.f 03 November 2021, Independent Director till 2 November 2021)
	i. Rachna Dikshit - Independent Director (w.e.f 12 February 2021)
	j. Sudhin Choksey- Nominee Director (w.e.f. 3 November 2021)
	k. Sunil Bhumralkar- Additional Independent Director (w.e.f. 31 March 2022)
iv. Entities having significance influence	a. WestBridge Crossover Fund, LLC (Holder of Equity Shares) (till 25 October 2021)
	b. Nexus Ventures III Ltd, Mauritius (Holder of Equity Shares)
	c. Aravali Investment Holdings (Holder of Equity Shares)
v. Relative of key management personnel - (where there are transactions)	Gaj Singh Mehta - Father of Anil Mehta
	Ankit Aggarwal - Husband of Mukti Chaplot

* Rupinder Singh has been appointed as Executive Director w.e.f. 12 May 2021 and re-designated as managing Director and Chief Executive officer w.e.f. 23 November 2021

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

39. Related party transactions (contd.)

Transactions with related parties

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Rent paid	3.41	3.56

Transaction with key management personnel

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Short- term benefits	942.51	555.81
Contribution to pension funds and gratuity payment	178.81	15.27
Sitting fees	26.25	28.50
Proceeds from issue of equity shares	10.66	16.27
Sale of Assets	8.63	-

* Based on perquisite value computed as per Income tax Act,1961

Amount payable to key management personnel

Particulars	As at 31 March 2022	As at 31 March 2021
Short-term benefits	379.56	220.77

Note 1: The KMPs are covered under the Company's gratuity policy, compensated absences policy and ESOP scheme along with other eligible employees of the Company. Proportionate amount of gratuity expenses, provision for compensated absences and ESOP expenses are not included in the aforementioned disclosures as it cannot be separately ascertained.

Note 2: During the current year, the Board of Directors vide circular resolution dated 06 January 2022 allotted 75,000 equity shares (31 March 2021: 1,20,000 equity shares) to Mr. Anil Mehta and 5,000 equity shares(31 March 2021: 2500) to Mrs. Mukti Chaplot pursuant to exercise of Employee Share Option Plan (ESOP) as per the ESOP schemes. Further, 10,40,000 ESOP (31 March 2021: 10,000) were granted to to Key Managerial personnel's in the current year.

Note 3: Term loans amounting to Rs. Nil (31 March 2021: Rs. 4,306 lakhs) from banks and Rs. Nil (31 March 2021: Rs. 2,500 lakhs) from National Housing Bank are personally guaranteed by Mr. Anil Mehta.

Note 4: The Company has incorporated wholly owned subsidiary India Shelter Capital Finance Limited on 24 March 2022 to carry on lending business as Non-Banking Finance Company subject to receipt of regulatory approvals.

Balances outstanding as at the year end

Particulars	As at 31 March 2022	As at 31 March 2021
Share capital		
WestBridge Crossover Fund, LLC	1,085.42	1,085.42
Aravali Investment Holdings	1,421.14	1,059.21
Nexus Ventures III Ltd	996.18	996.18
Anil Mehta	82.04	109.54
Ankit Aggarwal*	0.75	0.75
Ashish Gupta	1.00	-
Mukti Chaplot	1.35	0.25

*Holds equity shares allotted before 4 February 2020 on exercise on employee stock options.

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

40. Earnings per share

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profits for the year	12,844.71	8,738.86
Weighted average number of equity shares for calculating basic earnings per share	4,33,99,740	4,28,62,737
Effect of dilutive potential equity shares- Employee Stock Options and right to subscribe	4,88,921	11,32,392
Total weighted average number of equity shares for calculating diluted earnings per share	4,38,88,661	4,39,95,129
Earnings per share on profit for the year (Face value of Rs. 10 per share)		
a) Basic earnings per share (Rs.)	29.60	20.39
b) Diluted earnings per share (Rs.)	29.27	19.86

41. Lease related disclosures

The Company has leases for office building, branches and related facilities and cars. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right-of-use assets. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term.

A Lease payments not included in measurement of lease liability

The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	31 March 2022	31 March 2021
Short-term leases	84.53	67.63
Leases of low value assets	-	-
Variable lease payments	-	-

B Total cash outflow for leases for the year ended 31 March 2022 was Rs. 446.22 lakhs (31 March 2021: 321.68 lakhs).

C The Company has total commitment for short-term leases as at 31 March 2022 Rs.Nil (31 March 2021: Nil).

D Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

31 March 2022	Minimum lease payments due						
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Lease payments	445.33	329.37	199.12	169.00	57.81	37.86	1,238.49
Interest expense	78.74	49.29	27.16	13.96	5.84	2.07	177.06
Net present values	**366.59**	**280.08**	**171.96**	**155.04**	**51.97**	**35.79**	**1,061.43**

31 March 2021	Minimum lease payments due						
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Lease payments	384.41	355.68	204.84	113.36	93.83	58.96	1,211.08
Interest expense	68.25	39.25	22.29	11.45	6.61	6.04	153.89
Net present values	**316.16**	**316.43**	**182.55**	**101.91**	**87.22**	**52.92**	**1,057.19**

E There are no variable lease agreements.

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

41. Lease related disclosures (contd.)

F Information about extension and termination options

As at 31 March 2022

Right of use assets	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Office premises	104	1 to 7 years	2.60 years	**104**	-	104
Car lease	2	1-2 years	1.5 years	-	-	-

As at 31 March 2021

Right of use assets	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Office premises	122	1 to 8 years	2.60 years	122	-	122
Car lease	5	3-4 years	2.5 years	-	-	-

G The total future cash outflows as at 31 March 2022 for leases that had not yet commenced is of Rs. Nil (31 March 2021: Nil).

42. Employee Stock Option Scheme

The Company provides Employee Stock option schemes to its employees. For the year ended 31st March 2022 following Employee Stock Option Plans (ESOPs) were in existence. The relevant details of the schemes and the grants are as below:

Particulars	ESOP 2012				
Date of grant	01 October 2012	01 October 2013	15 March 2014	22 January 2015	08 June 2016
Exercise price	Rs. 13.27 per option	Rs. 14.18 per option	Rs. 16.84 per option	Rs. 20.32 per option	Rs. 83.20 per option
Vesting dates:					
Tranche I*	01 October 2013	01 October 2014	01 October 2014	21 January 2016	09 June 2017
Tranche II*	01 October 2014	01 October 2015	01 October 2015	21 January 2017	09 June 2018
Tranche III*	01 October 2015	01 October 2016	01 October 2016	21 January 2018	09 June 2019
Tranche IV*	01 October 2016	01 October 2017	01 October 2017	21 January 2019	09 June 2020

* Grant on 01 October 2012, 01 October 2013, 15 March 2014 and 22 January 2015 to be vested equally in each tranche. However, option granted on 08 June 2016 to be vested in the ratio of (3:5:5:7)

Particulars	ESOP 2017					
Date of grant	31 January 2018	15 February 2019	17 May 2019	13 August 2019	04 November 2019	01 July 2020	17 September 2020
Exercise price	Rs.118.48 per option	Rs. 159.01 per option	Rs. 179.92 per option	Rs. 184.55 per option	Rs. 189.56 per option	Rs. 197.80 per option	Rs. 197.80 per option
Vesting dates:							
Tranche I (10% of the options granted)	31 January 2019	15 February 2020	17 May 2020	13 August 2020	04 November 2020	01 July 2021	17 September 2021
Tranche II (20% of the options granted)	31 January 2020	15 February 2021	17 May 2021	13 August 2021	04 November 2021	01 July 2022	17 September 2022
Tranche III (30% of the options granted)	31 January 2021	15 February 2022	17 May 2022	13 August 2022	04 November 2022	01 July 2023	17 September 2023
Tranche IV (40% of the options granted)	31 January 2022	15 February 2023	17 May 2023	13 August 2023	04 November 2023	01 July 2024	17 September 2024

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

42. Employee Stock Option Scheme (contd.)

Particulars	ESOP 2021			
Date of grant	31 August 2021	02 November 2021	01 February 2022	31 March 2022
Exercise price	Rs.309.59 per option	Rs.315.57 per option	Rs.315.57 per option	Rs.340.71 per option
Vesting dates:				
Tranche I (20% of the options granted)	31-Aug-22	02-Nov-22	01-Feb-23	31-Mar-23
Tranche II (20% of the options granted)	31-Aug-23	02-Nov-23	01-Feb-24	31-Mar-24
Tranche III (20% of the options granted)	31-Aug-24	02-Nov-24	01-Feb-25	31-Mar-25
Tranche IV (20% of the options granted)	31-Aug-25	02-Nov-25	01-Feb-26	31-Mar-26
Tranche V (20% of the options granted)	31-Aug-26	02-Nov-26	01-Feb-27	31-Mar-27

Reconciliation of options under each plan

Particulars	ESOP 2012		ESOP 2017		ESOP 2021	
	Number of options	Amount	Number of options	Amount	Number of options	Amount
Outstanding as at 31 March 2021	8,09,750	511.43	5,41,000	968.27	-	-
Granted during the year	-	-	-	-	19,04,595	5,973.66
Forfeited during the year	-	-	-	-	22,500	69.99
Exercised during the year	7,09,750	491.11	18,500	24.66	-	-
Expired during the year	-	-	-	-	-	-
Outstanding as at 31 March 2022	1,00,000	20.32	5,22,500	943.61	18,82,095	5,903.67
Exercisable at the end of the year	1,00,000	-	1,67,000	273.91	-	-

The value of the underlying shares has been determined by an independent valuer. The following assumptions were used for calculation of fair value of grants in accordance with Black Scholes model, for options granted during the financial year:

Particulars	
Risk free interest rate	5.19% to 6.38%
Expected life of option	3.6 yrs to 5.6 yrs
Expected Volatility	24% to 29%
Dividend yield	0%

The risk free interest rates are determined based on the Government bond yields with maturity equal to the expected term of the option. Volatility calculation is based on historical stock prices of relevant index using standard deviation of daily change in index price. The historical period is taken into account to match the expected life of the option. Dividend yield has been considered taking into account the historical and expected rate of dividend on equity share price as on grant date.

43 Disclosures required by Reserve Bank of India('RBI')

Additional disclosures required in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 RBI/2020-21/73/DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated 17 February, 2021 issued by RBI.

43.01 Capital to risk assets ratio (CRAR)

Particulars	As at 31 March 2022	As at 31 March 2021
CRAR %	55.87%	71.51%
CRAR-Tier I capital %	55.35%	70.81%
CRAR-Tier II capital %	0.52%	0.70%
Amount of subordinated debt raised as Tier- II Capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

43.02 Reserve fund u/s 29C of National Housing Bank Act, 1987 ("NHB Act, 1987")

As per Section 29C of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of net profits every year to Reserve Fund. The Company has transferred an amount of Rs. 2,568.94 Lakh (March 31, 2021 Rs. 1,747.77 Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year		
a. Statutory reserve u/s 29 C of the National Housing Bank Act, 1987	1,213.82	566.78
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	3,209.74	2,109.01
Total	**4,423.56**	**2,675.79**
Addition / Appropriation / Withdrawal during the year		
a. Add:- Amount transferred u/s 29 C of the NHB Act, 1987	868.94	647.04
b. Add:- Amount of special reserve u/s 36(1)(viii) of Income Tax Act 1961 taken into account for the purposes of Statutory reserve under Section 29C of the NHB Act, 1987	1,700.00	1,100.73
c. Less:- Amount appropriated from the Statutory reserve u/s 29 C of the NHB Act, 1987	-	-
d. Less:- Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act 1961 which has been taken into account for the purposes of provision under Section 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
a. Statutory Reserve u/s 29 C of the National Housing Bank Act, 1987	2,082.76	1,213.82
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	4,909.74	3,209.74
Balance at the end of the year	**6,992.50**	**4,423.56**

43.03 A) Investments

Particulars	As at 31 March 2022	As at 31 March 2021
Value of investments		
(i) Gross value of investments		
(a) In India	17,532.00	-
(b) Outside India	-	-
(ii) Provisions for depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	17,532.00	-
(b) Outside India	-	-

B) Movement of provisions held towards depreciation on investments

Particulars	As at 31 March 2022	As at 31 March 2021
(i) Opening balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off/written back of excess provision during the year	-	-
(iv) Closing balance	-	-

43.04 Derivatives

1 The Company has no transactions/exposure in derivatives in the current and previous year.

2 The Company has no unhedged foreign currency exposure on 31 March 2022 (31 March 2021: Nil).

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

43.05 Asset Liability Management (Maturity pattern of certain items of asset and liabilities)

As at 31 March 2022

Particulars	Liabilities		Assets	
	Borrowings*	Debt securities*	Loans#	Investments
1 to 7 days	413.64	-	654.16	-
8 to 14 days	132.44	-	109.03	-
Over 14 days to one month	2,199.43	-	2,382.26	17,532.00
Over 1 Month upto 2 Months	3,098.65	750.00	3,132.58	-
Over 2 Months upto 3 Months	5,246.54	-	3,111.33	-
Over 3 Months upto 6 Months	12,177.38	-	9,321.56	-
Over 6 Months upto 1 Year	24,381.87	750.00	18,403.93	-
Over 1 Year upto 3 Years	78,929.03	10,000.00	73,535.98	-
Over 3 Years upto 5 Years	41,505.27	6,500.00	58,811.40	-
Over 5 Years upto 7 Years	17,970.14	-	44,482.17	-
Over 7 Years upto 10 Years	2,794.11	-	44,098.73	-
Over 10 Years	336.79	-	11,371.66	-
Total	**1,88,639.22**	**18,000.00**	**2,69,414.79**	**17,532.00**

Considering behaviourlised prepayment adjustment

As at 31 March 2021

Particulars	Liabilities		Assets	
	Borrowings*	Debt securities*	Loans#	Investments
1 to 7 days	215.54	-	563.71	-
8 to 14 days	69.01	-	93.95	-
Over 14 days to one month	1,146.09	-	281.86	-
Over 1 Month upto 2 Months	1,880.14	-	768.67	-
Over 2 Months upto 3 Months	1,577.33	-	777.86	-
Over 3 Months upto 6 Months	14,229.36	-	2,381.31	-
Over 6 Months upto 1 Year	14,619.06	-	5,003.52	-
Over 1 Year upto 3 Years	56,135.83	1,500.00	23,528.34	-
Over 3 Years upto 5 Years	30,846.20	5,000.00	29,174.48	-
Over 5 Years upto 7 Years	10,096.80	-	32,896.41	-
Over 7 Years upto 10 Years	5,410.85	-	49,510.51	-
Over 10 Years	215.12	-	58,377.81	-
Total	**1,36,156.79**	**6,500.00**	**2,03,358.43**	**-**

* The disclosures made are based on the contractual obligations.

43.06 Exposure:

1 Exposure to Real Estate Sector

Particulars	As at 31 March 2022	As at 31 March 2021
(i) Direct Exposure		
A. Residential Mortgage :		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	2,69,058.32	2,02,940.84
B. Commercial Real Estate :		
Lending fully secured by mortgages on commercial real estates.	356.47	417.58
C. Investments in Mortgage Backed Securities and other securitised exposures:		
a. Resident	-	-
b. Commercial Real estate	-	-

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

43.06 Exposure: (contd.)

Particulars	As at 31 March 2022	As at 31 March 2021
(ii) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

* The disclosures made are based on the contractual obligations.

2 As on 31 March 2022, the Company does not have any exposure to Capital Market (31 March 2021: Nil).

3 As on 31 March 2022, the Company has not financed any product of the parent Company (31 March 2021: Nil).

4 As on March 31, 2022, the Company has not given any unsecured advances (31 March 2021: Nil).

5 As on 31 March 2022, the Company has not exceeded the prudential exposure limit prescribed by RBI and NHB for single borrower or group borrower (31 March 2021: Nil).

6 As on 31 March 2022 and 31 March 2021, no group Company is engaged in the business of real estate.

43.07 Regulator registrations

1	National Housing Bank	09.0087.10
2	Ministry of Corporate Affairs (CIN)	U65922HR1998PLC042782

In addition to above, the Company's non-convertible debentures (NCDs) are listed on stock exchange in India, thereby, regulations of Securities and Exchange Board of India are also applicable.

43.08 Disclosure of penalties imposed by National Housing Bank (NHB) and other regulators

During current year, National Housing Bank (NHB) levied a penalty of Rs. 15,000 for contravention of the provisions of paragraph 22(2) of the Housing Finance Companies (NHB) Directions, 2010 and RBI circular No. DOR.NO.BP.BC.63/21.04.048/2019-20. During year ended 31 March 2021:- 7,45,000 for contravention of the provisions of paragraph 22(2) 2(i)(zc)(ii) of the Housing Finance Companies Directions, 2010 and provisions of NHB (ND)/DRS/Policy Circular No. 75/2016-17 in relation to inspection done for year ended 31 March 2019).

43.09 Related party transactions

Refer note 39 For related party transactions.

43.10 Ratings assigned by Credit Rating Agencies and migration during the year

Nature of instrument	Rating agency	31-Mar-22	31-Mar-21
Bank term loans	ICRA	A stable(Outlook)	A stable(Outlook)
Bank term loans	CARE	A Positive(outlook)	A stable(Outlook)
Non-convertible debentures	ICRA	A stable(Outlook)	A stable(Outlook)

During the year, CARE has upgraded the rating outlook of the Company from Stable to Positive

43.11 Remuneration of Directors

Remuneration of Directors has been disclosed separate note. Refer note 39.

43.12 Management

Management discussion and Analysis report shall form part of Board of Directors' report.

43.13 During the year, no expense was accounted which was related to prior period (31 March 2021: Rs.Nil).

43.14 During the year, no item of revenue recognition has been postponed except as disclosed in accounting policy for revenue recognition.

43.15 The Company has a wholly owned Subsidiary and the Consolidated financial statements is prepared in accordance with Ind AS 110.

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

43.16 The diagrammatical group structure of the Company is as follows:

Westbridge Crossover Fund LLC

↓ (57.35% Holding)

India Shelter Finance Corporation Limited

↓ (100% Holding)

India Shelter Capital Finance Limited

43.17 Provisions and contingencies

A) Break-up of Provisions and Contingencies shown under the head expenditure in Profit and Loss account

S. No	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
1	Provisions for depreciation on investment	-	-
2	Provision made towards Income tax	3,183.62	2,477.20
3	Provision towards NPA	301.31	472.43
4	Provision for Standard assets - Residential Mortgage	45.72	1,003.11
	- CRE	(0.37)	(4.54)
5	Other provision and contingencies	177.68	(24.68)
	(Provision for Gratuity, compensated absences, undrawn commitments and EIS receivables)		

B) Break up of Loan & Advances and provisions thereon

	particulars	Housing		Non-housing	
		For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
1	Standard assets				
	a) Total outstanding amount	1,62,347.55	1,23,081.40	1,01,363.35	76,852.58
	b) Provisions made	1,366.21	1,364.79	614.73	570.81
2	Sub-standard assets				
	a) Total outstanding amount	2,848.46	1,558.82	1,627.38	1,298.62
	b) Provisions made	759.62	529.40	340.64	366.39
3	Doubtful assets – Category-I				
	a) Total outstanding amount	648.76	485.21	546.32	232.35
	b) Provisions made	210.27	167.18	137.90	71.05
4	Doubtful assets – Category-II				
	a) Total outstanding amount	5.33	8.87	-	12.82
	b) Provisions made	0.41	2.48	-	3.90
5	Doubtful assets – Category-III				
	a) Total outstanding amount		-		-
	b) Provisions made		-		-

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

43.17 Provisions and contingencies (contd.)

	particulars	Housing		Non-housing	
		For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
6	Loss assets				
	a) Total outstanding amount	26.22	22.01	1.42	-
	b) Provisions made	1.63	8.84	0.09	-
	TOTAL				
	a) Total outstanding amount	1,65,876.32	1,25,156.31	1,03,538.47	78,396.37
	b) Provisions made	2,338.14	2,072.69	1,093.36	1,012.15

Disclosure above are based on the contractual repayments

43.18 There has been no draw down from reserves during the year ended 31 March 2022 (31 March 2021: Nil).

43.19 Concentration of public deposits (for public deposit taking/holding HFCs)

During the year ended 31 March 2022 and 31 March 2021, the Company has not accepted any public deposits, as per Certificate of Registration (CoR) issued by National Housing Bank (NHB) and as per the board resolution passed in the board meeting dated 12 May 2021.

43.20 Concentration of Loans and Advances

S. No	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
1	Total loans and advances to twenty largest borrowers	1,896.69	1,951.17
2	Percentage of loans and advances of twenty largest borrowers to total advances of the Housing Finance Company	0.70%	0.96%

43.21 Concentration of all exposure (including off-balance sheet exposure)

S. No	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
1	Total exposure to twenty largest borrowers/customers	1,969.94	2,080.75
2	Percentage of exposures to twenty largest borrowers/customers to total exposure of the HFC on borrowers / customers	0.64%	0.95%

43.22 Concentration of NPAs

S. No	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
1	Total exposure to top ten NPA accounts	470.24	367.80

43.23 Sector-wise NPAs

S. No	Sector	Percentage of NPAs to total advances in that sector	
		For the year ended 31 March 2022	For the year ended 31 March 2021
1	**Housing Loans:**		
	a. Individuals	2.13%	1.66%
	b. Builders/Project Loans	-	-
	c. Corporates	-	-
	d. Others (specify)	-	-
2	**Non-Housing Loans:**		
	a. Individuals	2.10%	1.97%
	b. Builders/Project Loans	-	-
	c. Corporates	-	-
	d. Others (specify)	-	-

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

43.24 Movement of NPAs

S. No	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
1	Net NPAs to Net Advances (%)	1.60%	1.23%
2	Movement of NPAs (Gross)		
	a) Opening balance	3,618.70	1,956.92
	b) Additions during the year	4,115.89	2,781.99
	c) Reductions during the year	2,030.69	1,120.21
	d) Closing balance	**5,703.90**	**3,618.70**
3	Movement of Net NPAs		
	a) Opening balance	2,469.46	1,280.21
	b) Additions during the year	3,053.23	1,889.07
	c) Reductions during the year	1,269.34	699.82
	d) Closing balance	**4,253.35**	**2,469.46**
4	Movement of provisions for NPAs (excluding provisions on standard assets)		
	a) Opening balance	1,149.24	676.71
	b) Provisions made during the year	1,062.66	892.92
	c) Write-off/write-back of excess provisions	761.35	420.39
	d) Closing balance	**1,450.55**	**1,149.24**

43.25 The Company does not have any Overseas assets.

43.26 The Company does not have any Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms).

43.27 Customer complaints

S. No	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
1	Number of complaints pending at the beginning of the year	-	1
2	Number of complaints received during the year	100	17
3	Number of complaints redressed during the year	96	18
4	Number of complaints pending at the end of the year	4	-

43.28 Frauds

During the financial year 2021-2022, the Company has reported 2 cases of fraud involving Rs. 10.35 lakhs (31 March 2021: reported 2 cases of Rs.23.52 lakhs) to NHB.

Additional disclosures required in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 RBI/2020-21/73/DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated 17 February 2021 issued by RBI.

43.29 Schedule to Balance Sheet

	Particulars	As at 31 March 2022		As at 31 March 2021	
	Liabilities Side	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
1	**Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:**				
	(a) Debentures : Secured	18,659.85	-	8,222.38	-
	: Unsecured	-	-	-	-
	(other than falling within the meaning of public deposits*)				
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	1,83,102.93	-	1,36,207.58	-
	(d) Inter-corporate loans and borrowing	-	-	-	-
	(e) Commercial Paper	-	-	-	-
	(g) Public Deposits	-	-	-	-
	(h) Securitisation Loans	4,176.76	-	3,641.88	-

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

43.29 Schedule to Balance Sheet (contd.)

	Particulars	As at 31 March 2022		As at 31 March 2021	
	Liabilities Side	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
2	Break-up 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 partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
	(c) Other public deposits	-	-	-	-

	Asset Side	Amount outstanding as at 31 March 2022	Amount outstanding as at 31 March 2021
3	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
	(a) Secured	2,62,252.45	1,98,116.96
	(b) Unsecured	-	-
4	Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities		
	(i) Lease assets including lease rentals under sundry debtors		
	(a) Financial Lease	-	-
	(b) Operating Lease	-	-
	(ii) Stock on hire including hire charges under sundry debtors		
	(a) Asset 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	Breakup of investments		
	Current investments		
	1 Quoted		
	(i) Shares		
	(a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	17,532.00	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	2 Unquoted		
	(i) Shares		
	(a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

43.29 Schedule to Balance Sheet (contd.)

Asset Side	Amount outstanding as at 31 March 2022	Amount outstanding as at 31 March 2021
Long term investments		
1 Quoted		
(i) Shares		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
2 Unquoted		
(i) Shares		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-

6	Borrower group-wise classification of assets financed as in (3) and (4) above:	Amount net of provisions as at 31 March 2022		Amount net of provisions as at 31 March 2022	
	Category	Secured	Unsecured	Secured	Unsecured
	1 Related Parties				
	(a) Subsidiaries	-	-	-	-
	(b) Companies in the same group	-	-	-	-
	(c) Other related parties	-	-	-	-
	2 Other than related parties	2,62,252.45	-	1,98,116.96	-
	Total	2,62,252.45	-	1,98,116.96	-

7	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :	As at 31 March 2022		As at 31 March 2021	
	Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
	1 Related Parties				
	(a) Subsidiaries	-	-	-	-
	(b) Companies in the same group	-	-	-	-
	(c) Other related parties	-	-	-	-
	2 Other than related parties	17,532.00	17,501.28	-	-

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

43.29 Schedule to Balance Sheet (contd.)

8 Other information	As at 31 March 2022	As at 31 March 2021
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	5,703.90	3,618.70
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	4,253.35	2,469.46
(iii) Assets acquired in satisfaction of debt	-	-

43.30 Disclosure on Principal business criteria

RBI vide its circular Number RBI/2020-21/60/DOR/NBFC (HFC) CC No 118/03.10.136/2020-21 dated October 22, 2020 has defined Principal Business Criteria for HFCs.

Details of principal business criteria as on March 31, 2022 is as follows

S. No	Other information	As at 31 March 2022	As at 31 March 2021
1	% of total asset towards housing finance	51.62%	51.09%
2	% of total asset towards housing finance for individuals	51.62%	51.08%

44. Disclosure pursuant to Reserve Bank of India notification RBI/2021-22/85 DOR.STR.REC.51/21.04.177/2021-22 dated 24 September 2021

A) Disclosure as per NHB guidelines for securitisation transactions as an originator :

S. No	Particulars	As at 31 March 2022	As at 31 March 2021
1	No. of special purpose vehicle's (SPV's) sponsored by HFC for securitisation transaction	4	4
2	Total amount of securitised assets as per books of SPVs sponsored by the HFC	4,273.68	3,903.09
3	Total amount of exposures retained by the HFC to comply with MRR		
	i) Off-balance sheet exposures		
	a) First loss	-	-
	b) Others	-	-
	ii) On-balance sheet exposures		
	a) First Loss- Cash collateral	603.12	392.01
	b) Others- Over collateral	1,118.82	1,139.94
4	Amount of exposures to securitisation transactions other than MRR		
	i) Off-balance sheet exposures	-	-
	a) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	b) Exposure to third party securitisation		
	First loss	-	-
	Others	-	-
	ii) On-balance sheet exposures towards credit enhancement		
	a) Exposure to own securitisations		
	First loss	638.05	638.05
	Others	205.17	-
	b) Exposure to third party securitisation transaction		
	First loss	-	-
	Others		

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

44. (contd.)

S . No	Particulars	As at 31 March 2022	As at 31 March 2021
5	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	3,205.77	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.		
7	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.		
	Credit Enhancement- Cash collateral		
	(a) Amount paid	237.23	-
	(b) Repayment received	26.12	-
	(c) Outstanding amount"	603.12	392.01
8	Average default rate of portfolios observed in the past- Mortgage backed securities	1.85%	2.04%
9	Amount and number of additional/top up loan given on same underlying asset.	-	-
10	Investor complaints		
	(a) Directly/Indirectly received and;	-	-
	(b) Complaints outstanding	-	-

B) Details of financial assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

During the year, the Company has not sold any financial assets to Securitisation / Reconstruction Company for Asset Reconstruction (31 March 2021: Nil)

45. Disclosure pursuant to Reserve Bank of India notification RBI/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated 24 September 2021

(a) Details of loans not in default transferred through assignment during the year ended 31 March 2022.

Entity	Bank/ Financial Institutions
Count of loan accounts assigned	3,714
Amount of loan account assigned	27,326.80 Lakh
Retention of beneficial economic interest (MRR)	10%
Weighted average maturity (Residual Maturity)	8.93 Years
Weighted average holding period	1.55 Years
Coverage of tangible security coverage (LTV)	40.32%
Number of transactions	7
Rating wise distribution of rated loans	Unrated

(b) The Company has not acquired any loan in default during the year ended 31 March 2022.

(c) The Company has not transferred/acquired any stressed loan during the year ended 31 March 2022.

46 The COVID-19 pandemic has adversely impacted the economic activities across the globe and changed the customer behaviour, which may persist. Based on the available information from internal and external sources, the Company has used prudent judgements, estimates and possible forward-looking scenarios to assess the impact of COVID-19 on the provisions in accordance with the expected credit loss (ECL) method on loans and other financial assets. Given the dynamic and evolving nature of the pandemic, these estimates are subject to uncertainties and may be affected by the severity, duration of the pandemic and other variables.

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

47 Key Analytical Ratios

Particulars	As at 31 March 2022	As at 31 March 2021
Debt -Equity Ratio	1.92 times	1.59 times
Total Debts to Total Assets (Debt securities+ Borrowings {Other than Debt Securities}/Total Assets)	0.64	0.61
Net Profit Margin (%) (PAT/Revenue from operation)	28.67%	27.59%
Gross NPA ratio (DPD> 90 days) (Gross DPD 90+ loans/Gross Loan Assets)	1.63%	1.78%
Gross NPA ratio (Gross Stage 3 loans/Gross Loan Assets)	2.12%	1.78%
Net NPA ratio (Net Stage 3 loans/Net Loan Assets)	1.60%	1.23%
Provision Coverage ratio (Stage 3 Provision/Gross Stage 3 loans)	25.43%	31.59%

48 Disclosure as per RBI notification no.DOR.No.BP.BC/3/21.04.048/2020-21 dated 21.08.2020 on resolution framework for COVID-19- related stress

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 Loan**	2,512.85	312.22	0.60	148.26	2,547.65
Corporate Persons*	-	-	-	-	-
of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**2,512.85**	**312.22**	**0.60**	**148.26**	**2,547.65**

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

($) Principal outstanding (including capitalised interest) is for live restructured accounts classified as standard as on September 30, 2022.

(#) Principal outstanding (including capitalised interest) is for live restructured accounts (including sub-standard accounts as on Sep 30, 2021) classified as standard as on March 31, 2022 which includes accounts wherein resolution has been invoked as on September 30, 2021 and implemented during the Q3 of FY22.

**Personal loans includes housing loan & non housing loan.

49 The Company does not hold any immovable property other than disclosed in Note 10 as on 31 March 2022 and 31 March 2021. All the lease agreements are duly executed in favour of the Company for properties where the Company is the lessee.

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

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

52 The Company has taken borrowings from banks and financial institutions and utilised them for the specific purpose for which they were taken as at the Balance sheet date. Unutilised funds as at 31 March 2022 are held by the Company in the form of short term deposits/ investments till the time the utilisation is made subsequently.

Summary of the significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Rs. lakh, unless otherwise stated)

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

54 The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended 31 March 2022 and 31 March 2021.

55 The Company, as part of its normal business, grants loans and advances, makes investment, provides guarantees to and accept from its customers, other entities and persons. These transactions are part of Company's normal business, which is conducted ensuring adherence to all regulatory requirements.

Other than the transactions described above, 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 persons or entities, 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). The Company has also not received any fund from any parties (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 funding party ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries

56 All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2022 and March 31, 2021. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

57 The figures of previous year have been rearranged/ regrouped to conform to the current year

For **T R Chadha & Co LLP**
Chartered Accountants
Firm's Registration No.: 006711N/N500028

Aashish Gupta
Partner
Membership No.: 097343

Place: Gurugram
Date: 12 May 2022

For and on behalf of the Board of Directors of
India Shelter Finance Corporation Limited

Anil Mehta
Chairman and
Non-Executive Director
DIN: 02132315

Rupinder Singh
Managing Director and
Chief Executive Officer
DIN: 09153382

Ashish Gupta
Chief Financial Officer

Mukti Chaplot
Company Secretary
Membership No. 38326