Meet the Board

Mr. Anil Mehta

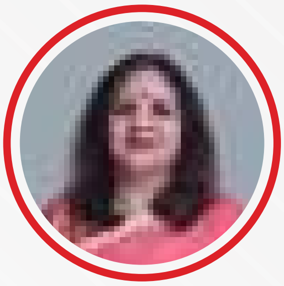
Chairman and Non-Executive Director

Mr. Anil Mehta is a highly experienced professional in the mortgage, banking, and insurance sectors with over 35 years of expertise. He has been a leading force behind India Shelter for 10 years and previously served as Senior Director at Max New York Life Insurance Company Limited. His extensive knowledge and leadership skills make him an invaluable asset to the Board, where he plays a pivotal role in shaping the Company's strategic direction and has a strong track record of success in the mortgage, banking, and insurance space.

Mr. Rupinder Singh

Managing Director and Chief Executive Officer

Mr. Rupinder Singh brings over 20 years of experience to the Board, specialising in the mortgage business. With more than 15 years of experience in handling mortgage business across India, Mr. Singh has successfully led the mortgage finance business in Cholamandalam and managed a book of approximately Rs. 135 billion. His extensive knowledge and expertise in mortgage finance make him a valuable contributor to the Board, particularly in managing large-scale mortgage operations.



Ms. Rachna Dikshit

Independent Director

Ms. Rachna Dikshit is a highly accomplished professional with over 33 years of experience in the banking and financial sector. She has served in various capacities under the Reserve Bank of India and has received accolades such as Regional Director for Punjab, Haryana, and UT Chandigarh. Her positions include General Manager of the Financial Inclusion & Development Department in Chandigarh and New Delhi, as well as General Manager in the Department of Banking Regulation at Mumbai Central Office. As the Regional Director, she has been responsible for the supervisory and operational functions of banks, NBFCs, and cooperative banks.

Mr. Thomson Thomas

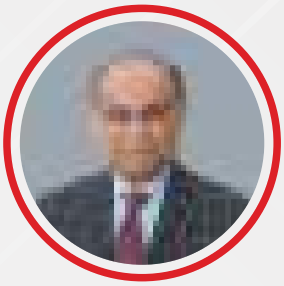
Independent Director

Mr. Thomson Thomas brings more than 26 years of experience in financial services, telecom, technology operations, and digital transformation. He is a Digital Technology Advisor and Angel Investor with a focus on technology start-ups. Previously, Mr. Thomas served as the Chief Information Officer at HDFC Life, where he was responsible for business transformation, technology strategy, and execution. He also led the customer service technology team at Hutchison Max Telecom Limited (currently known as Vodafone Idea). Mr. Thomas's expertise in digital technology, innovation, and strategic leadership plays a vital role in guiding the Company's technology-driven initiatives and digital transformation efforts.

Mr. Anup Gupta

Nominee Director

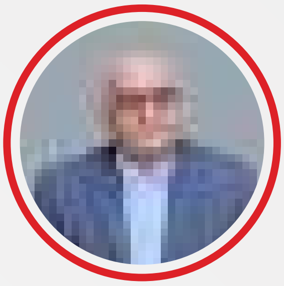
Mr. Anup Gupta is a highly accomplished professional with a strong background in venture capital, operations, and strategic consulting. Currently, Mr. Gupta serves as the Managing Director at Nexus Venture Partners. He previously held the position of Group Chief Operating Officer at WNS, a prominent IT Enabled Services (ITES) company, and was involved with eVentures India, a pioneer in the venture capital sector in India. Mr. Gupta's expertise lies in driving growth and operational excellence in IT and services industry.



Dr. Shailesh J Mehta

Nominee Director

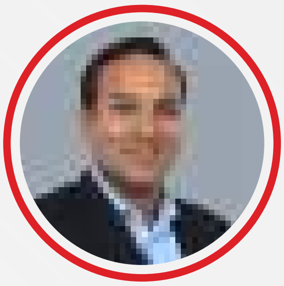
Dr. Shailesh J Mehta has held prominent positions, including Chairman of the Board and CEO of Providian Financial Corporation and President and COO at Capital Holding. Currently, Dr. Mehta serves as the Managing General Partner at Granite Hill Capital Partners since 2007. He has been recognised with several awards for his excellence in leadership and community involvement. Dr. Mehta's extensive experience and expertise in finance, leadership, and investment management contribute valuable insights and strategic guidance to the Board, based on his successful career in the financial industry.



Mr. Sudhin Bhagwandas Choksey

Nominee Director

Mr. Sudhin Bhagwandas Choksey is a fellow member of the Institute of Chartered Accountants of India and has 42 years of professional experience in the mortgage finance business, and he brings extensive knowledge and expertise in lending business both in India and overseas. He previously served as the Managing Director of GRUH Finance Ltd., which merged with Bandhan Bank. Mr. Choksey joined Bandhan Bank as Executive Director (Designate) in October 2019 and retired in February 2021 as part of the merger scheme.



Mr. Sumir Chadha

Nominee Director

Mr. Sumir Chadha is the Co-founder and Managing Director of WestBridge Capital, an investment firm focussing on Indian public companies and selective later-stage private companies. Mr. Chadha also co-founded and served as Managing Director of Sequoia Capital India. He gained previous experience in the Principal Investment Area at Goldman Sachs & Co. and started his career as a management consultant at McKinsey & Co. Mr. Chadha's extensive expertise in investment management, private equity, and venture capital provides valuable insights and guidance on investment strategies, business growth, and market trends to the board. He also serves on various advisory boards, including the India Advisory Board of Harvard Business School and the Advisory Board of the Princeton Institute for International and Regional Studies at Princeton University.

Management Discussion and Analysis

Global Economic Overview

The global economy is currently navigating a complex landscape shaped by various events and factors. Following the challenges posed by the Covid-19 pandemic, there were promising signs of recovery. However, a geopolitical dispute between Russia and Ukraine introduced new obstacles, causing disruptions to global supply chains and impacting the entire economic landscape.

The combination of demand-side pressures and supply disruptions had widespread consequences, particularly in advanced economies, where inflationary pressures defied established patterns. In 2022, advanced economies experienced a 7.3% inflationary pressure, as reported by the International Monetary Fund's January Outlook 2023. Central banks worldwide responded decisively by implementing interest rate hikes to stabilise prices and maintain overall economic stability.

Additionally, the Brent crude oil market faced added pressure due to production cuts by OPEC, aimed at addressing the sluggish global economy and improving demand. In March, 2023, the U.S. Federal Reserve raised interest rates by 0.25% to manage inflationary pressures, leading to a slight decrease in inflation from its peak of 9.1% in February, 2023 to 6.0%.

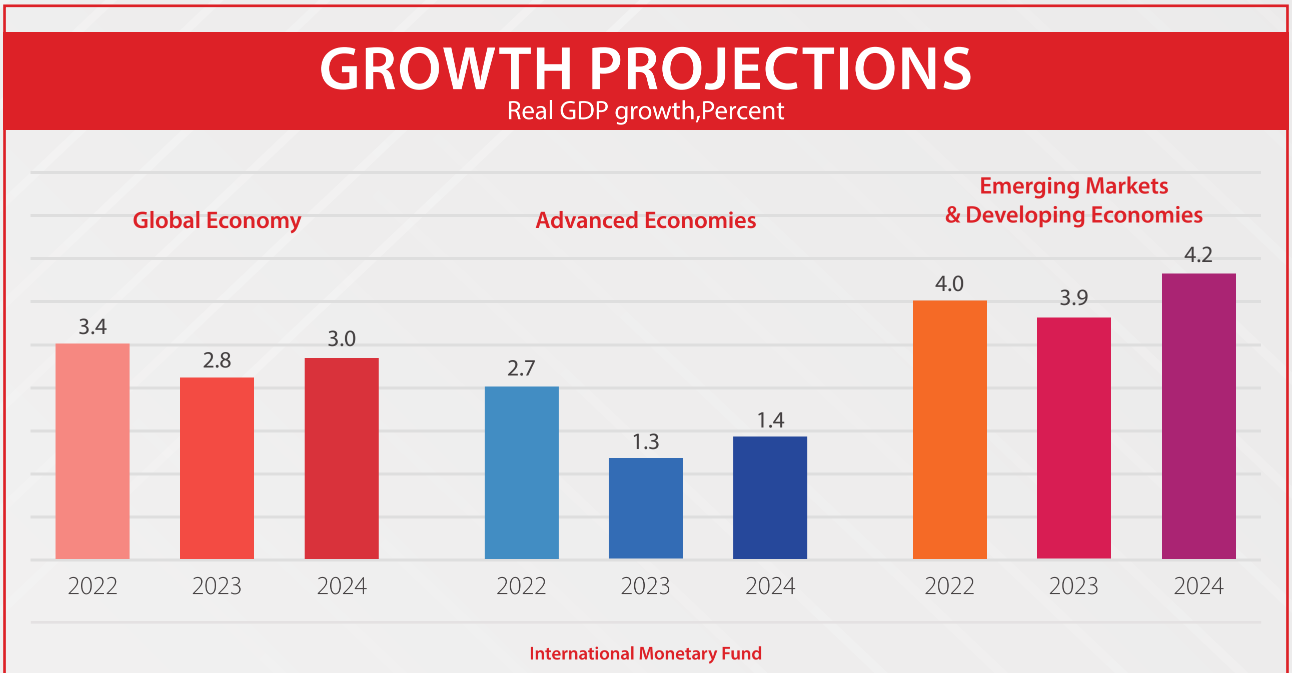
Global foreign direct investment (FDI) declined by 24% to USD 1,286 billion in 2022, primarily due to prolonged inflationary pressure. However, as inflation gradually declines, it is expected to contribute to the recovery of FDI trends in the future.

Outlook

Looking ahead, the global economy is poised for slower growth due to the disruptive impact of the Russia-Ukraine conflict and tightening monetary policies. Supply-side disruptions pose challenges for economies worldwide. Nevertheless, certain economies are expected to exhibit resilience and drive global growth. Approximately 70% of global growth is predicted to come from the Asia-Pacific region, with

India's robust economy and China's recovery contributing around 50% of this growth. These two economies hold the potential to act as anchors for the global economy, bolstering its prospects. The International Monetary Fund's World Economic Outlook, released in April 2023, projected a growth rate of 2.8% in 2023 and 3.0% in 2024, indicating a continued upward trajectory.

Economic Growth Projections (Region-Wise % change)



(Source: https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023)

Indian Economic Overview

India's economy has demonstrated consistent growth, solidifying its position as one of the world's fastest-growing economies in FY 2022-23. Despite global challenges and stricter domestic monetary policies, India's growth momentum has remained sturdy, reflecting the intrinsic resilience of its economy. The emphasis on infrastructure development and increased economic activities, particularly in private sector consumption, have played a pivotal role in driving this progress.

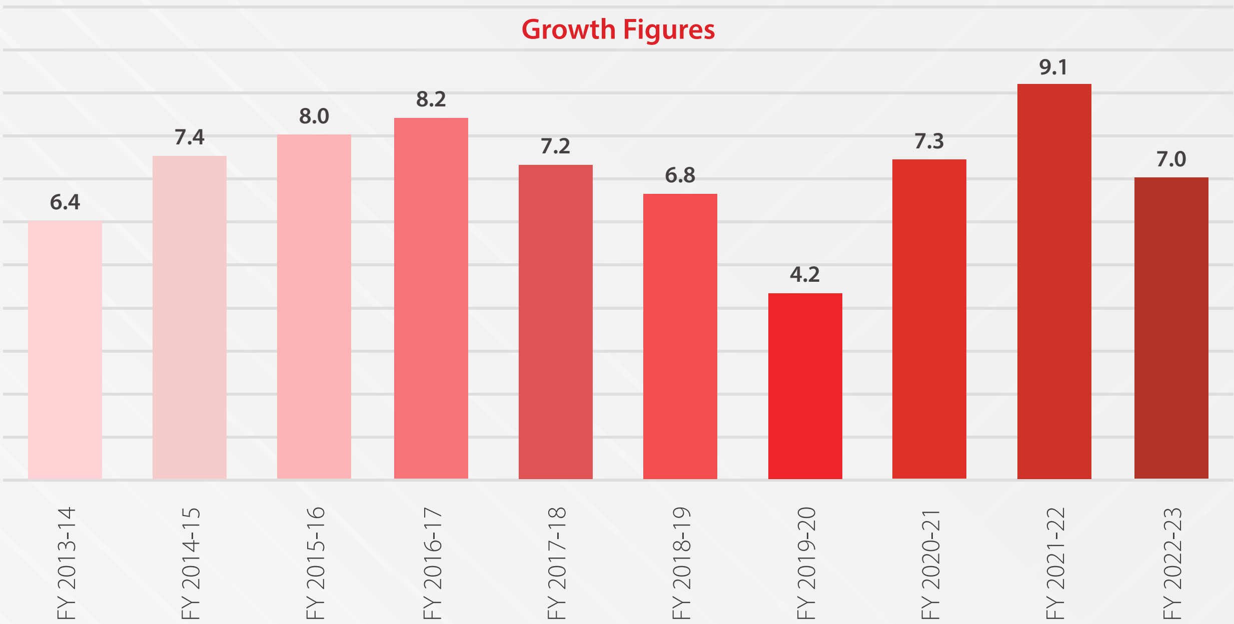
Managing Inflationary Pressures for Sustained Growth

Inflationary pressures have impacted India's growth momentum in FY 2022-23, leading to consecutive repo rate hikes by the Reserve Bank of India. These measures have gradually eased inflation rates, providing a cooling effect. The RBI's maintenance of the repo rate in the April bi-monthly monetary policy for FY 2023-24 indicates a gradual reduction in inflation. With the central bank forecasting a decrease in the Consumer Price Index (CPI) to 5.4% for the July-September quarter, higher interest rates are expected to stimulate demand in the domestic market, supporting India's economic growth.

Steady Economic Growth and Boosting Demand

Maintaining the steady growth momentum, the Indian economy registered 7% growth in FY 2022-23, according to The National Statistical Office (NSO), Ministry of Statistics and Programme Implementation (MoSPI). With increased Government spending announced in the Union Budget 2023-24 and a rise in private consumption and investment, economic activity will further boost demand.

INDIAN ECONOMIC GROWTH (% CHANGE)



(Source: MoSPI, https://www.reuters.com/world/india/india-sees-gdp-growth-slowing-6-68-202324-govt-survey-2023-01-31/)

Robust Agricultural Production

During FY 2022-23, India witnessed robust agricultural production, with a remarkable record of 3,235.54 lakhs tonnes. Notably, rice production reached a historic high of 1,308.37 lakhs tonnes, marking a significant increase of 13.65 lakhs tonnes compared to the previous year. Coarse cereals, including maize, bajra, jowar, and ragi, also experienced a substantial surge, projected to reach an all-time high of 201.80 lakhs tonnes, an increase of 16.55 lakhs tonnes from the previous year. Additionally, pulse production is estimated to reach a record high of 253.90 lakhs tonnes, demonstrating a notable increase of 21.67 lakhs tonnes.

Foreign Direct Investment

According to the Department for Promotion of Industry and Internal Trade (DPIIT), foreign direct investment (FDI) equity inflows into India amounted to USD 52.34 billion in 2022, showing growth compared to the previous year's USD 51.34 billion. The 2023 Economic Survey predicts a rebound in incoming FDI, which can be attributed to various factors, including the implementation of sectoral Production-Linked Incentive (PLI) schemes, growth prospects in Tier-2 and Tier-3 cities, and the introduction of new investment facilitation measures like the National Single-Window System (NSWS). The NSWS simplifies the approval and clearance process for investors, entrepreneurs, and businesses. Moreover, India's growth trajectory is driven by the development of high-tech industries, a large market size, and advancements in the digital and technology ecosystem.

Monetisation of Assets for Economic Strengthening

The Government of India's target of achieving a USD 5 trillion-dollar economy by 2025 necessitates strengthening the economy through asset monetisation. Under the National Monetisation Pipeline, assets worth Rs. 33,422 Crore were successfully monetised in FY 2022-23. Notably, Rs.0.97 lakhs Crore was achieved under roads, power, coal, and mines, surpassing the target set for FY 2021-22. The National Infrastructure Pipeline and the National Monetisation Pipeline play a crucial roles in boosting infrastructure investment in the country.

Foreign Exchange Reserves and Currency Performance

India's foreign exchange (forex) reserves, as per the Reserve Bank of India (RBI), increased by USD 6.3 billion to USD 584.755 billion in April, 2023. Foreign Currency Assets rose to USD 514.431 billion. However, the Indian rupee faced challenges in global currency performance, closing at 82.61 to the US dollar in 2022, a decline from 74.29 at the end of 2021. The volatility in the forex market and imported inflation pose challenges for policymakers.

India's Improved Business Environment Ranking

According to the Economist Intelligence Unit (EIU), India has improved its ranking in the global Business Environment Rankings (BER). In the FY 2023-27 forecast period, India is ranked 10th out of 17 economies in the Asian region, showcasing progress compared to the FY 2018-22 period. India's strong and stable economy, along with its large labour supply, contribute to its appeal to investors. Policy reforms aimed at improving the ease of doing business have also played a role in this positive trend.

Fiscal Prudence and Budget Projections

The Union Budget for 2023-24 highlights the Government's adoption of fiscal prudence, projecting a decrease in the fiscal deficit to 5.9% of gross domestic product (GDP) in FY 2023-24. To finance the fiscal deficit, net market borrowings from dated securities are estimated at Rs. 11.8 lakhs Crore, with gross market borrowings estimated at Rs. 15.4 lakhs Crore. The Government aims to maintain fiscal consolidation and achieve a fiscal deficit below 4.5% by FY 2025-26.

Per Capita Income Growth

According to the National Statistical Office (NSO), India's per capita income has nearly doubled to Rs. 1.72 lakh in the last 9 years. The current per capita income reflects a growth of 15.8% compared to the previous year. It was estimated at Rs. 1,27,065 for FY 2020-21 and Rs. 1,48,524 for FY 2021-22.

Tax Collections and GST Revenue

The net tax collections for FY 2022-23 reached Rs. 16.61 Crore, demonstrating a year-on-year growth of 17.63%. The collections exceeded the budgeted estimates by a significant amount of Rs. 2.41 lakhs Crore. In FY 2021-22, the direct tax collections amounted to Rs. 14.12 lakh s Crore. Additionally, the gross GST revenue collection for FY 2022-23 witnessed a 22% increase, totaling Rs. 18.10 lakhs Crore.

Budgetary Provisions

Vision of Amrit Kaal

The Indian Union Budget for 2023-2024 sets the stage for the visionary era of Amrit Kaal, focussed on establishing a technology-driven and knowledge-based economy with sound public finances and a robust financial sector.

Seven Key Priorities (Saptarishi)

The budget highlights seven key priorities, namely Inclusive Development, Reaching the Last Mile, Infrastructure and Investment, Unleashing the Potential, Green Growth, Youth Power, and Financial Sector. These priorities will shape policies and initiatives to foster inclusive growth and ensure a prosperous future.

Capital Expenditure and PM Awas Yojana

The total outlay for capital expenditure increased by 37.4% to Rs.10 lakhs Crore. The PM Awas Yojana received a 66% enhancement to over Rs.79,000 Crore, emphasising the Government's commitment to affordable housing for all segments of society. The construction of 43,000 houses per day aims to address housing needs, with 122.69 lakhs residences authorised under PMAY-Urban.

Atmanirbhar Clean Plant Programme and Urban Infrastructure Development Fund

To boost the availability of disease-free planting material for horticultural crops, the Atmanirbhar Clean Plant Programme with an outlay of Rs. 2200 Crore will be launched. The Urban Infrastructure Development Fund (UIDF) will be established to create urban infrastructure in Tier 2 and Tier 3 cities using the priority sector lending shortfall.

Pradhan Mantri Kaushal Vikas Yojana 4.0 and Green Hydrogen Mission

Pradhan Mantri Kaushal Vikas Yojana 4.0 will train lakhs of youth in new-age courses for Industry 4.0. The budget sets a target of annual production of 5 MMT under the Green Hydrogen Mission by 2030, promoting low carbon intensity and reducing fossil fuel imports.

Energy Transition and Sustainable Development

An outlay of Rs.35,000 Crore has been allocated to achieve energy security, energy transition, and net-zero objectives. Battery energy storage systems are promoted to steer the economy towards sustainable development.

Outlook

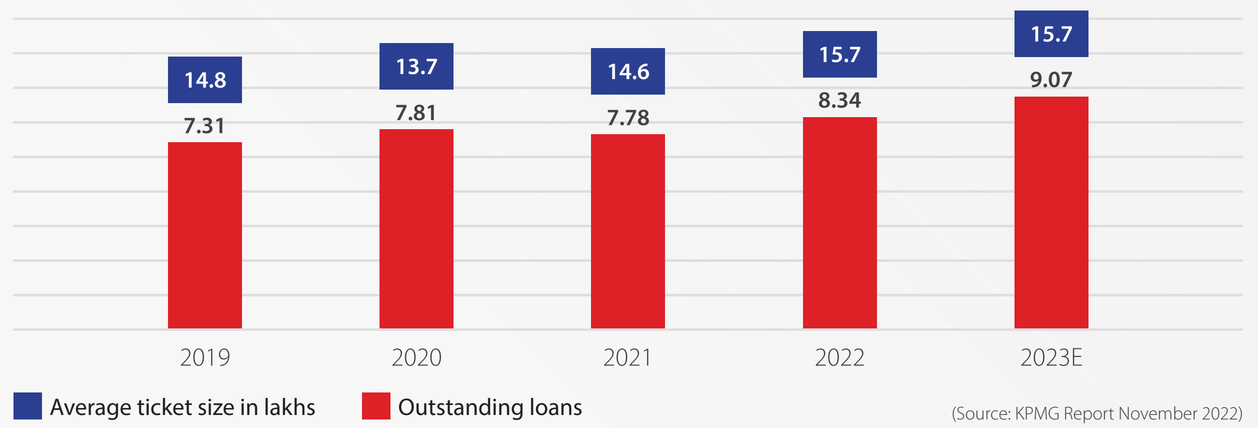
India's economic outlook remains positive, supported by strong economic fundamentals and growth-oriented policies. The Government's focus on self-reliance, infrastructure development, and manufacturing, along with the expansion of digital service exports, will propel economic growth. Capital flows are likely to return to India due to the recessionary tendencies in major advanced economies and the country's stable inflation rate below 6%. While S&P Global Ratings has revised India's real GDP growth forecast for FY 2023-24 to 6%, slightly lower than earlier estimates, it is crucial to note that India has experienced a rapid recovery from the previous spillovers. This recovery is driven by pent-up domestic demand and increased capital investment, leading to impressive GST and direct tax collections. To encourage private sector investment, the Government has raised capital expenditure. However, cautious optimism is necessary as there may be short-term challenges such as global spillovers, inflationary pressures, and contractionary monetary policies, especially as India's trade and financial ties with advanced economies deepen.

Housing Finance Sector Overview

The housing finance sector in India is experiencing significant growth due to various factors, such as increased economic activity, higher disposable income among the population, and the Government's sustained focus on the sector. This growth is primarily driven by millennials' preference for home ownership. Despite the pandemic-induced slowdown, the sector is gradually recovering, particularly in the affordable housing segment. As this segment has low penetration, there are many opportunities for the sector to grow.

The housing loan segment is set to contribute about 13% to India's GDP, with financial institutions like savings and credit banks, housing finance companies (HFCs), and micro-finance institutions supporting its growth. HFCs in particular have a promising future in the Indian housing finance industry, with an expected growth rate of 10-12% in AUM in FY 2022-23, followed by a 13-15% increase in FY 2023-24. The outstanding loan amount of HFCs is expected to reach Rs.9.07 lakhs Crore in 2023, driven by factors like affordable housing, tax incentives, and rising household income. As the housing finance industry undergoes structural changes, emphasis is increasingly being placed on credit quality and collection efficiency. Overall, the Indian housing finance sector has positive growth potential.

OUTSTANDING LOANS FOR HFCS IN HOUSING LOANS (Rs. LAKHS CRORE)



(Source: KPMG Report November 2022)

Affordable Housing – Paving the Growth of the Real Estate Sector

Affordable housing pertains to residential units that are reasonably priced for the segment of society whose earnings fall below the median household income. It endeavours to cater to the housing requirements of lower or middle-income households, where disposable income plays a pivotal role in determining affordability. As per the report released by the National Institution for Transforming India (NITI Aayog), the 'Affordable Housing' segment is projected to make a substantial contribution to India's annual GDP growth rate of over 8%. This sector holds immense potential and is expected to play a pivotal role in the overall expansion of the Indian real estate industry, which is projected to reach the remarkable milestone of USD 1 trillion by 2030.

The emphasis on affordable housing aligns with the Government's objective of ensuring housing for all and promoting inclusive growth. By addressing the housing needs of a broader section of society, this segment serves as a catalyst for economic development, creating opportunities, and enhancing the living standards of the population.

Affordable housing has emerged as a pivotal asset within the real estate industry, garnering significant attention and demand. As property prices continue to rise, the need for affordable housing has witnessed a remarkable surge. This escalating demand has positioned affordable housing projects as highly coveted opportunities for developers and financiers alike. Notably, both private companies and public entities are actively involved in this sector, driven by the promising returns on investment (ROI) it presents. The allure of affordable housing, with its potential for attractive financial gains, has cemented its place as a compelling focus area for stakeholders across the real estate landscape. India's Affordable Housing Market was valued at USD 1,824.35 million in 2022 and is expected to grow robustly with a CAGR of 19.80% by 2028. The Government has supported this growth with the Pradhan Mantri Awas Yojana and a 66% hike in the budgetary allotment.

The Demand Stride

» **Rising Middle-Class Population:** The demand for affordable housing in India is primarily fuelled by the expanding middle-class segment of the population. The middle-class population is on a continuous growth trajectory and is expected to further increase in the forecast period. According to the National Council of Applied Economic Research, the middle-class population in India is estimated to have grown from approximately 47 million in 2010 to surpass 200 million by 2025. This surge in the middle-class population has intensified the need for affordable housing options as individuals seek residences that align with their requirements and financial capabilities. Recognising this demand, both the Government and private developers are placing heightened emphasis on providing affordable housing solutions. These collective efforts aim to cater to the expanding middle-class population's housing needs and aspirations.

» **Urban Housing Shortages:** The shortage of urban housing is a pressing issue in India, with the demand-supply gap being a significant contributing factor. It is estimated that this shortage will increase to 3.41 Crore units by 2022. The demand for affordable housing options is also increasing, as many low- and middle-income families are unable to afford high-priced housing options in urban areas.

» **Rapid Urbanisation:** The process of urbanisation has a profound impact on the real estate market, particularly in countries such as India experiencing rapid population growth. According to the UN World Urbanisation Prospects 2018 report, India's urban population is projected to reach 46% by 2025, with 814 million people living in cities by 2050. This increase is driven by the need for infrastructure development, higher education, and a shift away from unremunerative agriculture.

The Supply Landscape

» **Government Stimuli:** The Government has been focussed on launching schemes that not only promote the housing sector but also assist Indian citizens in achieving homeownership. Initiatives such as 'Pradhan Mantri Awas Yojana – Urban,' 'Housing for All,' and the 'Affordable Rental Housing Complexes Scheme (ARHCS)' are prime examples of programmes aiding migrant workers, urban poor, and rural households in realising their aspirations of owning a house.

» **Budgetary Allocation:** The Pradhan Mantri Awaas Yojana (PMAY) was launched by the Central Government in 2015, with the aim of boosting the 'Housing for All' scheme in both rural and urban areas. The primary objective of this initiative is to address the housing shortage among economically weaker sections and low-income categories. In the Union Budget 2023-24, the PMAY has been allocated a 66% higher budgetary allotment of Rs.79,000 Crore. Under PMAY-Urban, more than 122 lakh houses have been sanctioned, while under PMAY-Gramin, the target is to build 2.95 Crore houses, out of which various States/Union Territories have already sanctioned 2.85 Crore houses to the beneficiaries.

Outlook

The housing sector is poised for a positive outlook, driven by the Government's unwavering commitment and increased budgetary allotments, as well as a surge in demand from potential housing customers. The sector is further bolstered by rapid population growth and urbanisation, which are providing the necessary impetus for its growth. In light of these factors, housing finance entities can expect to capitalise on numerous opportunities to expand their operations in the sector.

Company Overview

As a provider of comprehensive housing finance solutions, India Shelter caters to the needs of first-generation homebuyers in urban and semi-urban areas. Its services include home loans for various purposes such as home purchase, construction, extension, renovation of existing housing units, and leveraging property for loans.

India Shelter's customer base consists mainly of low- and middle-income self-employed and salaried individuals who may require housing credit to improve their living situation or finance a larger home to accommodate their growing families. The Company's sustainable business model allows it to extend affordable housing credit to a young population whose aspirations for better homes are fuelled by their income growth.

India Shelter's commitment to providing accessible and affordable housing credit solutions has made it a leading provider of housing finance in the region. Its focus on customers' needs and aspirations sets it apart and helps first-generation homebuyers achieve their dreams of homeownership.

SWOT Analysis

Strengths:

» Diversified distribution of AUM with presence across 15 states

» Perfect blend of physical and digital models best-in-class IT systems and use of technology to streamline operations and enhance customer experience

» Proven underwriting practices and strong governance

» Strong capital base backed by marquee investors

» Strong balance Sheet with positive ALM

Weaknesses:

» Volatility in the financial market

» Inflationary risk affecting interest rates and real estate demand

Opportunities:

» Growing demand for housing units due to increased urbanisation

» Booming aspiration for homeownership

» Under-penetration of housing finance

» Surging traction in affordable housing

Threats:

» Global uncertainty like war or pandemic affecting the economy

» Inflationary pressures driving the interest rate in the long-term

» Increasing competition from existing as well as new players

Regulatory Updates

RBI - Disclosures in Financial Statements - Notes to Accounts of NBFCs

The Reserve Bank of India (RBI) has issued a notification outlining disclosure requirements for Non-Banking Finance Companies (NBFCs) in their financial statements. These requirements supplement the Scale-Based Regulation Framework and should be followed along with the existing laws, regulations, and accounting standards.

RBI - Loans and Advances – Regulatory Restrictions – NBFCs

The RBI has released guidelines applicable to NBFCs – Middle Layer (ML) and NBFC - Upper Layer (UL) regarding regulatory restrictions on loans and advances. Additionally, guidelines for NBFCs - Base Layer (BL) have been provided regarding loans to Directors, senior officers, and relatives of Directors.

RBI - Compliance Function and Role of Chief Compliance Officer (CCO) – NBFCs

The RBI has introduced principles, standards, and procedures for the compliance function of Non-banking financial companies (NBFCs) in the Upper Layer and Middle Layer (NBFC - UL & NBFC - ML). This includes the requirement for a Board-approved compliance policy and the appointment of a Chief Compliance Officer by specified dates.

RBI - Guidelines on Digital Lending

The RBI has issued detailed guidelines on digital lending, building upon a previous press release. Financial institutions are advised to ensure that Lending Service Providers (LSPs) and Digital Lending Apps (DLAs) comply with the guidelines.

SEBI - Standard Operating Process under SEBI(PIT) Regulations, 2015 for Ensuring Compliance with Structured Digital Database ('SDD')

SEBI has specified timelines for the submission of a Structured Digital Database (SDD) Compliance certificate by listed companies and outlined actions to be taken against non-compliant companies.

SEBI - Circular on Adoption of Best Cyber Security Practices by SEBI Regulated Entities

SEBI has advised SEBI regulated entities (REs) to implement best cyber security practices to mitigate the increasing cyber security threat to the securities market.

MCA - Companies (Accounts) Fourth Amendment Rules, 2022

The Ministry of Corporate Affairs (MCA) has amended the Companies (Accounts) Rules, 2014. The amendment requires companies to keep their electronic books of accounts and other relevant documents accessible in India at all times, with daily backups stored on servers physically located in India, including any backups stored outside the country.

Performance during FY 2022-23

Assets Under Management (AUM)

Your Company's AUM stood at Rs. 4,359 Crore as on 31 March, 2023, as against Rs. 3,073 Crore in the previous financial year. As on 31 March, 2023, the average loan sanctioned was more than Rs. 9.9 lakhs and the average tenure was 157 months in the AUM (on an origination basis).

Stage-3 Assets

The Company continued with its proven underwriting methodologies and improved the asset quality further. Your Company's Gross stage-3 assets and Net stage-3 assets improved as on 31 March, 2023, to 1.1% and 0.8% as against 2.1% and 1.6% respectively in the previous financial year.

Capital Adequacy Ratio (CRAR)

Your Company's CRAR as of 31 March, 2023 was 52.7% compared to 55.9% in the previous financial year, which was far above the minimum required level of 14%.

Affordable Housing

As per the MoU signed with the National Housing Bank (NHB), India Shelter extends CLSS to the Economically Weaker Sections (EWS), Lower-Income Group (LIG) segments and Middle-Income Group (MIG I and II). Under PMAY-CLSS, the Interest subsidy is credited upfront to the loan account of beneficiaries, resulting in reduced effective housing loans and Equated Monthly Instalment (EMI). Credit Linked Subsidy is available for housing loans availed for acquisition/new construction and addition of rooms, kitchen, toilet, etc. to existing dwellings as incremental housing. This benefit was available for MIG group up to 31 March, 2021 and for EWS/LIG segment till 31 March, 2022. Your Company has facilitated the credit of PMAY-CLSS subsidy of Rs. 18.13 Crore to 832 beneficiaries during FY 2022-23. Since the launch of the scheme, your Company has facilitated CLSS subsidy of Rs. 47.33 Crore to 2142 beneficiaries. Your Company has duly provided the subsidy benefits to these eligible beneficiaries.

Branch network

India Shelter is present in 15 states through 183 branches as of 31 March, 2023. The Company has its registered office in Gurugram, Haryana. The Company has significant presence in Rajasthan, Madhya Pradesh, Maharashtra, Gujarat and its gradually strengthening is presence in the southern states.

Resource Mobilisation

Net worth

The networth as on 31 March, 2023 was Rs. 1240.52 Crore.

Term Loans from Banks and Financial Institutions

As of 31 March, 2023, the outstanding term loans from banks and financial institutions were Rs. 2973 Crore (excluding lease liability). The Company received fresh sanctions from banks and financial institutions amounting to Rs. 1,467 Crore. The average tenure of term loans raised during the financial year under review was more than 5 years.

Refinance from National Housing Bank (NHB)

Under the National Housing Bank (NHB) refinance scheme, the Company received a sanction of fresh refinance assistance of Rs.250 Crore during FY 2022-23. The Company availed funds of Rs 379 Crore during the financial year, which includes disbursements from last financial year's sanction year as well. The outstanding NHB refinance as of 31 March, 2023, is at 579 Crore as against 344 Crore in the previous year. The undrawan sanctioned amount as of 31 March, 2023 is at Rs. 70 Crore.

Non-Convertible Debentures (NCD's)

During 2022-23, the Company raised money from NCD during the financial year FY 2022-23. As of 31 March, 2023, the outstanding loans from NCD's is Rs.176.5 Crore.

Performance Highlights: Segment Overview

Income and Profits

During the year ended on 31 March, 2023, the Total Income of the Company was Rs. 606 Crore growing by 32% y-o-y. The Company reported a PAT of Rs. 155 Crore compared to Rs. 128 Crore growing by 21% y-o-y.

Statement of Profit and Loss (Consolidated)

Key elements of the profit & loss statement for the year ended on 31 March, 2023:

» The Net Interest Margin for the year was 10.6% as against 11.0% in the previous year

» The Company's Operating Expense Ratio (to average total assets) was 4.8% for the year ended on 31 March, 2023 compared to 4.7% last year

» PAT growth for the year was 21% as against 47% in the previous year

» The Earnings Per Share (basic) was Rs.35.49 in 2022-23 as against Rs. 29.60 in the previous year

» The Return on average net worth for the year was 13.4% as against 12.8% in the previous year

» The Interest Service Coverage Ratio for the year was 1.96 as against 2.13 in the previous year

» Total assets to average net worth for the year was 3.2 times as against 2.8 times in the previous year

Human Resource

India Shelter recognises the value of talented and diligent employees and invests in equipping them with relevant skills to excel in their respective fields of expertise. The Company's partnership-oriented human resource policy goes beyond conventional compensation and performance reviews. It evaluates employees' work tenure and provides inputs that shape an enduring and fruitful career.

Training and Development Programmes

India Shelter conducts various training programmes for its employees, both internally and externally. These programmes aim to nurture employees into leadership positions and cover specialised functions such as lending operations, KYC and AML, underwriting, POSH, and information technology.

Employee Health and Safety

India Shelter prioritises the well-being of its employees, particularly during challenging times. During the second wave of the pandemic, the Company undertook various initiatives to ensure employees' safety, including social distancing, thermal screening, awareness campaigns, and providing face masks and sanitisers. The Company also arranged vaccination drives and financial aid for employees and their families who suffered from Covid-19. India Shelter provided GTL and GPA insurance for all employees to provide additional support.

Corporate Social Responsibility (CSR)

India Shelter is committed to giving back to society and has aligned its Corporate Social Responsibility (CSR) activities with the Schedule VII of the Companies Act, 2013. The Company's CSR initiatives primarily focus on promoting community awareness around education. To ensure the effective implementation of these programmes, India Shelter has put in place comprehensive CSR action plans outlining the key focus areas, objectives, proposed initiatives, and expected outcomes.

Through its CSR initiatives, India Shelter aims to create a positive impact on society while also aligning with its business objectives. The Company recognises that the success of its business is closely linked to the well-being of the communities it serves. It has undertaken numerous projects to provide education to underprivileged children, including setting up libraries, organising educational workshops, and sponsoring scholarships. India Shelter strives to make a meaningful difference in the lives of people and create a sustainable future for all.

Internal Control Framework

India Shelter's internal control framework is commensurate with its operations' size, scale, and complexity. The Company's Internal Audit Department conducts comprehensive audits of functional areas and operations to examine the adequacy of and compliance with policies, procedures, statutory, and regulatory requirements. Significant audit observations and follow-up actions are reported to the Audit Committee on a quarterly basis. The Audit Committee reviews and evaluates the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations. India Shelter has implemented all recommendations of the Audit Committee.

Overall, the Directors are responsible for ensuring the Company has implemented robust systems and frameworks of internal financial controls to provide reasonable assurance regarding the adequacy and operating effectiveness of controls concerning reporting, operational, and compliance risks. Based on the information provided, no material breakdown in the function of these controls, procedures, or systems occurred during the year under review. There have been no significant changes in India Shelter's internal financial controls during the year that materially affected, or are reasonably likely to materially affect, its internal financial controls.

Risk Management

Effective risk management and mitigation are critical to sustaining and growing any business. At India Shelter, we recognise the importance of identifying risks and implementing mitigation plans to reduce their impact. The Company proactively manages various business risks through mitigation strategies tailored to each risk. It constantly reviews and updates risk management policies to ensure its business is well-positioned to navigate potential risks successfully. Below are some key business risks it addresses through its risk management processes:

Risk Type	Definition	Mitigation
Credit Risk	Credit risk is the potential deterioration of a company's asset quality due to uncertainty regarding the borrower's ability to repay loans	» To minimise credit risk, the Company has established a credit risk framework that considers various factors such as the borrower's credit history, demographics, and income » The Company has a strict credit sanction process in place, and it continuously monitors post-disbursement to ensure a timely repayment
Operational Risk	Operational risk refers to the potential loss resulting from inadequate or failed internal processes, people, and systems, or from external events. It is a significant risk faced by financial institutions that can adversely impact their reputation, financial performance, and customers	» The Company has implemented robust internal control systems, clear demarcations for duties, access, authorisation, and reconciliation procedures. Regular monitoring of procedures is done to maintain high standards across business processes. Staff education and assessment processes such as internal audit and risk containment units are in place. These measures help maintain clear communication, monitor changes, and control business transaction risk » Digitisation of credit operations further reduces the Company's dependence on manual work and minimises human errors through automation and precision in operations

Market Risk	Market risk arises from changes in the market scenario, which could increase the value of liabilities or devalue assets	» The Company's exposure to market risk is limited to changing interest rates. It monitors this risk by frequently evaluating the maturity profile and stress testing to ensure adequate mitigation
Interest Rate Risk	Interest rate risk is the potential loss resulting from fluctuations in interest rates that can impact an organisation's financial performance and value	» The Company assesses its interest rate sensitivity gap and regularly tests its portfolio » Additionally, India Shelter Finance adopts a mix of fixed and floating rate instruments to mitigate interest rate risk. The Company also diversifies its funding sources to minimise dependency on any single funding source, thereby reducing the impact of interest rate fluctuations » Furthermore, the Company closely monitors and analyses interest rate trends to anticipate changes and take timely action to mitigate interest rate risk
Liquidity Risk	Liquidity risk is the possibility of insufficient cash assets or equivalent to meet urgent cash requirements	» The Company has sufficient cash reserves to meet unexpected cash requirements » Additionally, a sound Asset-Liability Policy ensures adequate cash flow and undrawn credit facilities are always available
Reputation Risk	Reputation risk arises from unexpected and indirect losses owing to unfavourable experiences or public perception	» To mitigate reputational risk, the Company has a robust corporate governance and compliance framework in place that is implemented in every aspect of its business operations
Technology Risk	Technology risk is the potential loss due to a system breakdown	» The Company's governance framework incorporates information technology practices to mitigate technology risks
Regulatory Risk	Regulatory risk is the potential economic or reputational loss for non-compliance with the laws of the land	» The Company diligently follows the rules and regulations and ensures no violations whatsoever

Cautionary Statement

This document contains forward-looking statements and information. Such statements are based on our current expectations and certain assumptions. Therefore, they are subject to certain risks and uncertainties. Should one or more of these risks or uncertainties materialise, or if underlying assumptions prove incorrect, actual results may vary. The Company does not intend to assume any obligation to update or revise these forward-looking statements in light of developments that differ from those anticipated.

Board's Report

To,
The Members of,
India Shelter Finance Corporation Limited
6th Floor, Plot -15, Institutional Area, Sector – 44,
Gurgaon-122002, Haryana

Your Directors have pleasure in presenting the 25th Annual Report on the Business and Operations of the Company and the Audited Standalone and Consolidated Financial Statements for the Financial Year ended on 31 March, 2023.

Financial Results

A brief highlight of the Standalone & Consolidated Financial Performance of your Company is presented as below:

Rs. in lakhs

Sr. No.	Particulars	Standalone		Consolidated	
		31 March, 2023 (Audited)	31 March, 2022 (Audited)	31 March, 2023 (Audited)	31 March, 2022 (Audited)
1	**Total revenue from operations**	**58,391.32**	**44,797.70**	**58,452.96**	**44,797.70**
2	Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	20,146.50	16,690.11	20,195.22	16,690.11
3	Net Profit / (Loss) for the period before tax (after Exceptional and/or Extraordinary items)	20,146.50	16,690.11	20,195.22	16,690.11
4	Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	15,497.75	12,844.71	15,534.21	12,844.71
5	**Total comprehensive income for the period**	**15,435.48**	**12,775.77**	**15,471.94**	**12,775.77**
6	**Paid-up equity share capital (face value of Rs. 10 per equity share)**	**4,376.47**	**4,370.67**	**4,376.47**	**4,370.67**
7	Reserves (excluding Revaluation Reserve)	1,19,639.74	1,03,241.97	1,19,676.20	1,03,241.97
8	Securities Premium Account	68,716.08	68,577.83	68,716.08	68,577.83
9	Net worth	1,24,016.21	1,07,612.64	1,24,052.67	1,07,612.64
10	Paid up Debt Capital / Outstanding Debt	2,98,886.90	2,07,000.97	2,98,886.90	2,07,000.97
11	Outstanding Redeemable Preference Shares	-	-	-	-
12	Debt Equity Ratio	2.41	1.92	2.41	1.92
13	**Earnings per equity share (EPS)**				
14	Basic (Rs.)	35.43	29.60	35.49	29.60
15	Diluted (Rs.)	34.87	29.27	34.93	29.27

Dividend

With a view to devote your Company's resources towards its growth activities, your Directors deem it proper to preserve its resources and hence, do not propose any dividend for the financial year ended 31 March, 2023.

Change in Share Capital

During the year Company had allotted:

- Allotted 25,000 equity shares pursuant to the provisions of the Employee Stock Option Plan 2012, by Resolution by Circulation approved by the Board of Directors dated 26 April, 2022.
- Issued and allotted 1,35,000 equity shares having a face value of Rs. 10/- each at a premium of Rs. 427/- each on a partly paid-up basis through private placement (preferential allotment) approved by the meeting of members in the Extra-Ordinary General Meeting held dated 16 November, 2022 and allotment made by Resolution by Circulation approved by the Board of Directors on 19 November, 2022.
- Allotted 5,997 equity shares pursuant to the provisions of the Employee Stock Option Plan 2017 and 2021, by Resolution by Circulation approved by the Board of Directors dated 22 December, 2022.

The shareholding pattern of the Company on 31 March, 2023 is as follows:

S.No.	Name of shareholder	% of Paid-up Capital as on 31-03-2023	% of Paid-up Capital as on 31-03-2022
1.	Anil Mehta	0.73%	1.88%
2.	Other Individual Investors	0.50%	0.43%
3.	Aravali Investment Holdings	32.47%	32.52%
4.	WestBridge Crossover Fund, LLC	24.80%	24.83%
5.	Nexus Ventures III, Ltd.	22.76%	22.79%
6.	Nexus Opportunity Fund II, Ltd.	6.65%	6.66%
7.	Catalyst Trusteeship Limited (Erstwhile Milestone Trusteeship Services Private Limited) acting as Trustee for Madison India Opportunities Trust Fund	5.44%	5.45%
8.	MIO Starrock (Formerly Known as Starrock)	5.07%	3.90%
9.	Madison India Opportunities IV	1.45%	1.45%
10.	Catalyst Trusteeship Limited (Erstwhile Milestone Trusteeship Services Private Limited), acting as Trustee for MICP Trust	0.12%	0.10%
	TOTAL	100.00%	100.00%

Brief description of the Company's working

Your Company is incorporated to carry on the business of Housing Finance by way of providing facilities in the form of term loans to individuals, firms, companies, cooperative societies and other institutions for construction, alteration, repair or for outright purchase of all types of accommodation and loan against property.

Material Changes and Commitments, if any, Affecting the Financial Position of the Company which have Occurred between the End of the Financial Year of the Company to which the Financial Statements relate and the Date of the Report.

No material change and commitment occurred between the end of the FY 2022-23 of the Company and this report date except as disclosed below that may affect the financial position of the Company.

Change in Nature of Business

During the financial year under review, there has been no change in the nature of business of the Company.

Details of Companies which have become its Holding, Subsidiary, Associate or Joint Venture Companies:

Holding Company

WestBridge Crossover Fund, LLC , together with its wholly-owned subsidiary Aravali Investment Holdings is the holding Company.

Subsidiary Company

During the previous year, the Company 'India Shelter Capital Finance Limited' which was incorporated on dated 24 March, 2022 to carry on the business of short, medium and long-term financing is the Subsidiary Company subject to regulatory approvals.

Statement containing salient features of the financial statements of the subsidiary, pursuant to first proviso to sub – section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014 in Form AOC – 1, which forms part of this Report as Annexure 01.

Associate or joint venture companies

As per the provisions of the Act, the Company did not have any Joint Ventures/Associates during the financial year under review.

Particulars of loans, guarantees or investments to wholly-owned subsidiary

The Company had made investments of Rs. 1,200 lakhs in the equity share capital of the subsidiary company.

For details refer to Note No. 40 in relation to related party transactions disclosed as per notes to the Standalone Financial Statements.

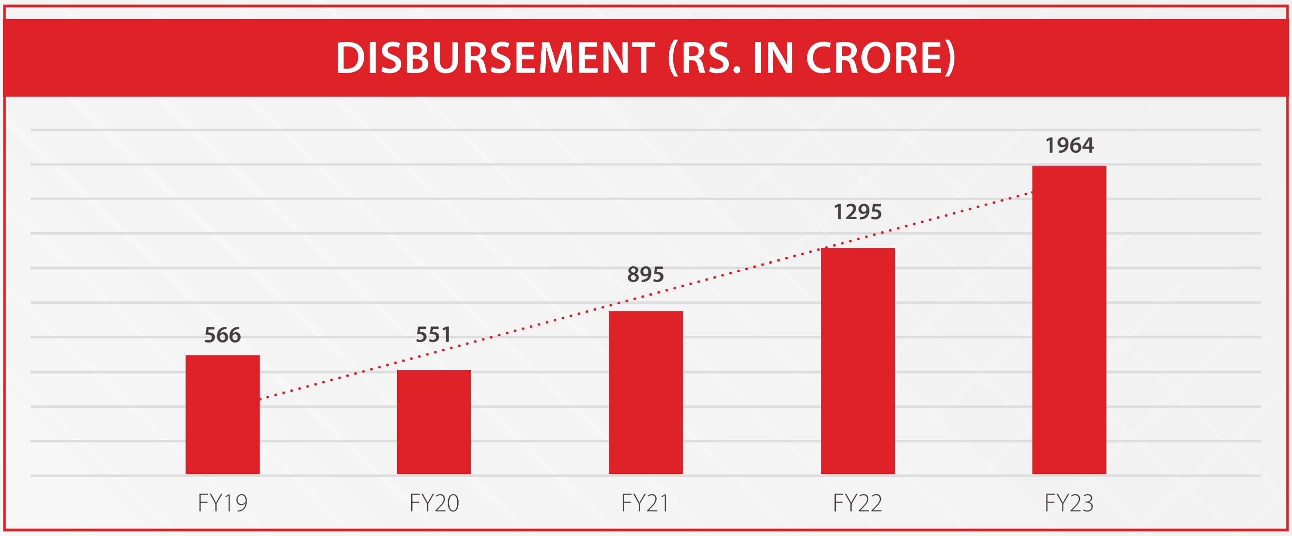
Net Worth

As of 31 March, 2023, the net worth of your Company stood at Rs. 1,241 Crore compared to Rs. 1,076 Crore on 31 March, 2022 registering an increase of 15%.

Performance of the Company

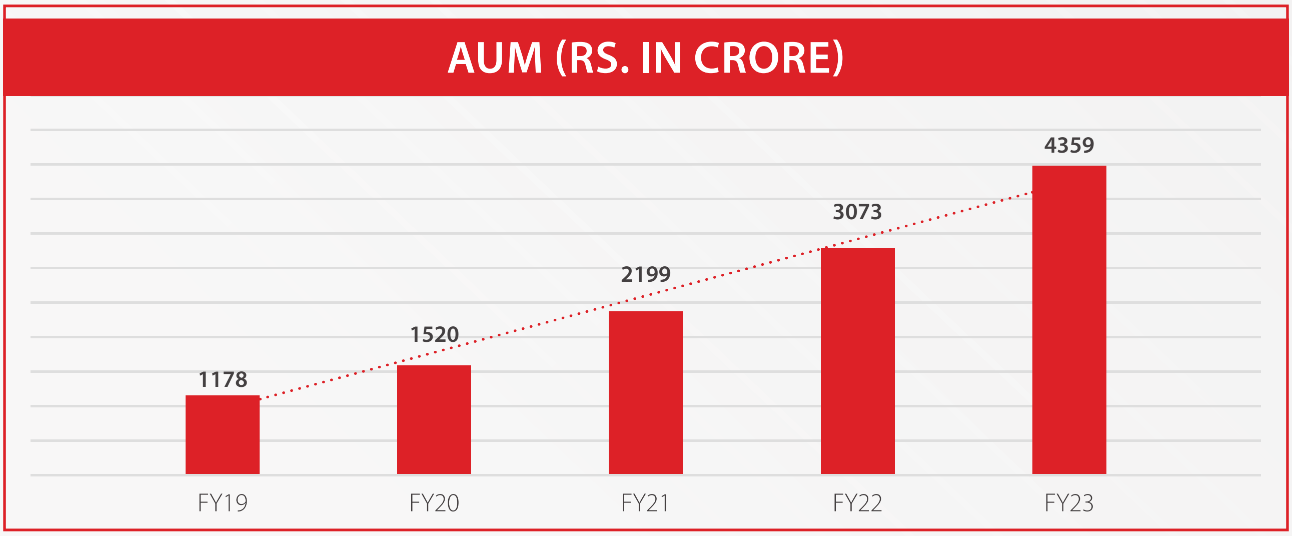
Disbursement

During the year, your Company disbursed Rs. 1,964 Crore compared to Rs. 1,295 Crore in the previous year.



Assets Under Management (AUM)

Your Company had assets under management of Rs. 4,359 Crore compared to Rs. 3,073 Crore in the previous year and recorded a growth of 42% over the previous year.



Resource Mobilisation

Your Company's overall borrowing is guided a by Borrowing and Investment Policy duly approved by the Board of Directors.

Your Company manages its cash flows through prudent Asset-Liability Management and takes the various measures, which includes the diversification of funding sources, tenure optimisation, and prudent borrowing timing to maintain its borrowing costs at an optimum level.

Your Company secured financing from a variety of sources, including term loans, proceeds from the issuance of NCDs and refinancing from the NHB. As of 31 March, 2023, the Company's total borrowings stood at Rs. 2,989 Crore. Your Company remains committed to maintaining a vigorous diversified resource profile.

During the financial year under review, the interest on Non-Convertible Debentures issued on a private placement basis was paid by the Company on their respective due dates.

Borrowings from Other Sources

During the year, your Company raised Rs. 2,080 Crore from various sources such as term loans, ECB, NHB refinance, PTC transactions and Direct Assignments. Further, your Company has undrawn sanction of Rs. 70 Crore as on 31 March, 2023 from NHB.

Your Company being a Non-Deposit taking Housing Finance Company, was resolved by the Board of Directors in their meeting held on 12 May, 2022, that it shall not accept public deposits and has not accepted any public deposits within the meaning of Section 73 to 76 of the Companies Act, 2013 read with the Companies [Acceptance of Deposits] Rules, 2014 and amendments made thereunder.

The Company has borrowed in compliance with the Section 180 of the Companies Act, 2013 and applicable provisions of the Companies Act, 2013.

Listing with Stock Exchange:

Your Company is up to date in the payment of annual listing fees to the Bombay Stock Exchange (BSE), on which its debentures are listed.

During the financial year under review, the interest on Non-Convertible Debentures issued on a private placement basis was paid by the Company on their respective due dates and there were no instances of any interest amount that was not claimed by the investors or not paid by the Company after the date on which the same became due for payment.

The disclosures under the RBI Master Directions 2021 on NBFC and HFC dated 17 February, 2021 is as below:

(i) The total number of non-convertible debentures that have not been claimed by the Investors or not paid by the housing finance Company after the date on which the non-convertible debentures became due for redemption: Nil

(ii) The total amount in respect of such debentures remaining unclaimed or unpaid beyond the date referred to in clause (1) as aforesaid: Nil

Debenture Trustee

Debenture Trust Agreement(s) were executed in favour of Catalyst Trusteeship Services Limited for NCDs issued on a private placement basis. Following are details of Catalyst Trusteeship Limited.

Catalyst Trusteeship Limited

CIN: U74999PN1997PLC110262

GDA House, First Floor, Plot No. 85 S. No. 94 & 95,

Bhusari Colony (Right), Kothrud Pune MH 411038 IN

Credit Rating

During the financial year under review , the credit rating of your Company was upgraded to ICRA A+ (Stable) and CARE A+ (Stable):

Agency	Instrument	Rating (Outlook)
ICRA	Non-Convertible Debentures	ICRA A +(Stable)
ICRA	Long-Term Borrowings	ICRA A + (Stable)
CARE	Long-Term Borrowings	CARE A +(Stable)

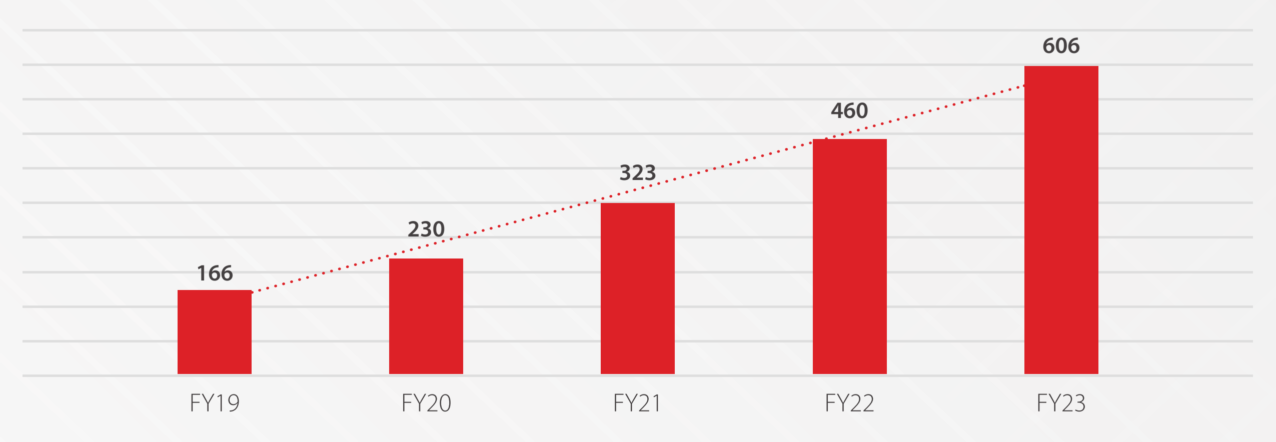
Reserves

In terms of Section 29C of the National Housing Bank Act, 1987, every Housing Finance Company is required to transfer at least 20% of its net profit every year to a Statutory Reserve account before any dividend is declared. Accordingly, your Company has transferred an amount of Rs. 31 Crore (previous year Rs. 26 Crore) to 'Statutory Reserve' and it stands at Rs. 101 Crore as on 31 March, 2023.

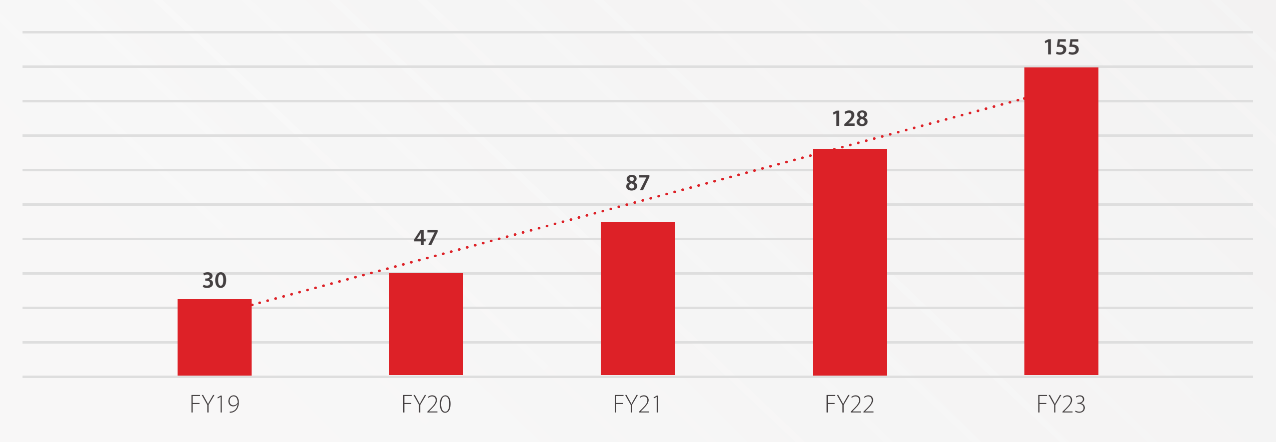
Profitability

During the year, your Company earned total revenue of Rs. 606 Crore compared to Rs. 460 Crore of revenue earned last year, registering an increase of 31.85%. Your Company earned a profit after tax of Rs. 155 Crore compared to Rs. 128 Crore earned last year, registering an increase of 20.94%.

REVENUE (RS. IN CRORE)



PAT (RS. IN CRORE)



Robustness of Assets

Your Company has adhered to the Policy on Provisioning for NPAs and write off approved by its Board of Directors and as per the Expected Credit Loss (ECL) Methodology. The provision computed as per the ECL methodology is higher than the provision computed in accordance with the Income Recognition and Asset Classification (IRAC) Norms specified by the RBI.

Recovery Mechanism

Your Company is a "Financial Institution" under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002, and it initiated proceedings under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002 against defaulting borrowers for recovery of dues. Your Company has also filed cases under Section 138 of the Negotiable Instruments Act, 1881.

Your Company is disbursing 100% loans through electronic mode. The Company is working to maximise collection through electronic means.

Capital Adequacy Ratio

NHB Housing Finance Companies (NHB) Directions, 2010, require your Company to maintain a minimum capital adequacy of 15% on a standalone basis. Your Company's capital adequacy ratio (CRAR) stood at 52.66% (comprising Tier I capital of 51.93% and Tier II capital of 0.73%) as of 31 March, 2023, compared to 55.87% (comprising Tier I capital of 55.35% and Tier II capital of 0.52%) as of 31 March, 2022.

Branch Expansion

During the year, your Company added 53 additional branches, bringing the total number of offices to 185 across 15 states as of 31 March, 2023. This increase in branches has contributed to the better performance of your Company. Your Company now operates in the states of Rajasthan, Maharashtra, Gujarat, Madhya Pradesh, Haryana, Chhattisgarh, Uttar Pradesh, Uttaranchal, Punjab, Tamil Nadu, Karnataka, Telangana, Andhra Pradesh, Delhi and Orissa . Your Company has undertaken several measures to improve its visibility through a focus on marketing and advertising.

Conservation of Energy, Technology Absorption

In compliance with Section 134 of the Companies Act, 2013 and Rule 8(3) of the Companies (Accounts) Rules, 2014, your Company did not carry out any activity relating to conservation of energy, or technology absorption during the year. Hence, the requirement of disclosure of particulars relating to conservation of energy and technology absorption in terms of Section 134 of the Companies Act, 2013 and the rules framed thereunder are not applicable.

Foreign Exchange Earnings and Outgo

The Foreign Exchange earned and the Foreign Exchange outgo during the year are as below:

Particulars	For the year ended March, 2023 (Rs. in lakhs)	For the year ended March, 2022 (Rs. in lakhs)
a) Total foreign exchange earned	0	0
b) Total foreign exchange out go	2.84	197.67
c)Interest expense of ECB	172.25	-

During the year, the Company raised USD 10 million in foreign currency loan exposure in the form of a 15-year External Commercial Borrowing ('ECB') loan. The Company has undertaken cross currency swaps to hedge the foreign currency risk of the ECB cash flows. All the derivative instruments are purely for hedging the underlying ECB transactions as per applicable RBI guidelines and not for any speculative purpose.

Regulatory Guidelines

During the year under review, the RBI/NHB has issued various Notifications, Circulars and Guidelines to Housing Finance Companies. The Circulars and the Notifications issued by RBI/NHB are also placed before the Board of Directors at regular intervals to update the Board members on their compliance with the same. Your Company has adhered to all the Circulars, Notifications and Guidelines issued by RBI/NHB from time to time.

Your Company has been complying with the Master Directions, guidelines and circulars issued by the Reserve Bank of India, the National Housing Bank, the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable to the Company, the Foreign Exchange Management Act, 1999, the Labour Laws, the Income Tax Act, the Goods and Services Tax Act and other applicable Acts from time to time.

Your Company has also complied with the provisions of Secretarial Standard 1 (SS-1) and Secretarial Standard 2 (SS-2) issued by the Institute of Company Secretaries of India relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively.

Environmental, Social & Governance (ESG) Practices

Your Company has always stayed strong in its commitment to positively impact the environment, its customers, employees, and the community at large. Our core values have guided our ESG practices, which seek to drive growth and empower communities through our corporate decision-making processes.

Environmental

We look at natural capital and the communities we operate in, as integral elements of our business. That is why we work to strike a balance between the economic, social and environmental aspects of our decisions. Our environmental initiatives form part of this Annual Report.

Social

We maintain a strong relationship with society and the community and empower them with financial inclusion and other developmental initiatives. We strive towards the progress of society, through our Corporate Social Responsibility (CSR) policy. We have a CSR policy that lays down the action plan for defining how CSR is to be implemented and is in compliance with the Schedule VII of the Companies Act, 2013.

The Board constituted the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Act and is chaired by a Non-Executive Director. At present, the Corporate Social Responsibility Committee comprises of 3 Directors as its members including two of whom are being Independent Directors.

The Corporate Social Responsibility Committee of your Company as of 31 March, 2023 comprises three members, including one Independent Directors as below:

Directors	Designation	DIN
Mr. Rupinder Singh	Managing Director and Chief Executive Officer	09153382
Ms. Rachna Dikshit	Independent Director	08759332
Mr. Thomson Thomas	Independent Director	09691435

The CSR Committee met once in the year under consideration on 29 July, 2022.

The attendance of the members at the Corporate Social Responsibility Committee Meetings during the year is as below:

Name	Designation	Number of Meeting	
		Held	Attended
Ms. Rachna Dikshit (DIN: 08759332)	Independent Director	1	1
Mr. Rupinder Singh (DIN: 09153382)	Managing Director and Chief Executive Officer	1	1
Mr. Sunil Ramakant Bhumralkar (DIN: 00177658)*	Independent Director	1	1
Mr. Thomson Thomas(DIN: 09691435)*	Independent Director	NA	NA

*The Corporate Social Responsibility Committee was reconstituted on 08 February, 2023 and Mr. Thomson Thomas became a member of the Corporate Social Responsibility Committee. Further, Mr. Sunil Ramakant Bhumralkar ceased to be a member of the Corporate Social Responsibility Committee w.e.f. 30 November, 2022.

The disclosures as per Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, are attached as Annexure 02.

Your Company has developed and implemented the Corporate Social Responsibility Policy, which is placed on the website at https://www.indiashelter.in/policies-reports.php and is attached as Annexure 03.

Corporate Governance

We are committed to maintaining the highest levels of ethical standards in integrity, corporate governance and regulatory compliance. These parameters form the bedrock of our corporate governance policy. We have proactively upheld good governance practices and are constantly striving to enhance our standards. Our Board of Directors is responsible for setting the course for and evaluating the bank's performance with regards to corporate governance. The parameters of evaluation include compliance, internal control, risk management, information and cybersecurity, customer service, and social & environmental responsibility.

Your Company has been complying with the Standards of corporate governance required under the Companies Act, 2013 and other applicable acts. Your Board has discharged the duties and responsibilities as required under the applicable statute(s), including the Companies Act.

Your Company has a Board of Directors, which has a defined schedule of matters reserved for its consideration and decision, apart from legally required matters.

The Board of Directors of the Company comprises of eight Directors, consisting of one Chairman & Non-Executive Director, one Managing Director & CEO, two Independent Directors (including one Woman Director), and four Non-Executive Nominee Directors, as of 31 March, 2023, who bring in a wide range of skills and experience to the Board.

The Board of Directors of the Company as of 31 March, 2023 is:

Directors	Designation	DIN
Mr. Anil Mehta	Chairman and Non-Executive Director	02132315
Mr. Rupinder Singh	Managing Director and Chief Executive Officer	09153382
Mr. Anup Kumar Gupta	Nominee Director	02284944
Mr. Shailesh J. Mehta	Nominee Director	01633893
Mr. Sudhin Bhagwandas Choksey	Nominee Director	00036085
Mr. Sumir Chadha	Nominee Director	00040789
Ms. Rachna Dikshit	Independent Director	08759332
Mr. Thomson Thomas	Independent Director	09691435

The following changes took place in the composition of the Board of Directors during the FY 2022-23:

The Board of Directors of the Company in their meeting held on 30 July, 2022, appointed Mr. Thomson Thomas as an Additional (Independent & Non-Executive) Director with effect from 02 August, 2022 and shareholders confirmed his appointment as an Independent Director in their meeting held on 29 September, 2022.

The Board of Directors of the Company vide Circular resolution dated 30 November, 2022 accepted the resignation of Mr. Sunil Ramakant Bhumralkar as an (Independent & Non-Executive Director) the Company with effect from 30 November, 2022.

COMMITTEES OF THE BOARD

The Company has the following Eight (8) Board-level Committees that have been constituted in compliance with the requirements of the business and relevant provisions of applicable laws and statutes:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Corporate Social Responsibility Committee
4. Enterprise Risk Management Committee
5. Asset Liability Management Committee
6. IT Strategy Committee
7. Wilful Defaulter Identification & Review Committee and
8. Customer Service & Grievance Redressal Committee

The recommendations made by the above Committees were accepted by the Board.

The details with respect to the composition, terms of reference, number of Meetings held, etc. of these Committees are given in the Corporate Governance Report, which forms part of this Report as Annexure 04.

Key Managerial Personnel (KMP):

During the year under review, the Key Managerial Personnel of the Company are as follows:

a. Mr. Rupinder Singh –Managing Director & CEO

b. Mr. Ashish Gupta- Chief Financial Officer

c. Ms. Mukti Chaplot – Company Secretary

Company's Policy on Director's Appointments, Remuneration & Evaluation

The Board on the recommendation of the Nomination & Remuneration Committee adopted a 'Nomination & Remuneration Policy', which, inter alia, lays down the criteria for identifying the persons who are qualified to be appointed as Directors and/or Senior Management Personnel of the Company, along with the criteria for the determination of remuneration of Directors, KMPs and other employees and their evaluation and includes other matters, as prescribed under the provisions of Section 178 of the Companies Act, 2013.

The RBI, vide its notification dated 22 October, 2021, prescribed the "Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs dated 22 October, 2021' ('SBR Framework') which is applicable to the Non-Banking Financial Companies including Housing Finance Companies (collectively referred to as 'NBFCs'). As per the SBR Framework, NBFCs in the Middle Layer and NBFCs in the Upper Layer are required to comply with the 'Compensation Guidelines' prescribed by the RBI. Thereafter, the RBI prescribed the 'Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs' ('RBI Compensation Guidelines'), vide notification dated 29 April, 2022, which has prescribed certain additional requirements with respect to the fixing of compensation and remuneration of KMPs and SMPs of NBFCs in the Middle Layer and NBFCs in the Upper Layer. In pursuance of the same the Board of Directors of your Company adopted the revised policy. The 'Nomination & Remuneration Policy' of the Company is placed on the website of the Company at https://www.indiashelter.in/policies-reports.php. The Remuneration paid to the Directors is in line with the remuneration policy of the Company.

Director & Key Management Personnel

Retirement by Rotation and Re-appointment

As per Section 152 of the Companies Act, 2013, Mr. Sudhin Bhagwandas Choksey (DIN: 00036085) and Mr. Shailesh Jayantilal Mehta (DIN: 01633893) Nominee Directors of the Company, will retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment.

Resignation/Retirement of Independent Director

Pursuant to Section 149 (6), Section 152 and Section 161 of the Companies Act, 2013 and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 2013, the Board of Directors via a circular resolution dated 30 November, 2022, took the note of the resignation of Mr. Sunil Ramakant Bhumralkar from the position of Independent Director of the Company with effect from the closure of business hours as of 30 November, 2022. The same was placed before the Nomination and Remuneration Committee Meeting and Board Meeting dated 08 February, 2023.

Appointment of Independent Director

Pursuant to the provisions of Section 149, 150, 152 read with schedule IV and Section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, rules of the Companies Act, 2013, on the recommendation by the members of Nomination and Remuneration Committee in their meeting held on 30 July, 2022, the Board of Directors in their meeting held on 30 July, 2022 appointed Mr. Thomson Thomas (DIN: 09691435) as an Additional Director (Non-Executive & Independent) (DIN: 09691435) on the Board of the Company w.e.f. 02 August, 2022 and was confirmed as Independent Director in the Extra-Ordinary General Meeting held on 29 September, 2022.

Declaration by Independent Director

Your Company has received the declarations by the Independent Director(s) that they:

• meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 has been obtained;

• have registered to the Indian Institute of Corporate Affairs (IICA) as specified in sub-rule (2) of Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

Disqualifications of Directors, if any:

None of the Directors on the Board of the Company are disqualified pursuant to the provisions of Section 164 or Schedule V Part II of the Companies Act, 2013.

Declaration of Fit & Proper Criteria

Your Company is adhering to the Fit and Proper Criteria and your Board of Directors has approved the Fit and Proper Policy, which assesses the Fit and Proper Criteria for the directors at the time of appointment and on a continuing basis, as per the criteria prescribed by the RBI.

Remuneration to Directors

During the year, the Company has not paid any remuneration to Non-executive Directors except as disclosed in the Financial Statements forming part of this Report. Sitting fees have been paid to the Independent Directors as per the provisions of the Companies Act, 2013.

Annual Evaluation

Your Company follows the best practices to ensure that the Board of Directors understands their duties and adopts good governance practices.

The Nomination & Remuneration Committee carried out the evaluation of each Director's performance and the Board additionally carried out a formal evaluation of its own performance, the Statutory Board Committees and all the Individual Directors without the presence of the Director concerned who is being evaluated.

During the year, Independent Directors of the Company also held separate meetings to review the performance of the Non- Independent Directors and the Board as a whole and assess the quality, quantity and timeliness of the flow of information between the Company management and the Board, which is necessary for the Board to effectively and reasonably perform their duties. Major aspects of board evaluation include who is to be evaluated, the process of evaluation, including the laying down of objectives and criteria to be adopted for evaluation of different persons, feedback to the persons being evaluated and an action plan based on the results.

Human Resources Development

Your Company has been following best human resource practices and had 2,709 employees on its payroll as of 31 March, 2023 compared to 2,200 employees as of 31 March, 2022, registering an increase of 23.14%.

Disclosures under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013, are read with rules.

The Company has zero tolerance for any action on the part of any of its officials, that falls under the ambit of 'Sexual Harassment' at the workplace. the Company promotes and recognises the rights of women to protection from sexual harassment and the right to work with dignity.

In this regard, India Shelter has instituted an Internal Complaints Committee for the redressal of sexual harassment complaints (made by the victim) and for ensuring time bound treatment of such complaints. The Internal Complaints Committee as of 31 March, 2023 comprises of the following four members out of whom 3 members are women:

Presiding Officer	Member-1	Member-2	NGO
Madhu Sharma	Mukti Chaplot	Nilay	Samta Ahuja

An Appellate Committee is also constituted as below:

Members	Designation
Ms. Rachna Dikshit (DIN: 08759332)	Board Representative
4 other members	Equal number of male & female members from amongst ICC members

Your Company has imparted training for Sexual Harassment of Women at Workplace as part of the Induction training provided to the employees.

Pursuant to the requirements of Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013 read with Rules thereunder, the Internal Complaints Committee of the Company did not receive any complaint of sexual harassment during the year under review.

Risk Management Framework

Your Company has in place a Board-constituted Risk Management Committee. The details of the Committee and its terms of reference are set out in the Corporate Governance Report that forms part of this Report. Your Company has a Board-approved Risk Management Policy wherein risks faced by the Company are identified and assessed.

Effective risk management and mitigation are critical to sustaining and growing any business. At India Shelter, we recognise the importance of identifying risks and implementing mitigation plans to reduce their impact. The Company proactively manages various business risks through mitigation strategies tailored to each risk. It constantly reviews and updates risk management policies to ensure our business is well-positioned to navigate potential risks successfully.

In compliance with the clause 51 of Chapter IX- Corporate Governance of Non-Banking Financial Companies-Housing Finance Companyies (Reserve Bank) Directions, 2021, the Company has designated Mr. Sharad Pareek as Chief Risk Officer (CRO) of the Company.

During the financial year under review, the Risk Management Committee reviewed the risks associated with the business of your Company, undertook a root cause analysis and monitored the efficacy of the measures taken to mitigate the same.

Vigil Mechanism & Whistle Blower Policy

Section 177 of the Companies Act, 2013 read with the rules made thereunder requires your Company to establish a vigil mechanism. Your Company has adopted a Fraud Management Policy and Whistle Blower Mechanism. The said policy has been uploaded to the website of the Company. The Company has also provided all its employees with the facility to report any suspected, alleged or actual fraud without disclosing their identity. A dedicated Email ID – Whistleblowing@indiashelter.in has been made for this purpose, which acts as a single point of contact for all the employees.

Further, no report under sub section (12) of section 143 of the Companies Act has been filed by the Statutory Auditors as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year or up to the date of the report.

As for the fraud on the Company, no frauds have been reported as disclosed in Note 44.31 of the financial statements.

Particulars of Employee-Related Disclosures

Your Company grants Employee Stock options, share-based benefits to eligible employees with a view to attracting and retaining the best talent, encouraging employees to align individual performance with the Company's objectives and promoting increased participation by them in the success of the Company.

The details of the ESOP plan form part of the Notes to Accounts of the Financial Statements in this Annual Report.

The details as per Rule 12 (9) of the Companies (Share Capital and Debentures) Rules, 2014 are enclosed as Annexure 05.

Particulars of Contracts or Arrangements with Related Parties

The particulars of every contract or arrangement entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 have been disclosed in Form No. AOC-2 as Annexure 06. The Company has framed a Related Party Transaction policy for the Company as per the NHB/RBI Directions. The same is enclosed as Annexure 07 to this report.

Internal Audit & Internal Controls over Financial Reporting

As per the provisions of Section 134(5)(e) of the Companies Act, 2013, the Directors have an overall responsibility for ensuring that the Company has implemented robust systems and a framework of internal financial controls to provide them with reasonable assurance regarding the adequacy and operating effectiveness of controls with regards to reporting, operational and compliance risks.

Your Company has implemented sound internal control practices across all processes, units and functions. It has well- defined policies and processes for the management of its day-to-day activities.

Your Company has an Internal Audit Department that is responsible for independently evaluating the adequacy and effectiveness of all internal controls, risk management, systems and governance processes.

Significant audit observations and follow-up actions thereon are reported to the Audit Committee on a quarterly basis. The Audit Committee reviews and evaluates the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations. The Company has implemented all the recommendations of the Audit Committee.

Based on the information provided, nothing has come to the attention of the Directors to indicate that any material breakdown in the function of these controls, procedures or systems occurred during the year under review. There have been no significant changes in our internal financial controls during the year that have materially affected, or are reasonably likely to materially affect, our internal financial controls.

Your Company has an internal control system, commensurate with the size, scale and complexity of its operations. Your Company's Internal Auditors, review internal control and risk-management measures, accounting procedures, highlight areas requiring attention, and report their main findings and recommendations to the Audit Committee.

Dematerialisation of Shares & Non-Convertible Debentures

The equity shares of the Company are dematerialised by National Securities Depository Limited (NSDL) with ISIN No. INE922K01016 for fully paid-up shares and ISIN No. IN9922K01030 for partly paid-up equity shares.

Particulars of Loans, Guarantees or Investments under Section 186

As your Company is a housing finance Company, the disclosure regarding particulars of loans given, guarantees given and security provided is exempt under the provisions of Section 186(11) of the Companies Act, 2013. Thus, the provisions of Section 186, except sub-section (1) of the Act, are not applicable to the Company.

Disclosure under Section 43(a)(ii) of the Act

Your Company has not issued any shares with differential rights and hence no information as per the provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

Disclosure under Section 67(3) of the Act

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme; hence, no information pursuant to Section 67(3) of the Act read with Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014 is furnished.

Disclosure under Rule 8 of the Companies (Accounts) Rules, 2014

During the year under review, the Company neither made had any application against it self nor had any proceedings are pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016). Further there were no instances of one-time settlements for any loans taken from banks or financial institutions.

Maintenance of Cost Records

The Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the services of the Company.

Investor Education and Protection Fund

The Company has not transferred any amount to the Investor Education and Protection Fund during the year under review, since nothing remained unpaid or unclaimed during the current year or during the period of the past 7 years.

Website Disclosures

Your Company has made its disclosures on its website, www.indiashelter.in. All the regulatory disclosures, compliances, public notices and policies have been regularly updated. Our customers can also reach us through our toll-free helpline number, contact details of the Principal Officer, and submit any complaints or grievances, if any, etc.

Extract of the annual return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, copies of the Annual Return of the Company prepared in accordance with Section 92(1) of the Companies Act, 2013 read with Rule 11 of the Companies (Management and Administration) Rules, 2014 are placed on the website of the Company at https://www.indiashelter.in/policies-reports.php.

Management Discussion and Analysis

The Management Discussion and Analysis form part of this report, which gives a detailed information on the state of affairs of the operations of the Company.

Directors' Responsibility Statement

In terms of sub-section (5) of Section 134 of the Companies Act, 2013, we, the Directors of your Company, state in respect of FY 2022-23 that:

In the preparation of the annual accounts, the applicable accounting standards have been followed along with a proper explanation relating to material departures;

a. The directors have selected such accounting policies, and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

b. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

c. The directors have prepared the annual accounts on a going-concern basis;

d. Company has laid down internal controls that are adequate and are operating effectively; and

e. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Auditors

Statutory Auditors

As per provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, and RBI guidelines dated 27 April, 2021 and other relevant provisions including any statutory enactment or modification thereof, appointment of M/s. T R Chadha & Co LLP, Chartered Accountants, having Registration number 006711N/N500028 was approved by the Audit Committee by Circular resolution bearing No 01/2021-22 dated 01 September, 2021 and the Board of Directors by Circular resolution bearing No 15/2021-22 dated 01 September, 2021 subject to the approval of shareholders of the Company and subsequently by the shareholders of the Company in the Annual General Meeting held on 29 September, 2021 as Statutory Auditors of India Shelter to hold the office from the conclusion of 23rd Annual General Meeting till the conclusion of 26th Annual General Meeting.

Auditors' Report

The Statutory Auditors' Report is unqualified. The Statutory Auditors have not made any adverse comments on the workings of the Company. The Standalone and Consolidated Financials, and notes to the Financial Statements, read with the Auditors' Report, are self-explanatory and do not require further clarification.

Details in respect of frauds under sub-section (12) of Section 143 of the Act

There were no instances of frauds reported by the Company's auditors.

Secretarial Auditors and Secretarial Audit Report

In accordance with Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, Mr. Jitender Singh (Membership No.: A33610 & CP: 12463) was appointed as Secretarial Auditor to conduct the Secretarial Audit of the Company for the year FY 2022-23 by the Board Of Directors in their meeting held on 10 February, 2023. the Company has provided all assistance and facilities to the Secretarial Auditor for conducting their audit. The Report of the Secretarial Auditor for 2022-23 is annexed to this report as **Annexure 08**. The report is self-explanatory and there were no qualifications in the Auditor's Report.

Significant and Material Orders Passed by the Regulators/Courts/Tribunals Impacting the Going Concern Status and the Company's Pperations in Future

There were no orders passed by the Regulators/Courts/Tribunals that would impact the going-concern status of the Company and its future operations.

Appreciation

Your Company acknowledges the role of all its key stakeholders - shareholders, borrowers, key partners and lenders for their continued support to the Company.

The Directors place on record their gratitude for the support of various regulatory authorities including NHB, RBI, SEBI, IRDA, MCA, the Registrar of Companies, the Financial Intelligence Unit (India), the Foreign Investment Promotion Board, the Bombay Stock Exchange and the depositories.

While recognising the challenging work environment, your Directors place on record their appreciation for the hard work and dedication of all the employees of your Company.

Acknowledgement

An acknowledgement to all with whose help, cooperation and hard work the Company is able to achieve the results.

For and on behalf of the Board of Directors.

Sd/-	Sd/-
Mr. Anil Mehta	**Mr. Rupinder Singh**
DIN: 02132315	DIN: 09153382
Place: Gurugram	Place: Jaipur
Date: 09 May, 2023	Date: 09 May, 2023

Annexure-01

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sr. No.	Particulars	Details (Rs. in lakhs)
1.	Name of the subsidiary	India Shelter Capital Finance Limited[1]
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	24 March, 2022 to 31 March, 2023
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
4.	Share capital	1,200.00
5.	Reserves & surplus	0.00
6.	Total assets	1,247.54
7.	Total liabilities	11.09
8.	Investments	0.00
9.	Turnover	0.00
10.	Profit before taxation	48.72
11.	Provision for taxation	12.26
12.	Profit after taxation	36.46
13.	Proposed dividend	0.00
14.	% of shareholding	100%

1. Subsidiary Company has not commenced business till 31 March, 2023.
2. Names of subsidiaries which are yet to commence operations: India Shelter Capital Finance Limited
3. Names of subsidiaries which have been liquidated or sold during the year: Not applicable

Part "B": Associates and Joint Ventures

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

Name of associates/joint ventures	-
1. Latest audited balance sheet date	-
2. Shares of associate/joint ventures held by the Company at the year's end	-
No.	-
Amount of investment in associates/joint venture	-
Extend of holding%	-
3. Description of how there is significant influence	-
4. Reason why the associate/joint venture is not consolidated	-
5. Net worth attributable to shareholding as per latest audited Balance Sheet	-
6. Profit/loss for the year	-
i. Considered in consolidation	-
ii. Not considered in consolidation	-

1. Names of associates or joint ventures which are yet to commence operations.
2. Names of associates or joint ventures which have been liquidated or sold during the year.

Sd/-

Mr. Anil Mehta

DIN:02132315

Place: Gurugram

Date: 09 May, 2023

Sd/-

Mr. Rupinder Singh

DIN: 09153382

Place: Jaipur

Date: 09 May, 2023

Annexure-02

CORPORATE SOCIAL RESPONSIBILITY (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy,:

India Shelter is a growing company and is committed to the social welfare of the common people as it caters to the housing needs of the self-employed, informal segment of customers, belonging to the middle income group, primarily from semi-urban and rural markets. The Company firmly believes that it has a commitment to all its stakeholders - customers, employees and the community.

India Shelter's key CSR initiatives were undertaken with a long-term view. Initiatives that are sustainable and have long-term benefits for society at large.

We have a CSR policy that lays down the action plan for defining how CSR is to be implemented and is in compliance with the Schedule VII of the Companies Act, 2013. The CSR programmes undertaken by the Company largely fall into the areas of improving communities' awareness of education and medical aid.

2. The Composition of the CSR Committee as of 31 March, 2023.

Sr No	Name of the Director	Designation / Nature of Directorship	No. of meeting of CSR Committee held during the year	No. of meetings of CSR Committee entitled & attended during the year
1	Ms. Rachna Dikshit (DIN: 08759332)	Chairman and Independent Director	1	1
2	*Mr. Thomson Thomas (DIN: 09691435)	Independent Director	NA	NA
3	Mr. Rupinder Singh (DIN: 09153382)	Managing Director and Chief Executive Officer	1	1
4.	**Mr. Sunil Ramakant Bhumralkar (DIN: 00177658)	Independent Director	1	1

*The Board of Directors of the Company in their meeting held on 30 July, 2022, appointed Mr. Thomson Thomas as an Additional (Independent & Non-Executive) Director with effect from 02 August, 2022 and shareholders confirmed his appointment as an Independent Director in their meeting held on 29 September, 2022.

**The Board of Directors of the Company vide Circular resolution dated 30 November, 2022 accepted the resignation of Mr. Sunil Ramakant Bhumralkar as an Independent Director of the Company with effect from 30 November, 2022.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

The web-links for the Composition of CSR Committee and CSR Policy are https://www.indiashelter.in and for CSR Project is https://www.indiashelter.in/csr.

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

The average CSR obligation of the Company does not exceed the prescribed threshold limit of ten crore rupees or more in pursuance of Section 135(5) of the Companies Act, 2013. Thus, the impact assessment report is not applicable to the Company.

5. (a) Average net profit of the Company as per Sub-Section (5) of section 135. Rs. 11406.36 lakhs

(b) Two percent of average net profit of the company as per Section 135(5): Rs. 230 lakhs

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.: NIL

(d) Amount required to be set off for the financial year, if any: NIL

(e) Total CSR obligation for the financial year ((b)+(c)-(d)) : Rs. 230 lakhs

6. (a) Total amount on CSR Projects (both Ongoing Project and other than Ongoing Project)

Name of the NGO's / Org	Proposals	Amount (in Rs.)
Mahesh Foundation	Construction of the third floor of the New Skill Centre for Girls & Women.	40,70,000
Samarthanam Trust	Works for the empowerment of persons with disabilities and the underserved	32,53,500
The Akshaya Patra Foundation	Mid-day meal for children	30,00,000
Impact Guru Foundation	1. 2 - Care On Wheels project on camp mode	17,89,940
	2. E lab- Scootest	5,09,400
Kamlabai Educational & Charitable Trust	To support KECT in various events viz. Health checkup camp, Eye checkup camps, donation for earthquake affected people etc.	3,00,000
PM Care Fund	Relief in Emergency Situations Fund	3,50,000
Clean Ganga Fund	Fund set-up by the Central Government for rejuvenation of river Ganga.	15,00,000
Swachh Bharat Kosh	Objective of improving cleanliness levels in rural and urban areas, including in schools.	5,48,113
Bansi Vidya Memorial Trust (Leukaemia Crusaders)	To work and contribute towards the noble cause of financially supporting leukemia or blood cancer affected children.	65,29,517
CSR Administrative Overheads	Being the remuneration, travel and other expenses incurred for undertaking, identifying and completing the CSR Activities by the Company	11,50,000

(b) Amount spent in administrative overheads: 11.5 lakhs

(c) Amount spent on Impact Assessment, if applicable: NIL

(d) Total amount spent for the financial year ((a)+(b)-(d)): 230 lakhs

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

Total Amount Spent for the Financial Year (in Rs.)	Total Amount transferred to Unspent CSR Account as per section 135(6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso of Sub-Section (5) of section 135		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
Rs. 230 lakhs	-	-	-	-	-

(e) Excess amount for set off, if any: Nil

Sl. No.	Particulars	Amount (Rs. in lakhs)
(i)	Two percent of average net profit of the company as per Section 135(5)	230
(ii)	Total amount spent for the financial year	230
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

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

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in Rs.)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Amount Spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(5), if any		Amount remaining to be spent in succeeding financial years (in Rs.)	Deficiency, if any
					Amount (in Rs)	Date of transfer		
1	2019-20	-	-	-	-	-	-	-
2	2020-21	-	-	-	-	-	-	-
3	2021-22	-	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes ☑ No ☐

If Yes, enter the number of Capital assets created/ acquired 4

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

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
1	Mahesh Foundation's Skill & Innovation Center	590001	28.03.2023	40,70,000/-	CSR00003827	Mahesh Foundation	792, Siddeshwar Nagar Kanabargi, Belagavi
2	Office No.303 Jaisingh, Business Centre 119, Other, Maharashtra, 400099	400099	30.03.2023	9,05,768/-	CSR00000991	Impact Guru Foundation	Office No- F1, First floor, Malhan One, Building no -1, sunlight Colony 2, Ashram, New Delhi -110014.
3	House No-87a-Ii, Moti Nagar, Gurjar Ki Thadi, New Sanganer Road Jaipur, Rajasthan 302019	302019	30.03.2023	9,13,769/-	CSR00000991	Impact Guru Foundation	Office No- F1, First floor, Malhan One, Building no -1, sunlight Colony 2, Ashram, New Delhi -110014.
4	Santi Nagar Sanawad, Road Punasa, Punasa, Khandwa, Madhya Pradesh	450001	30.03.2023	2,99,456/-	CSR00000991	Impact Guru Foundation	Office No- F1, First floor, Malhan One, Building no -1, sunlight Colony 2, Ashram, New Delhi -110014.

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135. - Not applicable, as company has spent two per cent of the average net profit as per sub-section (5) of section 135.

Sd/-

Ms. Rachna Dikshit

Chairman of the CSR Committee

DIN: 08759332

Sd/-

Rupinder Singh

Managing Director & CEO

DIN: 09153382

Annexure-03

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. Background

Section 135 of the Companies Act, 2013 mandates the following companies to formulate and adopt a Corporate Social Responsibility (CSR) Policy and draw out a framework for CSR:

a. Net worth of Rs. 500 Crore or more; or

b. Turnover of Rs. 1000 Crore or more; or

c. Net profit of Rs. 5 Crore or more

In accordance with the said mandate, since India Shelter qualifies on the criteria mentioned, it is required to formulate and adopt CSR Policy.

The objective of this Policy is to provide an overall CSR framework, which shall at all relevant times be closely aligned with the requirements of relevant provisions of the Companies Act, 2013.

2. Overview

India Shelter proposes to make a positive difference to society. The Company firmly believes that it has commitment to all its stakeholders - customers, employees and the community in which it operates and it can fulfil this commitment only by sustainable and inclusive growth. The company aims to improve quality of life through its positive intervention in the community.

India Shelter's key CSR initiatives will be undertaken with a sustainable long-term view to benefit the society at large.

3. CSR Governance

At India Shelter, the Board of Directors of the Company has established a CSR Committee which has been entrusted with formulating a CSR Policy and transparent monitoring mechanism for implementation of the CSR projects or programmes or activities undertaken by the Company. The Committee shall also annually monitor the Corporate Social Responsibility Policy of the Company.

4. Policy

The scope of activities that, the Company will undertake towards fulfilment of its CSR shall be in line with Schedule VII of the Companies Act, 2013, as amended from time to time, and any other applicable laws, regulations etc.

The Company shall give preference to the local area and/or areas in the vicinity, for spending the amount earmarked for CSR activities. The CSR projects or programmes or activities that benefit only the employees of the Company and their families shall not be considered as CSR.

5. Collaboration for CSR

The CSR Committee after seeking approval from the Board of Directors of the Company may undertake its CSR activities either directly or through a registered trust or a registered society or a company established by the Company or its holding or subsidiary or associate Company under Section 8 of the Companies Act, 2013. Further, the Company may choose to collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR Committees of the respective Companies are in a position to report separately on such projects or programmes in accordance with Companies (Corporate Social Responsibility Policy) Rules, 2014 and amendments thereto.

6. CSR Budget

The annual budget for India Shelter's CSR initiative shall be approved by the CSR Committee and Board of Directors of the Company.

7. CSR Expenditure

The Company shall endeavour to spend, in every financial year, at least 2% of the average net profits made during the three immediately preceding financial years or as per regulatory guidelines, in pursuance of its CSR Policy and if the company fails to spend such an amount, the Board shall, in its report specify the reasons for not spending the amount, and, unless the unspent amount relates to any ongoing project are referred to in the Companies Act, 2013, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

CSR expenditure shall include all expenditure relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity or not in line with activities that fall within the areas or subjects, specified in Schedule VII of the Companies Act, 2013.

Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135 , such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –

i. the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.

ii. the Board of the company shall pass a resolution to that effect

The CSR projects or programmes or activities undertaken only in India shall qualify as CSR Expenditure.

The CSR spending can be either revenue expenditure or capital expenditure or both.

(Note: "Average Net Profit" shall be calculated in accordance with the provisions of

section 198 of the Companies Act, 2013)

8. Capacity Building

If the Company chooses to undertake CSR activities directly, it may resort to capacity building, which shall be the expenditure on training the CSR staff regarding the CSR project. However, as mandated by the provisions of the Companies Act, 2013, such expenditure including expenditure on administrative overhead shall not exceed 5% of the total CSR expenditure of the Company in one financial year or such limits as may be prescribed under the legislation from time to time.

9. CSR Reporting

The CSR Committee shall forward a report to the Board on an annual basis containing following particulars:

- The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013;
- The manner of execution of such projects or programmes as specified in sub-rule (1) of Rule 4;
- The modalities of utilisation of funds and implementation schedules for the projects or programmes;
- Monitoring and reporting mechanism for the projects or programmes; and
- Details of need and impact assessment, if any, for the projects undertaken by the Company
- Compliance with CSR objectives and Policy of the Company.

The Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee.

The Board's Report of a company pertaining to any financial year shall include an annual report on CSR containing particulars as specified in the Companies Act, 2013.

10. Monitoring and Feedback

The CSR Committee shall meet as and when the need arises to review and guide the CSR activities of the Company. They shall meet inter alia to monitor the progress of CSR programmes, CSR spending, and review if any changes are required.

The Company will incorporate the details of CSR activities, including a physical and financial process in its annual report. The minutes of the CSR Committee shall be presented to the Board for its review and scrutiny.

The Company may communicate its CSR efforts to all its employees and external stakeholders through emails, its own website, and other appropriate dissemination channels.

The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.

The following activities may be undertaken for the monitoring of CSR:

- Appropriate documentation of the CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis and the same may be available in the public domain
- In order to closely monitor and manage the field action projects, the Audit team at the Corporate Office may conduct periodic field visits, impact studies and social audits on an annual basis, through itself or independent professional third party institutions, especially on the strategic and high value programmes.
- CSR initiatives will also be reported in its Annual Report

Annexure-04

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

India Shelter Finance Corporation Limited (referred to as 'Our Company') is committed to achieving the highest standards of Corporate Governance right from its establishment by staying true to its core values of **Honesty, Respect, and Hard work** in all its engagements. Your Company's Corporate Governance framework ensures that it makes timely and appropriate disclosures and shares factual and accurate information with its stakeholders so that they can make informed decisions. The Company is in compliance with the Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (hereinafter 'RBI Master Directions') and the applicable SEBI LODR Regulations.

GOVERNANCE STRUCTURE AND DEFINED ROLES AND RESPONSIBILITIES

Your Company's governance structure is composed of the Board of Directors, Committees of the Board and Management. Your Company encompasses the structure, practices and processes adopted in every sphere of the Company's operations to provide long term value to its stakeholders through ethical behaviour in doing business. Your Company transforms these core values into business policies and practises with the aim of sustainable growth for all its stakeholders. Your Company believes that adopting and adhering to the best standards of Corporate Governance encourages the Company to build a trustworthy, moral and ethical environment. The Company duly acknowledges its fiduciary role and responsibility towards all of its stakeholders, including shareholders and strives hard to meet their expectations.

BOARD OF DIRECTORS ('The Board')

The Board represents the interests of the Company's stakeholders, oversees and directs the Company's overall business and affairs, reviews corporate performance, monitors strategic decisions and has oversight on regulatory compliance and corporate governance matters and provides the management with guidance and strategic direction. The Board, along with its various Committees, provides leadership and guidance to the Company's management and directs, supervises and ensures the functioning of the Company in the best interest of all stakeholders.

The Directors attend and actively participate in Board Meetings and Meetings of the Committees in which they are members. The responsibilities of the Board include various matters such as providing overall direction, reviewing quarterly/annual results, ensuring ethical behaviour and compliance with laws and regulations, reviewing policies and their alignment with recent developments and amendments, developing corporate culture, creating an enabling environment that generates value through sustainable business growth, etc.

Size and Composition of Board

Your Company's Board is constituted of highly experienced professionals from diverse backgrounds which consists of values of collaborative spirit, expert thinking and a primary role of trusteeship to protect and enhance stakeholders' value through strategic supervision. The Board provides direction and exercises appropriate controls. The Company's Board has an appropriate mix of Independent and Non-Independent Directors as well as Non-Executive and Executive Directors. The Board comprises 8 Directors of whom 2 are Independent Directors (including 1 Women Independent Director), 5 are Non- Executive Directors (out of which 4 are Nominee Directors and 1 Chairman) and the Managing Director & CEO. The Chairman of the Company is a Non-Executive Director and not related to the Managing Director & CEO of the Company. The Composition of the Board is in conformity with the applicable provisions of the Companies Act, 2013 (hereinafter referred to as 'The Act') and regulatory requirements and is in accordance with the highest standards of Corporate Governance.

THE BOARD OF DIRECTORS OF THE COMPANY AS OF 31 MARCH, 2023 ARE:

Directors	Designation	DIN
Mr. Anil Mehta	Chairman and Non-Executive Director	02132315
Mr. Rupinder Singh	Managing Director and Chief Executive Officer	09153382
Mr. Anup Kumar Gupta	Nominee Director	02284944
Mr. Shailesh J. Mehta	Nominee Director	01633893
Mr. Sudhin Bhagwandas Choksey	Nominee Director	00036085
Mr. Sumir Chadha	Nominee Director	00040789
Ms. Rachna Dikshit	Independent Director	08759332
Mr. Thomson Thomas	Independent Director	09691435

Change in the Board of Directors

The following changes took place in the composition of the Board of Directors during the year:

- The Board of Directors of the Company vide Circular resolution dated 30 November, 2022, accepted the resignation of Mr. Sunil Ramakant Bhumralkar as an Independent Director of the Company with effect from 30 November, 2022.
- The Board of Directors of the Company in their meeting held on 30 July, 2022, appointed Mr. Thomson Thomas as an Additional (Independent & Non-Executive Director) with effect from 02 August, 2022 and shareholders confirmed his appointment as an Independent Director in their meeting held on 29 September, 2022.

INDEPENDENT DIRECTORS

Independent Directors are appointed for a specific term based on the recommendations of the Nomination and Remuneration Committee by the Board and the members at their respective meetings. An Independent Director acts as a guide, coach, and mentor to the Company. The role of an Independent Director includes improving corporate credibility and governance standards and helping to manage risks.

Declaration by the Independent Directors

The Independent Directors have submitted a declaration of independence, as required pursuant to sub-section (7) of Section 149 of the Companies Act, 2013, stating that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Act.

They have also confirmed compliance with the provisions of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 relating to the inclusion of their name in the databank of Independent Directors maintained by the Indian Institute of Corporate Affairs (IICA). The terms and conditions of the appointment of Independent Directors are available on the Company's website.

FIT & PROPER CRITERIA

The Company has formulated and adopted a Policy on Fit & Proper Criteria for the Directors as per the provisions of the RBI Master Directions.

FAMILIARISATION PROGRAMMES FOR THE INDEPENDENT DIRECTORS

The Familiarisation Programme of your Company endeavours to familiarise Independent Directors with the Housing Industry scenario and to keep the Independent Directors in the loop with matters relating to the industry in which the Company operates, its business model, the operational and financial performance of the Company, risk matrix, mitigation and management, governing regulations, overall socio economic regime of the industry, information technology including cyber security, and major developments and updates on the Company so as to enable them to take well-informed decisions in a timely manner. Further, at the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities.

GENERAL BODY MEETINGS

During the year, the Annual General Meeting of the members of the Company was held on 26 July, 2022. During the year, three Extra-Ordinary general meeting of the members of the Company were held on [1] 10 May, 2022; [2] 29 September, 2022 and [3] 16 November, 2022.

BOARD OF DIRECTORS' MEETING

During the financial year under review, the Board of the Company had met four times during the year under consideration on [1] 12 May, 2022 ; [2] 30 July, 2022; [3] 03 November, 2022; [4] 10 February, 2023.

The attendance of the Board of Directors at the Board Meetings during the year and at the last Annual General Meeting ['AGM'] is as under:

Name	Category	Number of Meetings			Last AGM Attended
		Held	Entitled	Attended	
Mr. Anil Mehta (DIN: 02132315)	Chairman & Non Executive Director	4	4	3	Yes
Mr. Rupinder Singh (DIN: 09153382)	Managing Director and Chief Executive Officer	4	4	4	Yes
Ms. Rachna Dikshit (DIN: 08759332)	Independent Director	4	4	4	Yes
Mr. Thomson Thomas (DIN: 09691435)*	Independent Director	4	2	2	NA
Mr. Sunil Ramakant Bhumralkar (DIN: 00177658)*	Independent Director	4	3	3	Yes
Mr. Anup Gupta (DIN: 02284944)	Nominee Director	4	4	4	-
Dr. Shailesh J Mehta (DIN: 01633893)	Nominee Director	4	4	4	-
Mr. Sumir Chadha (DIN:00040789)	Nominee Director	4	4	4	-
Mr. Sudhin Bhagwandas Choksey (DIN: 00036085)	Nominee Director	4	4	4	-

*The Board of Directors of the Company in their meeting held on 30 July, 2022, appointed Mr. Thomson Thomas as an Additional (Independent & Non-Executive) Director with effect from 02 August, 2022, and shareholders confirmed his appointment as an Independent Director in their meeting held on 29 September, 2022.

The Board of Directors of the Company vide Circular resolution dated 30 November, 2022, accepted the resignation of Mr. Sunil Ramakant Bhumralkar as an Independent Director of the Company with effect from 30 November, 2022.

COMMITTEES OF THE BOARD

The Board has constituted sub-committees to focus on specific areas and make informed decisions within the authority delegated to each of the Committees. Each Committee of the Board is guided by its charter, which defines the scope, powers and composition of the Committee. All decisions and recommendations of the Committees were placed before the Board for information or approval. All decisions and recommendations of the various Committees were accepted by the Board during FY 2022-23. The composition and functioning of these Board Committees is are compliance with the applicable provisions of the Companies Act, 2013 and Master Directions – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021('RBI Master Directions') issued by the Reserve Bank of India and amendments thereof.

1. Audit Committee
2. Nomination and Remuneration Committee
3. Corporate Social Responsibility Committee
4. Enterprise Risk Management Committee
5. Asset-Liability Management Committee
6. IT Strategy Committee
7. Wilful Defaulter Identification & Review Committee and
8. Customer Service & Grievance Redressal Committee

The recommendations made by the above Committees were accepted by the Board.

Audit Committee

The Board constituted the Audit Committee in terms of the provisions of the Section 177 of the Act and RBI Master Directions and is chaired by an Independent Director.

The Audit Committee of your Company as of 31 March, 2023 comprises three members including two Independent Directors, as below:

Directors	Designation	DIN
Mr. Rupinder Singh	Managing Director and Chief Executive Officer	09153382
Ms. Rachna Dikshit	Independent Director	08759332
Mr. Thomson Thomas	Independent Director	09691435

The Audit Committee met four times during the year under consideration: [1] 10 May, 2022; [2] 29 July, 2022; [3] 02 November, 2022; and [4] 09 February, 2023.

The attendance of the members at the Audit Committee Meetings during the year is as below:

Name	Category	Number of Meetings		
		Held	Entitled	Attended
Mr. Rupinder Singh (DIN: 09153382)	Managing Director and Chief Executive Officer	4	4	4
Ms. Rachna Dikshit(DIN: 08759332)	Independent Director	4	4	4
Mr. Sunil Ramakant Bhumralkar (DIN: 00177658)*	Independent Director	4	3	3
Mr. Thomson Thomas (DIN: 09691435)*	Independent Director	4	1	0

*The Audit Committee was reconstituted on 08 February, 2023 and Mr. Thomson Thomas became a member of the Audit Committee. Further, Mr. Sunil Ramakant Bhumralkar ceased to be a member of the Audit Committee w.e.f. 30 November, 2022.

Terms of reference as prescribed by the Board shall inter alia, include,

a) The recommendation for appointment, remuneration and terms of appointment of auditors of the Company

b) Review and monitor the auditor's independence, performance, and effectiveness of the audit process

c) Examination of the financial statement and the auditors' report thereon

d) Approval or any subsequent modification of transactions of the Company with related parties

e) Scrutiny of inter-corporate loans and investments

f) Valuation of undertakings or assets of the Company, wherever it is necessary

g) Evaluation of internal financial controls and risk management systems

h) Monitoring the end use of funds raised through public offers and related matters

i) Overseeing the vigil mechanism

Nomination and Remuneration Committee

The Board constituted the Nomination and Remuneration Committee in terms of the provisions of Section 178 of the Act, and RBI Master Directions and is chaired by an Independent Director.

The Nomination and Remuneration Committee of your Company as of 31 March, 2023 comprises four members, including two Independent Directors as below:

Directors	Designation	DIN
Mr. Anup Gupta	Nominee Director	02284944
Mr. Sumir Chadha	Nominee Director	00040789
Ms. Rachna Dikshit	Independent Director	08759332
Mr. Thomson Thomas	Independent Director	09691435

The Nomination and Remuneration Committee met four times during the year under consideration: [1] 12 May, 2022; [2] 30 July, 2022; [3] 03 November, 2022; and [4] 10 February, 2023.

The attendance of the members at the Nomination and Remuneration Committee Meetings during the year is as below:

Name	Category	Number of Meetings		
		Held	Entitled	Attended
Ms. Rachna Dikshit (DIN: 08759332)	Independent Director	4	4	4
Mr. Anup Gupta (DIN: 02284944)	Nominee Director	4	4	4
Mr. Sumir Chadha (DIN:00040789)	Nominee Director	4	4	4
Mr. Sunil Ramakant Bhumralkar (DIN: 00177658)*	Independent Director	4	3	3
Mr. Thomson Thomas (DIN: 09691435)*	Independent Director	4	1	1

*The Nomination & Remuneration Committee was reconstituted on 08 February, 2023 and Mr. Thomson Thomas became a member of the Nomination & Remuneration Committee. Further, Mr. Sunil Ramakant Bhumralkar ceased to be a member of the Audit Committee w.e.f. 30 November, 2022.

Terms of reference as prescribed by the board shall inter alia, include:

- Identify persons who are qualified to become Directors & KMPs in accordance with the criteria laid down, and recommend to the Board their appointment;
- Formulate the criteria for determining the qualifications, positive attributes and independence of a Director & KMPs;
- Ensure that the Board comprises a balanced combination of Executive Directors & Non-Executive Directors, as well as Independent Directors;
- Decide/approve details of fixed components and performance linked incentives for the employees along with their performance criteria;
- Annually evaluate and report to the Board the performance and effectiveness of the Directors & KMPs fulfiling their roles and responsibilities in a manner that achieves the objectives of the Company as a successful organisation;
- The Nomination and Remuneration Committee shall assist the Board in ensuring that plans are in place for an orderly succession of Directors & KMPs;
- Making recommendations to the Board concerning any matters relating to the continuation in office of any Directors & KMPs at any time including the suspension or termination of their services subject to the provisions of the law and their service contract; and
- Such other roles and responsibilities as specified by the Board, from time to time
- Assess whether the prospective Director meets the ‘Fit & Proper’ criteria as prescribed by the RBI

Performance Evaluation of Directors

The performance evaluation of the Board as a whole, as well as that of its Committees, Independent Directors and Non-Independent Directors has been carried out in accordance with the relevant provisions of the Act and the relevant rules made thereunder. With the objective of enhancing the effectiveness of the Board, the Nomination and Remuneration Committee has formulated the methodology and criteria to evaluate the performance of the Board, its Committees and each Director. The evaluation of the performance of the Board is based on the approved criteria such as the Board composition, strategic planning, role of the Chairperson, independence from the entity, independent views and judgement, knowledge and participation, Non-Executive Directors and other senior management, assessment of the timeliness and quality of the flow of information by the Company to the Board and adherence to compliance and other regulatory issues.

The Board has expressed its satisfaction with the evaluation process.

Corporate Social Responsibility Committee

The Board constituted the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Act and is chaired by a Non-Executive Director. At present, the Corporate Social Responsibility Committee comprises 3 Directors as its Members including two of whom are Independent Directors.

The Corporate Social Responsibility Committee of your Company as on 31 March, 2023 comprises three members including one Independent Director, as below:

Director	Designation	DIN
Mr. Rupinder Singh	Managing Director and Chief Executive Officer	09153382
Ms. Rachna Dikshit	Independent Director	08759332
Mr. Thomson Thomas	Independent Director	09691435

The CSR Committee met once in the year under consideration on 29 July, 2022.

The attendance of the members at the Corporate Social Responsibility Committee Meetings during the year is as below:

Name	Category	Number of Meeting	
		Held	Attended
Ms. Rachna Dikshit (DIN: 08759332)	Independent Director	1	1
Mr. Rupinder Singh (DIN: 09153382)	Managing Director and Chief Executive Officer	1	1
Mr. Sunil Ramakant Bhumralkar (DIN: 00177658)*	Independent Director	1	1
Mr. Thomson Thomas (DIN: 09691435)*	Independent Director	NA	NA

*The Corporate Social Responsibility Committee was reconstituted on 08 February, 2023 and Mr. Thomson Thomas became a member of the Corporate Social Responsibility Committee. Further, Mr. Sunil Ramakant Bhumralkar ceased to be a member of the Corporate Social Responsibility Committee w.e.f. 30 November, 2022.

The disclosures as per Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 forms part of the Annual Report.

Your Company has developed and implemented the Corporate Social Responsibility Policy, which is placed on the website at https://www.indiashelter.in/policies-reports.php and forms part of the Annual Report.

Terms of reference as prescribed by the Board shall inter alia, include:

a. Formulating and recommending to the Board, a CSR Policy that shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013

b. Recommending the amount of expenditure to be incurred on the CSR activities

c. Monitoring the Corporate Social Responsibility Policy of the Company from time to time

d. Institute a transparent monitoring mechanism for the implementation of the CSR projects or programmes or activities undertaken by the Company

ENTERPRISE RISK MANAGEMENT COMMITTEE

The Board constituted the Risk Management Committee in terms of the provisions of RBI Master Directions to identify the risks that can have an impact on the Company and to take appropriate measures to mitigate such risks, assisting the Board in establishing a risk culture and risk governance framework in the organisation. The Enterprise Risk Management Committee of your Company as of 31 March, 2023, consists of eight members including two Independent Directors as below:

Directors	Designation	DIN
Mr. Rupinder Singh	Managing Director and Chief Executive Officer	09153382
Mr. Anup Gupta	Nominee Director	02284944
Mr. Shailesh J. Mehta	Nominee Director	01633893
Mr. Sudhin Bhagwandas Choksey	Nominee Director	00036085
Ms. Rachna Dikshit	Independent Director	08759332
Mr. Thomson Thomas*	Independent Director	09691435
Mr. Ashish Gupta	CFO	-
Mr. Sharad Pareek	Chief Risk Officer	-

The Enterprise Risk Management Committee met four times during the year under consideration: [1] 10 May, 2022; [2] 29 July, 2022; [3] 02 November, 2022; and [4] 09 February, 2023.

The attendance of the members at the Enterprise Risk Management Committee Meetings during the year is as below:

Name	Category	Number of Meeting		
		Held	Entitled	Attended
Mr. Rupinder Singh (DIN: 09153382)	Managing Director and Chief Executive Officer	4	4	4
Mr. Anup Gupta (DIN: 02284944)	Nominee Director	4	4	4
Mr. Shailesh J Mehta (DIN: 01633893)	Nominee Director	4	4	4
Mr. Sudhin Bhagwandas Choksey (DIN: 00036085)	Nominee Director	4	4	4
Ms. Rachna Dikshit (DIN: 08759332)	Independent Director	4	4	4
Mr. Sunil Ramakant Bhumralkar (DIN: 00177658)*	Independent Director	4	3	3
Mr. Thomson Thomas (DIN: 09691435)*	Independent Director	4	2	1
Mr. Ashish Gupta	Chief Financial Officer	4	1	1
Mr. Sharad Pareek	Chief Risk Officer	4	1	1

*The Enterprise Risk Management Committee was reconstituted on 02 August, 2022, 03 November, 2022 and 08 February, 2023, to include Mr. Thomson Thomas, Mr. Sharad Pareek (Chief Risk Officer) and Mr. Ashish Gupta (Chief Financial Officer) as members of the Enterprise Risk Management Committee. Further, Mr. Sunil Ramakant Bhumralkar ceased to be a member of the Enterprise Risk Management Committee w.e.f. 30 November, 2022.

Your Company had Board-approved Credit and Risk Management Policies wherein all material risks faced by your Company were identified and assessed. Your Company has set up a policy framework for ensuring better management of its asset and liability profiles.

During the year, the Enterprise Risk Management Committee reviewed the risks associated with the business of the Company, its root causes and the efficacy of the measures taken to mitigate them. The Board of Directors of your Company with the intent to implement a consistent, efficient, and economical approach to identify, evaluate, respond and mitigate key risks that may impact business objectives of your Company and in order to minimise the frequency and impact of risks, has adopted a Risk Management Policy.

The Risk Management Policy of the Company has been approved by the Board and is enclosed as Annexure 04, which is also available on the website of the Company at https://www.indiashelter.in/policies-reports.php.

Terms of reference as prescribed by the Board shall inter alia, include:

a. Review asset quality

b. Review credit concentration risk, AML-KYC risk, regulatory & compliance risk, legal risk, business risk, people risk and any other risk associated with the operations of the business

c. Review risk mitigation steps

INFORMATION TECHNOLOGY STRATEGY COMMITTEE

The Company has in place a Board-constituted Information Technology Strategy Committee ('IT Strategy Committee') comprising of five members as of 31 March, 2023, including two Independent Directors as below:

Directors	Designation	DIN
Mr. Rupinder Singh	Managing Director and Chief Executive Officer	09153382
Mr. Shailesh J. Mehta	Nominee Director	01633893
Ms. Rachna Dikshit	Independent Director	08759332
Mr. Thomson Thomas	Independent Director	09691435
Mr. Abhinav Arya	Head-IT	-
Mr. Sharad Pareek	CRO	-

The Information Technology Strategy Committee met twice during the year under consideration: [1] 22 July, 2022; and [2] 12 January, 2023;

The attendance of the members at the Information Technology Strategy Committee Meetings during the year is as follows:

Name	Category	Number of Meeting		
		Held	Entitled	Attended
Mr. Rupinder Singh (DIN: 09153382)	Managing Director and Chief Executive Officer	2	2	2
Mr. Shailesh J Mehta (DIN: 01633893)	Nominee Director	2	2	2
Ms. Rachna Dikshit (DIN: 08759332)	Independent Director	2	2	2
Mr. Sunil Ramakant Bhumralkar (DIN: 00177658)*	Independent Director	2	1	1
Mr. Thomson Thomas (DIN: 09691435)*	Independent Director	2	1	1
Mr. Abhinav Arya	Head-IT	2	2	2

*The IT Strategy Committee was reconstituted on 02 August, 2022 and 03 November, 2022, to include Mr. Thomson Thomas and Mr. Sharad Pareek (Chief Risk Officer) respectively as members of the Enterprise Risk Management Committee. Further, Mr. Sunil Ramakant Bhumralkar ceased to be a member of the Enterprise Risk Management Committee w.e.f. 30 November, 2022.

Asset-Liability Management Committee (ALCO)

The Company has in place a Board Constituted Asset-Liability Management Committee ('ALCO Committee') comprising of seven members as of 31 March, 2023, including two Independent Directors as below:

Directors	Designation	DIN
Mr. Rupinder Singh	Managing Director and Chief Executive Officer	09153382
Mr. Ashish Gupta	CFO	-
Mr. Nitin Goel	Head-Credit & Policy	-
Mr. Sharad Pareek	CRO	-
Mr. Aman Saini	National Business Head	-
Mr. Prakash Bhawnani	Permanent Invitee	-
Mr. Abhinav Arya	Head-IT (Permanent Invitee)	-

The ALCO Committee met sixteen times during the year under consideration: [1] 29 April, 2022; and [2] 27 May, 2022; [3] 21 June, 2022; [4] 28 June, 2022; [5] 25 July, 2022; [6] 18 August, 2022; [7] 30 August, 2022; [8] 22 September, 2022; [9] 26 September, 2022; [10] 28 September, 2022; [11] 29 October, 2022; [12] 28 November, 2022; [13] 21 December, 2022; [14] 21 January, 2023; [15] 27 February, 2023; and [16] 24 March, 2023.

The attendance of the members at the ALCO Committee Meetings during the year is as below:

Name	Category	Number of Meeting		
		Held	Entitled	Attended
Mr. Rupinder Singh	Managing Director and Chief Executive Officer	16	16	16
Mr. Ashish Gupta	CFO	16	16	16
Mr. Nitin Goel	Head-Credit & Policy	16	16	16
Mr. Sharad Pareek	Chief Risk Officer	16	5	5
Mr. Aman Saini	National Business Head	16	5	5
Mr. Prakash Bhawnani	Permanent Invitee	16	16	16
Mr. Abhinav Arya	Head-IT (Permanent Invitee)	16	16	16

*The ALCO Committee was reconstituted on 03 November, 2022 to include Mr. Sharad Pareek (Chief Risk Officer) and Mr. Aman Saini (National Business Head) as members of the ALCO Committee. Further, the ALCO Committee was re-constituted on 08 February, 2023 to include Mr. Prakash Bhawnani (Head-Treasury) as a Permanent Invitee.

Terms of reference as prescribed by the board shall inter alia, include:

a. Review the Borrowings & Investments of India Shelter

b. Review Fund Planning

c. Profit planning and growth projection

d. Review Interest/Market and Liquidity Risk

e. Forecasting and analysing 'what if scenarios' and preparation of contingency plans

f. Review liquidity statements submitted to NHB and required action, if any

g. Avail banking and investment services and other matters incidental thereto

h. Avail borrowings, NHB Refinance, NCD, CP, securitisation, Direct Assignment and all other fund raising activities within the borrowings powers as may be approved under Section 180 (1) (c)

i. Create a charge on the assets of the Company as may be approved under Section 180 (1) (a)

j. Approve all investments as per Investment policy, such as but not limited to mutual funds, and fixed deposits, among others

k. Approve bank guarantees but not grant of guarantees by India Shelter to any other organisation/individual

l. Review & approve loan documents, products and related charges

m. To negotiate, discuss, finalise and approve the proposals of Co-lending with Banks/FI's and to discuss, finalise and execute the documents or to do any acts as may be necessary to give effect to the above transaction

n. To delegate the said authority to any of the Authorised Officers of the Company as it may deem fit

o. All other matters incidental thereto

Prevention of Sexual Harassment Policy, and information required to be disclosed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to providing a work environment that ensures that every Employee is treated with equal dignity and respect. The Company has implemented a robust framework on prevention of sexual harassment, which is in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company educates employees regarding its Sexual Harassment Policy through posters and regular mailers and also conducts online trainings as part of the induction process.

In this regard, India Shelter has instituted an Internal Complaints Committee for the redressal of sexual harassment complaints (made by the victim) and for ensuring time bound treatment of such complaints. The Internal Complaints Committee as of 31 March, 2023 comprises four members out of whom three are women:

Presiding Officer	Member-1	Member-2	NGO
Madhu Sharma	Mukti Chaplot	Nilay	Samta Ahuja

An Appellate Committee is also constituted as below:

Members	Designation
Ms. Rachna Dikshit (DIN: 08759332)	Board Representative
4 other members	Equal Number of Male & Female Members from among the ICC Members

Your Company has imparted training for Sexual Harassment of Women at Workplace as part of the Induction training provided to the employees.

Pursuant to the requirements of the Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013 read with the Rules thereunder, the Internal Complaint Committee of the Company did not receive any complaint of sexual harassment during the year under review.

There were 8 meetings of other Committees as per the business requirements of the Company.

1.	20 May, 2022	Wilful Defaulter Committee
2.	26 September, 2022	Wilful Defaulter Committee
3.	19 December, 2022	Wilful Defaulter Committee
4.	24 March, 2023	Wilful Defaulter Committee
5.	20 May, 2022	Customer Service & Grievance Redressal Committee
6.	26 September, 2022	Customer Service & Grievance Redressal Committee
7.	19 December, 2022	Customer Service & Grievance Redressal Committee
8.	24 March, 2023	Customer Service & Grievance Redressal Committee

Remuneration of Directors

The remuneration paid to the Directors of the Company is in accordance with the applicable provisions of the Companies Act and in line with the compensation policy of the Company. The details of the remuneration of Directors are provided in Form MGT-7 (annual return) which is hosted on the website of the Company and can be accessed at Annual Return in Form MGT 7 FY 2023-24.

Remuneration of Managing Director & CEO ('MD & CEO')

The components of the MD & CEO's compensation package include salary, a performance-linked Variable Pay, and other benefits. The Nomination and Remuneration Committee makes the decision, which is then accepted by the Board and stays within the general parameters set by the shareholders at the general meeting. The details of remuneration of Directors are provided in Form MGT-7 (annual return) which is hosted on the website of the Company and can be accessed at Annual Return in Form MGT 7 FY 2023-24.

For details, refer to Note No. 40 in relation to related party transactions disclosed as per notes to the Standalone Financial Statements.

Penalties

During the year under review, there were no instances of non-compliance, penalties levied or strictures imposed on the Company by the Stock Exchanges, or SEBI or any statutory authority.

MEANS OF COMMUNICATION

Your Company focusses on prompt, continuous and efficient communication with all its stakeholders. The Company has provided adequate and timely information to its members inter alia through the following means:

i. **Financial Results:** The quarterly, half-yearly and annual financial results of the Company were published in the leading national daily newspapers, viz Business Standard, Financial Express (English) and Business Remedies (Hindi) and are also posted on the Company's website(www.indiashelter.in).

ii. **Website:** In compliance with Regulation 62 of the SEBI LODR Regulations, the Company has maintained a separate section i.e. 'Policy and Downloads' on the Company's website providing all the announcements made by the Company, annual reports, results, and policies of the Company.

Sd/-
Mr. Anil Mehta
DIN:02132315
Place: Gurugram
Date: 09 May, 2023

Sd/-
Mr. Rupinder Singh
DIN: 09153382
Place: Jaipur
Date: 09 May, 2023

Annexure-05

ESOP

Particulars	ESOP 2012 Number of Options	ESOP 2017 Number of Options	ESOP 2021 Number of Options	Total
Granted	23,45,500	7,70,000	26,82,693	57,98,193
Vested	16,53,250	2,99,500	1,56,219	21,08,969
Exercised	14,29,300	21,500	2,997	14,53,797
Total number of shares arising as a result of exercise of option	14,29,300	21,500	2,997	14,53,797
Lapsed	8,41,200	2,55,000	3,22,136	14,18,336
Exercise Price	13.27/14.18/16.84/20.32/83.20	118.48/159.01/179.92/ 184.55/189.56/197.80	309.59/315.57/340.71/394	NA
Variation of terms of options during the year	NA	NA	NA	NA
Money realised by exercise of options in FY 23	5,08,000	5,39,760	9,27,842	19,75,602
Total number of options in force	75,000	5,22,500	23,57,560	29,55,060
Employee-wise details of options granted to:				
Key Managerial Personnel (Granted during the year)	During the year, no. of options granted to the Key Managerial Personnel			0
				(in no)
Any other employee who receives a grant of options in any one year amounting to 5% or more of the options granted during that year	-	-	Sharad Pareek (Chief Risk Officer): 225000 Aman Saini (National Business Head): 65000 Ravinder Dhillon (Head Collection): 65000 Rohit Gaur (Head Product & Strategy): 60000	4,15,000
Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	-	-	No such grants in FY 23	0

Annexure-06

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under the third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis

a. Name(s) of the related party and nature of the relationship: NIL

b. Nature of contracts/arrangements/transactions: NIL

c. Duration of the contracts/arrangements/transactions: NIL

d. Salient terms of the contracts or arrangements or transactions including the value, if any: NIL

e. Justification for entering into such contracts or arrangements or transactions: NIL

f. Date (s) of approval by the Board: NIL

g. Amount paid as advances, if any: NIL

h. Date on which the special resolution was passed in general meeting as required under the first proviso to Section 188: NIL

2. Details of material contracts or arrangement or transactions **at an arm's length basis:**

(a) Name(s) of the related party and nature of relationship	Mr. Adit Mehta S/o Mr. Anil Mehta	India Shelter Capital Finance Limited (Subsidiary Company)
(b) Nature of contracts/arrangements/ transactions	Rent agreement	Rent agreement
(c) Duration of the contracts / arrangements/ transactions	3 years from 01 March, 2022, however agreement terminated on 31 December, 2022.	11 Months from 24 March, 2022 to 23 February, 2023 vide agreement dated 22 March, 2022. 3 years w.e.f 24 February, 2023 vide Addendum dated 24 February, 2023.
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Rent of Rs. 34,208 per month. Total amount of 2.74 lakhs has been paid as Rent during the FY. 2022-23.	Lease amount of Rs. 10,000 per month total amount of Rs.1.20 lakhs has been received during the F.Y. 2022-23.
(e) Date(s) of approval by the Board, if any:	12 May, 2022	22 November, 2022
(f) Amount paid as advances, if any:	Nil	Nil

Note: Form shall be signed by the persons who have signed the Board's report

Sd/-

Mr. Anil Mehta

DIN:02132315

Place: Gurugram

Date: 09 May, 2023

Sd/-

Mr. Rupinder Singh

DIN: 09153382

Place: Jaipur

Date: 09 May, 2023

Annexure-07

RELATED PARTY TRANSACTION POLICY

1. INTRODUCTION

India Shelter Housing Finance Limited ('India Shelter') conducts itself with the highest standard of integrity and has always endeavoured to follow both the letter and spirit of the law. Related party transactions can present a potential or actual conflict of interest which may be against the best interests of India Shelter and its shareholders. India Shelter does not promote any transaction that may be at variance with the established principles of Corporate Governance or that does not meet the highest standard of ethics or integrity.

In terms of the provisions of Section 188 of the Companies Act, 2013, the Company is required to follow the procedure as prescribed for conducting the Related Party Transactions. Also,

Master Directions – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 has prescribed that Housing Finance Companies (HFCs) should evolve a Related Party Transaction Policy (Policy) and disclose the same in the annual report and its website.

2. APPLICABILITY

India Shelter shall enter into any contract or arrangement with a related party only post-consent of the Board of Directors given by a resolution at a meeting of the Board with respect to the following or as may be prescribed under Section 188 of the Companies Act, 2013:

(a) Sale, purchase or supply of any goods or materials;

(b) Selling or otherwise disposing of, or buying, property of any kind;

(c) Leasing of property of any kind;

(d) Availing or rendering of any services;

(e) Appointment of any agent for purchase or sale of goods, materials, services or property;

(f) Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and

(g) Underwriting the subscription of any securities or derivatives thereof, of the company:

Where any contract or arrangement is entered into by a Director or any other employee, without obtaining the consent of the Board or approval by a resolution in the general and if it is not ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into, and if the contract or arrangement is with a related party to any Director, or is authorised by any other Director, the Directors concerned shall indemnify the company against any loss incurred by it.

However, a transaction entered into by India Shelter in its ordinary course of business other than transactions that are not at an arm's length basis shall not be covered under the ambit of the Policy.

3. OBJECTIVES

This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between India Shelter and any of its Related Parties in compliance with the applicable laws and regulations as may be amended from time to time.

The provisions of this Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of Related-Party Transactions in the best interest of India Shelter and its shareholders and to comply with the statutory provisions in this regard.

4. DEFINITIONS

In this Policy, unless the context otherwise requires, following are the definitions:

4.1 **"Act"** means Companies Act, 2013 and rules made thereunder, as amended from time to time

4.2 **"Arm's Length Transaction"** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest

4.3 **"Board"** means the Board of Directors of the Company

4.4 **"Committee"** means Audit Committee of the Company as constituted or reconstituted by the Board.

4.5 **"Company"** means India Shelter Finance Corporation Limited.

4.6 **"Directors"** means Directors appointed by the Board including Executive, Non-Executive and Independent Directors

4.7 **"Ordinary course of business"** means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities wthat the company can undertake as per the Memorandum & Articles of Association. The Board and Audit Committee may lay down the principles for determining the ordinary course of business in accordance with the statutory requirements and other industry practices and guidelines.

4.8 **"Independent Director"** means a director referred to in Section 149 (6) of the Companies Act, 2013.

4.9 **"KMP" or "KMPs"** means the following key managerial personnel:

a. Chief Executive Officer and/or Managing Director or Manager of the Company;

b. Chief Financial Officer of the Company;

c. Company Secretary of the Company;

d. Whole-Time Director of the Company; and

e. Such other officer of the Company as may be decided by the Nomination and Remuneration Committee.

4.10 **"Member"** means a Director of the Company appointed as a member of the Committee.

4.11 **"Material Related Party Transaction"** means a transaction with a Related Party if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% (ten percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company "

4.12 **"RBI Guidelines"** means and includes Master Direction- Non-Banking Financial Company- Housing Finance Company (Reserve Bank) Directions, 2021, RBI Notifications, Circulars and other such communications thereto

4.13 **"Relative"** with reference to a Director or KMP means persons as defined under the Companies Act, 2013 and rules prescribed thereunder as below

4.14 **"Related Party"** have the meaning as defined in Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Securities and Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015

4.15 **"Related-Party Transaction"** has the meaning as defined under Regulation 2(1)(zc) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 as means transfer of resources, services or obligations between a listed entity and a related party, regardless of whether price is charged and a transaction with a related party shall be construed to include a single transaction or a group of transactions in a contract, including but not limited to the following –

a. Sale, purchase or supply of any goods or materials;

b. Selling or otherwise disposing of, or buying, property of any kind;

c. Leasing of property of any kind;

d. Availing or rendering of any services;

e. Appointment of any agent for purchase or sale of goods, materials, services, property;

f. Appointment to any office or place of profit in the company

g. Underwriting the subscription of any securities or derivatives thereof, of the company

4.16 **"Senior Management Personnel/Senior Management"** means personnel of the company who are members of its core management team excluding the Board of Directors comprising all members of management one level below the executive directors, including the functional and departmental heads.

5. INTERPRETATION

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 or NHB Act, 1987, NHB Directions, Notifications, Circulars or Guidelines as may be amended from time to time shall have the meaning respectively assigned to them therein.

6. DEALING WITH RELATED-PARTY TRANSACTION

6.1 Each Director and Key Managerial Personnel are responsible for providing advance notice to the Board or Audit Committee of any potential Related Party Transaction involving himself/herself or their relatives, including any additional information about the transaction that the Board or Audit Committee may request. The Board shall record the disclosure of Interest; and the Audit Committee will determine whether the transaction does, in fact, constitute a Related-Party Transaction requiring compliance with this policy

6.2 The Notice of any potential Related-Party transaction shall be intimated to the Board/ Committee, well in advance so that the Board/Committee have adequate time to review the transaction.

6.3 All related-party transaction shall require prior approval of the Audit Committee/Board, however, in cases where transaction have been done inadvertently or due to a requirement of urgency the Audit Committee/Board may ratify the decision. However, this ratification should be done within 3 months of the contract having taken place otherwise the transaction shall be voidable at the option of Board/Committee.

6.4 While considering any transaction, the Committee / Board shall take into account all relevant facts and circumstances including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters. No member of the Committee / Board shall be present during the period the transaction related to the transaction

6.5 The Audit Committee shall review , at least on a quarterly basis, the details of Related Party Transaction entered in to by India Shelter pursuant to each of the approval given. Approval given by the Audit Committee shall be valid for till revoked.

6.6 Related Party Transaction that are either not in the 'Ordinary Course of Business' or are not at an 'arm's length price' and exceeds the threshold under Section 188 of the Companies Act, 2013 shall also require prior approval of the shareholders through special resolution.

6.7 No member of the Company shall vote in a special resolution where a related party contract or arrangement is being considered if such a member is a Related Party in the Contract or Arrangement that is being considered.

7. POLICY REVIEW AND AMENDMENT

7.1 The provisions of this policy shall be subject to the provisions of the Act & RBI guidelines and rules and regulations made thereunder.

7.2 The policy shall be reviewed by the Board from time to time as may be necessary and may be amended or modified either whole or in part as and when necessary.

7.3 In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

16. DISCLOSURE

The Company shall disclose the particulars of contracts or arrangements entered into with the Related Parties in such form and manner as may be required under the provisions of the Act and rules made thereunder.

The details of this policy and the evaluation criteria as applicable shall be disclosed in the Annual Report as part of the Board's Report therein and shall also be displayed on the website of the Company.

Annexure-08

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31 MARCH, 2023

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

To,

The Members,

India Shelter Finance Corporation Limited

CIN: U65922HR1998PLC042782

Registered Office Address: 6th Floor, Plot No. 15,

Sector - 44, Institutional Area,

Gurgaon - 122002, Haryana, India

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by India Shelter Finance Corporation Limited (hereinafter called 'the Company'). The Secretarial Audit was conducted in a manner that provided me with a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company, during the audit period covering the financial year ended on 31 March, 2023 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter along with Annexure 1 attached to this report.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

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

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

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

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

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

a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent it is applicable to Debt Securities;

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

c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(vi) The other laws which are specifically applicable to the Company based on its sector/industry are:

a. Regulations issued by National Housing Bank;

b. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;

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

a. Secretarial Standards issued by the Institute of Company Secretaries of India.

b. The Listing Agreement entered into by the Company with Bombay Stock Exchange.,

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

I further report that -

The Board of the Company is duly constituted with a proper mix of Executive Directors, Non-Executive Directors and Independent Directors. The Board of Directors is fit and proper as stated in the RBI HFC Master Directions and in accordance with the applicable provisions of the Companies Act, 2013.

Adequate notice is given to all Directors to schedule the Board meetings, the agenda and detailed notes on the agenda were sent at least seven days in advance, and in case of shorter notice, compliance as required under the Act has been made by the Company and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board meetings and Committee meetings were carried out with the requisite majority. Further as informed, there were no dissenting views by any member of the Board or Committee(s) during the period under review.

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

During the year under review, Ms. Rachna Dikshit, Mr. Sunil Ramakant Bhumralkar and Mr. Thomson Thomas were appointed as Independent Directors. Thereafter, Mr. Sunil Ramakant Bhumralkar resigned from the office of Director with effect from 30 November, 2022.

During the year under review, the remuneration of Mr. Rupinder Singh has been increased w.e.f. 01 April, 2022 with the approval of Board in the meeting held on 12 May, 2022 and shareholders approval in the Annual General Meeting held on 26 July, 2022. Also, the approval for payment to Mr. Anil Mehta, Chairman & Non-Executive Director has been taken in the Extra-Ordinary General Meeting of the shareholders of the Company held on 29 September, 2022.

As per the information provided by the Company, Bombay Stock Exchange (BSE) has levied fines as per SEBI circular no. SEBI/HO/DDHS_Div2/P/CIR/2021/699 dated 29 December, 2021 for late/non-compliance with the certain regulations of the SEBI (LODR) Regulations, 2015. The Company submitted the clarification and requested for waiver of the said fines. BSE has waived off the fines and advised to exercise caution in future.

I further report that during the audit period, the Company has:

- Allotted 25,000 equity shares pursuant to the provisions of the Employee Stock Option Plan 2012, by Resolution by Circulation approved by the Board of Directors on 26 April, 2022.
- Amendment in the Employee Stock Option Plan 2017 and 2021 in the meeting of Shareholders dated 29 September, 2022.
- Issued and allotted 1,35,000 equity shares having face value of Rs. 10/- each at a premium of Rs. 427/- each on a partly paid-up basis through private placement (preferential allotment) approved by the meeting of members in the Extra-Ordinary General Meeting held on 16 November, 2022 and allotment made by Resolution by Circulation approved by the Board of Directors on 19 November, 2022.
- Allotted 5,997 equity shares pursuant to the provisions of the Employee Stock Option Plan 2017 and 2021, by Resolution by Circulation approved by the Board of Directors on 22 December, 2022.

Jitender Singh
Practicing Company Secretary
Mem. No. A33610
C.P. No. 26612
UDIN: A033610E000277139

Date: 09 May, 2023

Place: New Delhi

Note: This report is to be read with our letter of even date which is annexed as Annexure - 1 and forms an integral part of this report.

Annexure-1

To,

The Members,

India Shelter Finance Corporation Limited

CIN: U65922HR1998PLC042782

Registered Office Address: 6th Floor,

Plot No. 15, Sector - 44, Institutional Area,

Gurgaon- 122002, Haryana, India

My secretarial audit report of even date is to be read along with this letter.

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

Jitender Singh

Practicing Company Secretary

Mem. No. A33610

C.P. No. 26612

UDIN: A033610E000277139

Date: 09 May, 2023

Place: New Delhi

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 2023, 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 2023, 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 2023, the Company has reported gross loans assets amounting to Rs.3,64,462.88 lakhs and other financial assets amounting to Rs.9,077.80 lakhs against which impairment of Rs.3,548.46 lakhs and Rs.55.14 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.	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.

	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 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. 6 & 8 of the standalone financial statements.	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. 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. The other information is expected to be made available to us after the date of this auditor's report.

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. 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 balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the 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 2023 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to 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.

h) 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:

i) The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its Standalone financial statements - Refer Note 34 of Standalone financial statements;

ii) The Company is not required to make any provision, as required under any law and accounting standards, for material foreseeable losses on any long-term contracts including derivative contracts- Refer note 5 of the financial statements.

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

iv) (a) The Management has represented that, to the best of its (knowledge and belief, 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;

(b) 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

(c) 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.

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

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

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

Aashish Gupta
Partner
Membership No.: 097343
UDIN No. 23097343BGQJLW5118

Place: Gurugram
Date: 09 May, 2023

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 once in year. 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, 2023 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 been sanctioned loans in excess of Rs. 5 Crore in aggregate during the year from banks and financial institutions on the basis of security of current assets and the quarterly returns/statements filed by the company with such banks and financial institutions. As disclosed by the management in Note 16(v) of the financial statements and as verified by us, the same are in agreement with the books of accounts of 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 6 of notes of the Financial Statements.

(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 6(iii) of notes of the Financial Statements. The total amount overdue for more than 90 days amounts to Rs.4,189.86 lakhs with respect to 663 borrowers (850 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

(Rs. In lakhs)

Nature of Act	Forum	Period (Assessment year)	Demand Amount excluding interest	Amount Deposited	Amount not deposited
Income Tax Act	Commissioner Income Tax Appeals	2017-18	445.23	89.05	356.18

insurance, income tax, cess and other applicable statutory dues which were in arrears as at 31 March 2023 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, 2023 on account of disputes are given below:

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) except for the 1,35,000 equity shares having face value of Rs.10 per share at a premium of Rs.427 per share issued during the year. The company has complied with the requirements of section 42 and section 62 of the companies act, 2013 and the funds raised have been used for the purposes for which the funds were raised.

xi (a) We report that no fraud by the company or on the company has been noticed or reported during the year nor have we been informed of any such case by the management.

(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 hence provisions of section 192 of Companies Act are not applicable to the company.

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 There has been no resignation of the statutory auditors during the year and hence reporting under clause 3 (xviii) of the Order is not applicable.

xix According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation 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 30.2 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 Registration No.: 006711N/N500028

Aashish Gupta
Partner
Membership No.: 097343
UDIN No. 23097343BGQJLW5118

Place: Gurugram
Date: 09 May, 2023

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, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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, 2023, 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 Registration No.: 006711N/N500028

Aashish Gupta
Partner
Membership No.: 097343
UDIN No. 23097343BGQJLW5118

Place: Gurugram
Date: 09 May, 2023

Standalone Balance sheet as at 31 March, 2023

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

		Notes	As at 31 March, 2023	As at 31 March, 2022
	Assets			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	3	35,853.84	14,380.16
(b)	Bank balance other than cash and cash equivalents	4	13,628.79	18,649.21
(c)	Derivative financial instruments	5	5.85	-
(d)	Loans	6	3,60,914.42	2,62,252.45
(e)	Investments	7	5,892.83	17,532.00
(f)	Other financial assets	8	9,022.66	6,197.51
(2)	**Non-financial assets**			
(a)	Deferred tax assets (net)	10	301.31	295.06
(b)	Property, plant and equipment	11	2,383.47	1,657.28
(c)	Other intangible assets	12	48.45	46.54
(d)	Other non-financial assets	13	816.37	775.36
(e)	Assets held for sale		645.08	336.54
	Total assets		**4,29,513.07**	**3,22,122.11**
	Liabilities and equity			
	Liabilities			
(1)	**Financial liabilities**			
(a)	Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	14	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	14	613.98	459.41
(b)	Debt securities	15	17,653.41	18,659.85
(c)	Borrowings (other than debt securities)	16	2,81,233.49	1,88,341.12
(d)	Other financial liabilities	17	5,343.53	5,951.75
(2)	**Non-financial liabilities**			
(a)	Provisions	18	468.98	513.32
(b)	Current tax liabilities (Net)	9	60.01	432.22
(c)	Other non-financial liabilities	19	123.46	151.80
	Total liabilities		**3,05,496.86**	**2,14,509.47**
(3)	**Equity**			
(a)	Equity share capital	20	4,376.47	4,370.67
(b)	Other equity	21	1,19,639.74	1,03,241.97
	Total equity		**1,24,016.21**	**1,07,612.64**
	Total liabilities and equity		**4,29,513.07**	**3,22,122.11**

The accompanying notes form an integral part of these standalone 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: 09 May, 2023

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

Anil Mehta
Chairman and Non-Executive Director
DIN: 02132315
Place: Gurugram

Ashish Gupta
Chief Financial Officer
Place: Jaipur

Rupinder Singh
Managing Director and Chief Executive Officer
DIN: 09153382
Place: Jaipur

Mukti Chaplot
Company Secretary
Membership No. 38326
Place: Gurugram

Standalone statement of profit and loss for the year ended 31 March, 2023

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

		Notes	For the year ended 31 March, 2023	For the year ended 31 March, 2022
	Revenue from operations			
(i)	Interest income	22	50,232.96	37,764.74
(ii)	Fees and commission income	23	3,158.41	1,602.65
(iii)	Net gain on fair value changes	24	609.19	458.85
(iv)	Net gain on derecognition of financial instruments under amortised cost category		4,390.76	4,971.46
(I)	**Total revenue from operations**		**58,391.32**	**44,797.70**
(II)	Other income	25	2,171.30	1,182.80
(III)	**Total income (I+II)**		**60,562.62**	**45,980.50**
	Expenses			
(i)	Finance costs	26	20,986.96	14,833.86
(ii)	Impairment on financial instruments	27	1,406.77	1,201.17
(iii)	Employee benefits expenses	28	13,455.94	10,130.88
(iv)	Depreciation and amortisation	29	820.25	653.90
(v)	Other expenses	30	3,746.20	2,470.58
(IV)	**Total expenses**		**40,416.12**	**29,290.39**
(V)	**Profit before tax (III-IV)**		**20,146.50**	**16,690.11**
(VI)	Tax expense:	31		
	(1) Current tax		4,634.07	3,183.62
	(2) Deferred tax charge/(credit)		14.68	661.78
	Total tax expense		**4,648.75**	**3,845.40**
(VII)	**Profit for the year (V-VI)**		**15,497.75**	**12,844.71**
(VIII)	Other comprehensive income			
	(i) Items that will not be reclassified to profit or loss			
	-Remesurment of defined benefit obligations		152.01	(92.12)
	-Income tax effect relating to re-measurement loss on defined benefit plans		(38.26)	23.18
	(ii) Items that will be reclassified to profit or loss			
	-Re-measurement gains/ (losses) on hedge instruments		(235.22)	-
	-Income tax effect relating to re-measurement gains/ (losses) on hedge instruments		59.20	-
	Total other comprehensive income		**(62.27)**	**(68.94)**
(IX)	**Total comprehensive income for the year (VII+VIII)**		**15,435.48**	**12,775.77**
(X)	Earnings per equity share	41		
	Basic (Rs.)		35.43	29.60
	Diluted (Rs.)		34.87	29.27

The accompanying notes form an integral part of these standalone 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: 09 May, 2023

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

Anil Mehta
Chairman and Non-Executive Director
DIN: 02132315
Place: Gurugram

Rupinder Singh
Managing Director and Chief Executive Officer
DIN: 09153382
Place: Jaipur

Ashish Gupta
Chief Financial Officer
Place: Jaipur

Mukti Chaplot
Company Secretary
Membership No. 38326
Place: Gurugram

Standalone statement of changes in equity for the year ended 31 March, 2023

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

A. Equity share capital

Particulars	Balance as at 01 April, 2021	Changes during the year	Balance as at 31 March, 2022	Changes during the year	Balance as at 31 March, 2023
Equity share capital	4,297.84	72.83	4,370.67	5.80	4,376.47

B. Other equity

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	Effective portion of cash flow hedge reserve	
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	-	-	-	**594.12**
Profit for the year	-	-	-	-	12,844.71	-	-	**12,844.71**
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**
Transfer to statutory reserve	-	3,099.55	-	-	(3,099.55)	-	-	-
Issue of share capital	-	-	131.94	-	-	-	-	**131.94**
Share options exercised during the year	-	-	3.28	(3.28)	-	-	-	-
Share based payment to employees	-	-	-	830.35	-	-	-	**830.35**
Profit for the year	-	-	-	-	15,497.75	-	-	**15,497.75**
Other comprehensive income(net of taxes)	-	-	-	-	-	113.75	(176.02)	**(62.27)**
Balance as at 31 March, 2023	**-**	**10,092.05**	**68,713.05**	**1,661.02**	**39,295.58**	**54.06**	**(176.02)**	**1,19,639.74**

The accompanying notes form an integral part of these standalone 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: 09 May, 2023

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

Anil Mehta
Chairman and Non-Executive Director
DIN: 02132315
Place: Gurugram

Ashish Gupta
Chief Financial Officer
Place: Jaipur

Rupinder Singh
Managing Director and Chief Executive Officer
DIN: 09153382
Place: Jaipur

Mukti Chaplot
Company Secretary
Membership No. 38326
Place: Gurugram

Standalone statement of cash flows for the year ended 31 March, 2023

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

	Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
(A)	Cash flows from operating activities		
	Profit before tax	20,146.50	16,690.11
	Adjustments for:		
	Depreciation and amortisation	820.25	653.90
	Effective interest rate adjustment on financial assets	2,001.93	776.79
	Effective interest rate adjustment on debt securities and borrowings	(369.05)	(400.24)
	Share based payments to employees	830.35	594.12
	Impairment on financial instruments	1,121.90	1,188.87
	Impairment on assets held for sale	284.87	12.30
	Net loss on derecognition of property, plant and equipment	13.12	6.38
	Net unrealised gain on fair value change of investments	(0.03)	(30.72)
	Net gain on derecognition of financial instruments under amortised cost category	(4,390.76)	(4,971.46)
	Gain on termination of leases	(8.07)	(8.22)
	Interest expense on lease liabilities	119.24	91.93
	Operating profit before working capital changes	**20,570.25**	**14,603.76**
	Movements in working capital		
	Increase in loans	(1,01,789.03)	(66,058.59)
	Decrease in other financial assets	1,551.28	1,559.06
	(Increase)/Decrease in other non-financial assets	(634.42)	397.98
	Increase in derivative financial instruments	(241.07)	-
	Increase /(Decrease)in trade payables	154.57	(3.35)
	(Decrease)/Increase in other financial liabilities	(608.22)	3,862.94
	Decrease in other non-financial liabilities	(28.33)	(345.09)
	Increase in provisions	125.26	43.01
	Increase/(Decrease) in interest accrued on debt securities and borrowings	642.76	(840.23)
	Cash flows used in operating activities post working capital changes	**(80,256.95)**	**(46,780.51)**
	Income tax paid (net)	(5,006.34)	(2,747.86)
	Net cash flows used in operating activities (A)	**(85,263.29)**	**(49,528.37)**
(B)	Cash flows from investing activities		
	Payments made for purchase of property, plant and equipment and intangible assets	(639.67)	(507.89)
	Proceeds from sale of property, plant and equipment	34.27	22.32
	Proceeds/(Payments) from investments (net)	11,639.21	(17,501.28)
	Proceeds/(Investment) in other bank balance (net)	5,020.42	(590.90)
	Net cash used in investing activities (B)	**16,054.23**	**(18,577.75)**

Standalone statement of cash flows for the year ended 31 March, 2023

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

(C)	Cash flows from financing activities		
	Proceeds from issue of equity share capital	137.75	515.78
	Proceeds from debt securities	-	16,500.00
	Proceeds from borrowings(other than debt securities)	1,63,859.00	1,14,063.55
	Repayment of borrowings	(71,229.42)	(66,456.29)
	Repayment of debt securities	(1,500.00)	(5,000.00)
	Payment towards lease liabilities	(584.59)	(446.22)
	Net cash flows from financing activities (C)	**90,682.74**	**59,176.82**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**21,473.68**	**(8,929.30)**
	Cash and cash equivalents at the beginning of the year	14,380.16	23,309.46
	Cash and cash equivalents at the end of the year	35,853.84	14,380.16
	Components of cash and cash equivalents:-		
	Cash on hand	175.98	117.26
	Balances with banks (of the nature of cash and cash equivalents)		
	(a) Balance with banks in current accounts	6,277.86	55.96
	(b) Deposits with original maturity of less than 3 months	29,400.00	14,206.94
	Total cash and cash equivalents	**35,853.84**	**14,380.16**

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 16 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 standalone 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: 09 May, 2023

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

Anil Mehta
Chairman and Non-Executive Director
DIN: 02132315
Place: Gurugram

Ashish Gupta
Chief Financial Officer
Place: Jaipur

Rupinder Singh
Managing Director and Chief Executive Officer
DIN: 09153382
Place: Jaipur

Mukti Chaplot
Company Secretary
Membership No. 38326
Place: Gurugram

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

(All amounts in Rs. lakhs, 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. Under the scale based regulation the Company is categorised as middle layer (HFC-ML).

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, 2023 were authorised and approved for issue by the Board of Directors on 09 May, 2023.

(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

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

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.

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

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

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.

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.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

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 recognised 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 01 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.

MAT policy applicable before 01 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

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

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.

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.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

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.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

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.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

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.

Summary of significant accounting policies and other explanatory information

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

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.

Derivative Financial Instruments

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship.

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with its external commercial borrowings arising from changes in exchange rates.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flows hedges'. The effective portion of

Summary of significant accounting policies and other explanatory information

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changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in fair value of the derivative is recognised immediately in profit or loss.

The Company designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedge relationships. The change in fair value of the forward element of the forward exchange contracts ('forward points') is separately accounted for as cost of hedging and recognised separately within equity. If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively.

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 (Rs.), 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.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

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 significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

3. Cash and cash equivalents

	As at 31 March, 2023	As at 31 March, 2022
I. Cash on hand	175.98	117.26
II. Balances with banks (of the nature of cash and cash equivalents)		
(a) Balance with banks in current accounts	6,277.86	55.96
(b) Deposits with original maturity of less than 3 months	29,400.00	14,206.94
Sub-total (a and b)	35,677.86	14,262.90
Total (I and II)	35,853.84	14,380.16

4. Bank balance other than cash and cash equivalents

	As at 31 March, 2023	As at 31 March, 2022
Deposits with original maturity of more than 3 months	7,043.42	14,779.54
Deposit held as margin money under securitisation and borrowing agreements*	6,585.37	3,869.67
Total	13,628.79	18,649.21

*Includes Rs. 25 lakhs (31 March, 2022: Rs. 25 lakhs) towards guarantee to a Unique Identification Authority of India (UIDAI)

5. Derivative Financial Instruments

	As at 31 March, 2023	As at 31 March, 2022
Financial Asset		
Cross currency derivatives	5.85	-
Total	5.85	-

(a) Cross Currency Swaps (CCS)

Particulars	As at 31 March, 2023	As at 31 March, 2022
i) Total notional principal amount of CCS agreement undertaken during the year*	7,981.00	-
ii) Total notional principal amount of CCS agreement outstanding as on end of the year*	7,981.00	-
iii) Maturity date of CCS	15 June, 2027	-
iv) Hedge ratio	1:1	-
v) Currency pair	USD/INR	

* Notional amount outstanding is the original amount. Restated amount as at the balance sheet date basis exchange rate is INR 8,222.00

(b) Hedged item

As at 31 March, 2023

Particulars	Change in the value of the hedged item used as the basis for recognising hedge ineffectiveness	Cash flow hedge reserve	Foreign currency monetary items translation reserve
ECB term loan	(241.07)	(235.22)	

As at 31 March, 2022

Particulars	Change in the value of the hedged item used as the basis for recognising hedge ineffectiveness	Cash flow hedge reserve	Foreign currency monetary items translation reserve
ECB term loan	-	-	-

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

(c) The fair value mark to market (MTM) gains or losses in respect of CCS Agreement outstanding as at the Balance Sheet date is stated below:

Hedging Instrument	As at 31 March 2023	As at 31 March 2022
Cross currency swaps (CCS)	5.85	-
Total	5.85	-

(d) Movement in Hedge Reserve (excluding deferred tax)

Cash Flow Hedge Reserve Account	As at 31 March, 2023		
	Realised	Unrealised	Total
i) Balance at the beginning of the year	-	-	-
ii) Add: Changes in the fair value during the Year	-		
Included in derivative financial instrument		5.85	5.85
Included in ECB term loan		(241.07)	(241.07)
iii) Less: Amounts reclassified to statement of profit & loss	-	-	-
iv) Balance at the end of the year	-	(235.22)	(235.22)

Cash Flow Hedge Reserve Account	As at 31 March, 2022		
	Realised	Unrealised	Total
i) Balance at the beginning of the year	-	-	-
ii) Add: Changes in the fair value during the Year	-	-	-
iii) Less: Amounts reclassified to statement of profit & loss	-	-	-
iv) Balance at the end of the year	-	-	-

All hedges are 100% effective.

Note: ECB carries coupon of 3.5% p.a in USD which has been hedged/swapped via Cross currency swap @ 7.55% p.a in INR

6. Loans

	As at 31 March, 2023	As at 31 March, 2022
At amortised cost		
Term loans	3,64,245.87	2,65,507.65
Staff loans	217.01	179.62
Total gross	3,64,462.88	2,65,687.27
Less: Impairment loss allowance	3,548.46	3,434.82
Total net	3,60,914.42	2,62,252.45
Secured by tangible assets	3,64,462.88	2,65,687.27
Total	3,64,462.88	2,65,687.27
Less: Impairment loss allowance	3,548.46	3,434.82
Total net	3,60,914.42	2,62,252.45
Loans in India		
Public sectors	-	-
Others (individuals and other corporates)	3,64,462.88	2,65,687.27
Total gross	3,64,462.88	2,65,687.27
Less: Impairment loss allowance	3,548.46	3,434.82
Total net	3,60,914.42	2,62,252.45

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

6.1 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.

6.2 Loan details

Particulars	Principal and Interest outstanding	Overcollateral	Effective interest rate adjustment	Total
As at 31 March, 2023	3,70,362.69	-	(5,899.81)	**3,64,462.88**
As at 31 March, 2022	2,69,414.79	218.80	(3,946.32)	**2,65,687.27**

6.3 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, 2022: Nil).

6.4 Loans sanctioned but undisbursed amount to Rs. 26,789.44 lakhs as on 31 March, 2023 (31 March, 2022: 19,341.23 lakhs).

6.5 The Company has balance of securitised assets amounting to Rs.10,652.34 lakhs (31 March, 2022: 7,514.12 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.

6.6 During the FY 2022-23, the Company has assigned pools of certain loans amounting to Rs. 44,091.16 lakhs (31 March, 2022: 27,326.80 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.

6.7 During the FY 2022-23, The Company also undertaken co-lending arrangement with Bank, whereby loans are co-originated by both the entities in 20:80 ratio (Company:Bank). As at 31 March, 2023, outstanding amount for same is Rs. 59.76 lakhs (31 March, 2022 Rs. Nil). The said arrangement is carried post disbursement of loans by the Company and the folios under the same are picked by the Bank.

6.8 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 or classified as NPA as per RBI directions. 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 taking in to account both qualitative and quatitative information. The Company mandatorly 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

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

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:

- Stage 3 are those accounts which are classified as NPA
- Stage 2 are those accounts wherein there is significant increase in credit risk
- Stage 1 are those accounts wherein DPD is 0-30 days and not considered in Stage 2 and Stage 3

(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 relatively better 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 forward looking LGD basis the management expectation on property prices basis the market enviornment.

(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, 2021	**1,93,710.11**	**5,140.66**	**5,234.96**	**2,04,085.73**
Transfer to Stage 1	2,320.12	(1,576.23)	(743.89)	-
Transfer to Stage 2	(5,422.83)	6,569.74	(1,146.91)	-
Transfer to Stage 3	(2,554.65)	(1,083.58)	3,638.23	-
New financial assets originated	1,21,607.30	148.33	82.56	**1,21,838.19**
Financial assets that have been de-recognised/repaid	(54,644.60)	(503.71)	(1,360.82)	**(56,509.13)**
Balance as at 31 March, 2022	**2,55,015.45**	**8,695.21**	**5,704.13**	**2,69,414.79**
Loans to customers at amortised cost				
Balance as at 01 April, 2022	2,55,015.45	8,695.21	5,704.13	**2,69,414.79**
Transfer to Stage 1	5,219.33	(3,585.50)	(1,633.83)	-
Transfer to Stage 2	(4,643.85)	5,091.36	(447.51)	-
Transfer to Stage 3	(1,330.29)	(1,122.71)	2,453.00	-
New financial assets originated	1,80,841.30	363.56	135.14	**1,81,340.00**
Financial assets that have been de-recognised/repaid	(76,853.70)	(1,517.33)	(2,021.07)	**(80,392.10)**
Balance as at 31 March, 2023	**3,58,248.24**	**7,924.59**	**4,189.86**	**3,70,362.69**

Summary of significant accounting policies and other explanatory information

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

Reconciliation of ECL balance is as follows:

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	-
Impact of change in EAD and stages during the year	654.15	232.79	(516.59)	370.35
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

Particulars	Stage 1	Stage 2	Stage 3	Total
Balance as at 01 April, 2022	1,537.36	444.76	1,452.70	3,434.82
Transfer to Stage 1	410.93	(97.52)	(313.42)	-
Transfer to Stage 2	(35.49)	152.77	(117.28)	-
Transfer to Stage 3	(9.53)	(59.73)	69.26	-
Impact of change in EAD and stages during the year	(426.29)	197.79	580.56	352.07
New financial assets originated	616.00	8.68	41.78	666.46
Financial assets that have been de-recognised/repaid	(232.49)	(47.63)	(624.76)	(904.89)
Balance as at 31 March, 2023*	1,860.49	599.13	1,088.84	3,548.46

*includes ECL amount of Rs. Nil (31 March, 2022: 3.32 lakhs) created on securitised loans derecognised from the books which has been adjusted from EAD as at 31 March, 2023.

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, 2023

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*	3,58,248.45	1,860.47	3,56,387.98	1,142.43	718.04
	Stage 2	7,924.61	599.16	7,325.45	243.07	356.09
Sub-total		3,66,173.06	2,459.63	3,63,713.43	1,385.50	1,074.13
Non- performing assets (NPA)						
Substandard	Stage 3	2,706.61	698.14	2,008.46	523.20	174.96
Doubtful - up to 1 year	Stage 3	1,483.02	390.69	1,092.33	473.14	(82.45)
Doubtful - 1 to 3 years	Stage 3	-	-	-	-	-
Doubtful - More than 3 years	Stage 3	-	-	-	-	-
Sub-total for doubtful		1,483.02	390.69	1,092.33	473.14	(82.45)
Loss	Stage 3	-	-	-	-	-
Sub-total for NPA		4,189.63	1,088.83	3,100.79	996.34	92.51
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	28,861.67	110.66	28,751.01	-	110.66
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		28,861.67	110.66	28,751.01	-	110.66
Total	Stage 1	3,87,110.12	1,971.13	3,85,138.99	1,142.43	828.70
	Stage 2	7,924.61	599.16	7,325.45	243.07	356.09
	Stage 3	4,189.63	1,088.83	3,100.80	996.34	92.48
	Total	3,99,224.36	3,659.12	3,95,565.24	2,381.84	1,277.27

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

As at 31 March, 2022

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*	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

* Does not includes ECL amount of Rs. Nil (31 March, 2022 : Rs. 3.32 lakhs) created on securitised loans derecognised from the books which has been adjusted from EAD.

7. Investments

	As at 31 March, 2023	As at 31 March, 2022
Investments in India		
At fair value through profit and loss		
- Mutual funds	499.98	17,532.00
At amortised cost		
-Investment in debt Instrument	1,695.34	-
- Investment in Certificate of deposits	2,497.51	-
-Investment in Subsidiary- India Shelter Capital Finance Limited (1,20,00,000 equity shares of Rs. 10 each fully paid-up)	1,200.00	-
Total	5,892.83	17,532.00

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

8. Other financial assets

	As at 31 March, 2023	As at 31 March, 2022
Security deposits	259.79	264.18
Receivables on securitised loans (refer note a)	53.37	38.01
EIS receivable on direct assignment (refer note b)	8,111.51	5,884.62
Receivables on assignment transactions	279.78	19..12
Other receivables	373.35	32.38
Total gross	**9,077.80**	**6,238.31**
Less: Impairment loss allowance (on EIS Receivable assets)	(55.14)	(40.80)
Total	**9,022.66**	**6,197.51**

Note:

a) Receivables on securitised loans is company's share of receivable towards collections made 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 Proft and loss account. The same has been computed by discounting EIS to present value with necessary estimates and assumptions.

9. Current tax assets/liabilities (net)

	As at 31 March,2023	As at 31 March, 2022
Income tax advance/ (liabilities)(net)	(60.01)	(432.22)
Total	**(60.01)**	**(432.22)**

10. Deferred tax assets (net)

	As at 31 March, 2023	As at 31 March, 2022
Deferred tax assets		
Provision for employee benefits	104.07	110.80
Difference in written down value as per Companies Act and Income Tax Act	64.80	57.44
Impairment loss allowance on loans	920.89	893.13
Unamortised processing fees	1,503.42	999.57
Lease liabilities	388.61	267.14
Provision for impairement on assets held for sale	87.11	15.41
Cash Flow Hedge Reserve	59.20	-
Deferred tax liabilities		
Unamortised borrowing cost	(424.45)	(331.57)
Right-of-use assets	(353.09)	(235.82)
EIS receivable on direct assignment	(2,049.25)	(1,481.04)
Net deferred tax assets	**301.31**	**295.06**

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

Movement in deferred tax assets (net)

Particulars	As at 01 April, 2022	(Charged)/credited to statement of profit and loss	Credited/ (charged) to other comprehensive income	As at 31 March, 2023
Deferred tax assets				
Provision for employee benefits	110.80	31.53	(38.26)	104.07
Difference in written down value as per Companies Act and Income Tax Act	57.44	7.36	-	64.80
Impairment loss allowance on loans	893.13	27.76	-	920.89
Unamortised processing fees	999.57	503.85	-	1,503.42
Derivative instruments in cash flow hedge reserve	-	-	59.20	59.20
Lease liability	267.14	121.47	-	388.61
Provision for impairement on assets held for sale	15.41	71.70	-	87.11
Deferred tax liabilities				
Unamortised borrowing cost	(331.57)	(92.88)	-	(424.45)
Right-of-use assets	(235.82)	(117.27)	-	(353.09)
EIS reveivable on direct assignment	(1,481.04)	(568.21)	-	(2,049.25)
Net deferred tax assets	**295.06**	**(14.69)**	**20.94**	**301.31**

Movement in deferred tax assets (net)

Particulars	As at 01 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	804.07	195.50	-	999.57
Others	1.10	(1.10)	-	-
Lease liability	266.07	1.07	-	267.14
Provision for impairement on assets held for sale	9.01	6.40	-	15.41
Deferred tax liabilities				-
Unamortised borrowing cost	(121.95)	(209.62)	-	(331.57)
Right-of-use assets	(239.96)	4.14	-	(235.82)
EIS recievable on direct assignment	(596.71)	(884.33)	-	(1,481.04)
Net deferred tax assets	**933.65**	**(661.77)**	**23.18**	**295.06**

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

11. 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, 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
Additions during the year	-	158.78	72.68	5.16	324.29	37.51	1,044.33	1,642.75
Disposals/adjustments	-	(1.33)	(0.55)	-	(53.97)	(2.62)	(422.95)	(481.42)
Balance as at 31 March, 2023	9.17	802.40	258.51	151.52	523.40	400.25	2,217.80	4,363.05
Accumulated depreciation								
Balance as at 01 April, 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
Depreciation charge for the year	-	138.10	36.23	12.54	52.48	51.45	490.11	780.91
Disposals/adjustments	-	(0.76)	(0.59)	-	(9.37)	(0.37)	(334.68)	(345.77)
Balance as at 31 March, 2023	-	534.31	147.69	95.01	64.98	322.77	814.82	1,979.58
Net block								
Balance as at 31 March, 2022	9.17	247.98	74.33	63.89	231.21	93.67	937.03	1,657.28
Balance as at 31 March, 2023	9.17	268.09	110.82	56.51	458.42	77.48	1,402.98	2,383.47

12. Other intangible assets

Gross block	Computer software
Balance as at 01 April, 2021	304.65
Disposal during the year	(24.47)
Balance as at 31 March, 2022	280.18
Additions during the year	41.24
Balance as at 31 March, 2023	321.42
Accumulated amortisation	
Balance as at 01 April, 2021	196.91
Amortisation charge during the year	58.34
Disposal during the year	(21.61)
As at 31 March, 2022	233.64
Amortisation charge during the year	39.33
Balance as at 31 March, 2023	272.97
Net block	
Balance as at 31 March, 2022	46.54
Balance as at 31 March, 2023	48.45

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

13. Other non-financial assets

	As at 31 March, 2023	As at 31 March, 2022
Prepaid expenses	514.48	427.86
Capital advances	-	40.35
Advance to employees	80.32	47.02
Advance to suppliers	62.66	112.44
Balance with government authorities	158.91	147.69
Total	816.37	775.36

14. Trade payables

	As at 31 March, 2023	As at 31 March, 2022
(i) total outstanding dues of micro enterprises and small enterprises (refer note 35)	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	613.98	459.41
Total	613.98	459.41

Trade Payables ageing schedule as at 31 March, 2023

Particulars	MSME	Others	Disputed dues – MSME	Disputed dues - Others
Less than 1 year	-	613.98	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
Total	-	613.98	-	-

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	-	-

15. Debt securities (at amortised cost)

	As at 31 March, 2023	As at 31 March, 2022
Secured		
Non-convertible debentures (including interest accrued)	17,653.41	18,659.85
Total	17,653.41	18,659.85
Debt securities in India	17,653.41	18,659.85
Debt securities outside India	-	-
Total	17,653.41	18,659.85

(i) 150 (31 March, 2022: 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, 2023 Rs.1,500 lakhs (31 March, 2022: Rs. 1,500 lakhs).

(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).

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

(ii) 5,000 (31 March, 2022: 5000), @ 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, 2023 Rs. 5,000 lakhs (31 March, 2022: Rs. 5,000 lakhs).

(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 1.28 times).

(iii) 500 (31 March, 2022: 500), @ 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, 2023 Rs. 3,500 lakhs (31 March, 2022: Rs. 5,000 lakhs).

(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, 2022: 300), @ 10.15% (31 March, 2022: 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, 2023 Rs. 3,000 lakhs (31 March, 2022: Rs. 3,000 lakhs).

(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).

(v) 350 (31 March, 2022: 350), @ 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, 2023 Rs. 3,500 lakhs (31 March, 2022: Rs. 3,500 lakhs).

(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, 2023	As at 31 March, 2022
less than 1 year	8,000.00	1,500.00
one to three years	2,000.00	10,000.00
three to five years	6,500.00	6,500.00
more than five years	-	-

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

16. Borrowings (Other than debt securities)

	As at 31 March, 2023	As at 31 March, 2022
At amortised cost		
(a) Term loans - Secured (including interest accrued)		
(i) from banks	1,79,128.67	1,24,741.85
(ii) from other parties		
- National housing banks	57,843.78	34,404.92
- Financial institutions	33,933.52	23,956.16
(b) Lease liabilities	1,544.07	1,061.43
(c) Liability against securitised assets (net of over collateralisation amount)	8,783.45	4,176.76
Total	**2,81,233.49**	**1,88,341.12**
Borrowings in India	2,73,056.29	1,88,341.12
Borrowings outside India	8,177.20	-
Total	**2,81,233.49**	**1,88,341.12**

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

(i) Secured term loans from National Housing Bank carry rate of interest in the range of 2.80% to 7.90% p.a (31 March, 2022: 3% to 7.35%). The loans are having tenure of 5 to 15 years (31 March, 2022: 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 (including hedge cost in case of external commercial borrowing) in the range of 7.55% to 12.35% p.a (31 March, 2022: 7.5% to 11.20%). The loans are having tenure of 34 to 180 months (31 March, 2022: 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.

(iii) During the year the Company has borrowed Rs. 7981.00 lakhs (equivalent to 100 lakhs USD) under the External Commercial Borrowing (ECB). The ECB loan is secured by hypothecation (exclusive charge) of certain loans given by the Company. The same is hedged by derivative instrumnent throiugh cross currency swaps. The derivative instrument is for hedging the underlying ECB transaction as per applicable RBI guidelines and not for any speculative purpose.

(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, 2023 and 31 March, 2022.

(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 securities, borrowings(other than debt securities) and interest thereon for the year ended 31 March, 2023 and 31 March, 2022

Terms of principal repayment of borrowings as at 31 March, 2023*

Particulars	Number of installments	Monthly repayment	Number of installments	Quarterly repayment
less than one year	766	43,026.29	139	18,689.39
one to three years	1310	73,806.57	287	36,498.03
three to five years	808	43,252.30	245	28,585.81
more than five years	351	15,851.25	227	22,346.78

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

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

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

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, 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
Cash flows:			
-Repayments	(1,500.00)	(71,229.42)	(72,729.42)
-Proceeds		1,63,859.00	1,63,859.00
-Payment of lease liability	-	(584.59)	(584.59)
Non-cash:			
-Amortisation of upfront fees and others(net)	73.06	(442.11)	(369.05)
-Accrued interest(net)	420.50	222.26	642.76
-Recognition of lease liabilities	-	1,067.23	1,067.23
31 March, 2023	17,653.41	2,81,233.49	2,98,886.90

17. Other financial liabilities

	As at 31 March, 2023	As at 31 March, 2022
Employee related payable	1716.78	1,464.75
Payable towards securitisation transactions	374.07	305.99
Payable towards assignment transactions	2312.95	1,055.71
Insurance payables	221.77	99.78
Advance received from customers	717.96	410.28
Book Overdraft	-	2,615.24
Total	5,343.53	5,951.75

18. Provisions

18. Provisions	As at 31 March, 2023	As at 31 March, 2022
Provisions for employee benefits		
- Provision for compensated absences	88.11	75.21
- Provision for gratuity (Refer note 36)	325.35	365.01
Impairement loss allowance on Undrawn commitments	55.52	73.10
Total	468.98	513.32

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

19. Other non-financial liabilities

	As at 31 March, 2023	As at 31 March, 2022
Statutory dues payables	123.46	151.80
Total	123.46	151.80

20. Equity share capital

	As at 31 March, 2023	As at 31 March, 2022
(a) Authorised capital		
81,000,000 (31 March, 2022: 81,000,000) equity shares of Rs. 10 each	8,100.00	8,100.00
(b) Issued capital and Subscribed		
4,38,72,652 (31 March, 2022: 4,37,06,655) equity shares of Rs. 10 each	4,387.27	4,370.67
(c) Paid up capital		
4,37,37,652 (31 March, 2022: 4,37,06,655) equity shares of Rs. 10 each fully paid up	4,373.77	4,370.67
1,35,000 (31 March, 2022: Nil) equity shares of Rs. 10 each partly paid up at Rs. 2 each	2.70	-

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

Particulars	As at 31 March, 2023	As at 31 March, 2022
Equity shares outstanding at the beginning of the year	43,706,655	42,978,405
Issued during the year (Refer note (e) & (f) below)	165,997	728,250
Equity shares outstanding at the end of the year	43,872,652	43,706,655

(e) Issue of shares

During the year ended 31 March, 2023, the Company has allotted 1,35,000 partly paid-up equity shares of face value of Rs. 10/- per share at a premium of Rs. 427 per share on preferential basis to Mr. Anil Mehta (Promotor). Shares are paid-up to the extent of Rs. 2 towards face value and Rs. 85.4 towards premium. The said allotment has been approved by the Board of Directors vide circular resolution dated 19 November, 2022. Balance amount on partly paid shares to be called as per the terms of the agreement.

(f) Issue of shares against exercise of ESOPs

A) During the current year,the Board of Directors have approved allotment of 30,997 equity shares to 2 option holders, who exercised their options as per the following:

a. 25,000 shares of Rs. 10 each at a premium of Rs. 10.32 each (aggregating to Rs. 5.08 lakhs) vide circular dated on 26 April, 2022. b. 3,000 shares of Rs. 10 each at a premium of Rs. 169.92 each (aggregating to Rs. 5.40 lakhs) and 2,997 shares of Rs. 10 each at a premium of Rs. 299.59 each (aggregating to Rs. 9.28 lakhs) vide circular dated on 22 December, 2022.

B) During the previous year, the Board of Directors have approved allotment of 728,250 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.

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

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

(g) 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.

(h) Detail of shareholders holding 5% or more

Name of shareholders	As at 31 March, 2023		As at 31 March, 2022	
	No. of shares	% of holding	No. of shares	% of holding
Nexus Ventures III Limited	99,61,798	22.76%	99,61,798	22.79%
MIO Starrock (Formerly known as Starrock)	22,17,554	5.07%	-	0.00%
WestBridge Crossover Fund, LLC	1,08,54,151	24.80%	1,08,54,151	24.83%
Catalyst Trusteeship Limited (Erstwhile Milestone Trusteeship Services Private Limited) acting as trustee for Madison India Opportunities Trust Fund	23,79,954	5.44%	23,79,954	5.45%
Aravali Investment Holdings (Wholly owned subsidiary of Westbridge Crossover Fund,LLC)	1,42,11,409	32.47%	1,42,11,409	32.52%
Nexus Opportunity Fund II, Limited	29,10,037	6.65%	29,10,037	6.66%

(i) Shares held by promoter

	As at 31 March, 2023		As at 31 March, 2022		
Name of Promoter	No of shares	% of total shares	No of shares	% of total shares	% change during the year
Anil Mehta	4,30,367	0.73%	820,367	1.88%	(47.54%)
WestBridge Crossover Fund, LLC	1,08,54,151	24.8%	1,08,54,151	24.83%	0.00%
Aravali Investment Holdings (Wholly owned subsidiary of Westbridge Crossover Fund,LLC)	1,42,11,409	32.47%	1,42,11,409	32.52%	0.00%

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

The Company has reserved 35,67,347 (31 March, 2022: 30,38,344) number of shares for creating a pool of employee stock options/right to subscribe to equity shares representing 7.52% (31 March, 2022: 6.50%) of fully diluted 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.

(k) 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.

(l) The Board of Directors have not proposed any dividend for the year ended 31 March, 2023 and 31 March, 2022.

21. Other equity

	As at 31 March, 2023	As at 31 March, 2022
Securities premium	68,713.05	68,577.83
Statutory reserve	10,092.05	6,992.50
Employee share based payment reserve	1,661.02	833.95
Re-measurements of defined benefit plans	54.06	(59.69)
Effective portion of cash flow hedge reserve	(176.02)	-
Retained earnings	39,295.58	26,897.38
Total	**1,19,639.74**	**1,03,241.97**

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

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.

Re-measurements of defined benefit plans

Represents the cumulative actuarial gains/(losses) arising on defined benefit plans classified under Other Comprehensive income.

Effective portion of cash flow hedge reserve

Represents the cumulative gains/(losses) arising on revaluation of the derivative instruments and underlying financial instrument designated as cash flow hedges through OCI.

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

	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Interest on loans	46,504.45	35,534.78
Interest on investments	1,406.92	566.16
Interest on deposits with banks	1,160.00	1,471.99
Other interest income	1,161.59	191.81
Total	**50,232.96**	**37,764.74**

23. Fees and commission income

	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Fee based income	3158.41	1,602.65
Total	**3,158.41**	**1,602.65**

Revenue from contract with customers

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
i. Type of services		
- Fee and commission income (as per note no- 23)	3,158.41	1,602.65
- Marketing support income (as per note no- 25)	2,142.99	1,172.55
Total	**5,301.40**	**2,775.20**
ii. Primary Geographical market		
- Outside India	-	-
- India	5,301.40	2,775.20
Total	**5,301.40**	**2,775.20**

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

iii. Timing of revenue recognition		
- At a point in time upon rendering services	3,158.41	1,602.65
- Over period of time upon rendering services	2,142.99	1,172.55
Total	5,301.40	2,775.20
iv. Receivable towards contract with customers		
- Opening Balance	-	145.98
- Closing Balance	258.22	-
v. Impairement on receivable towards contract with customers	-	-

24. Net gain on fair value changes

	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Net gain on financial instruments at fair value through profit or loss On trading portfolio - Investments	609.19	458.85
Total net gain on fair value changes	609.19	458.85
Fair value changes		
- Realised	609.16	428.13
- Unrealised	0.03	30.72
Total net gain on fair value changes	609.19	458.85

25. Other income

	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Marketing support income	2,142.99	1,172.55
Gain on termination of leases	8.07	8.22
Liabilities no longer required, written back	19.04	2.03
Miscellaneous Income	1.20	-
Total	2,171.30	1,182.80

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

	For the year ended 31 March, 2023	For the year ended 31 March, 2022
(a) Interest expenses on		
- Borrowings	18,531.77	13,264.25
- Debt securities	1,697.18	1,043.86
- Securitised loans	579.05	427.46
(b) Other borrowing costs		
- Securitisation expense	25.12	2.37
- Interest expense on lease liabilities	119.24	91.93
- Other interest expense	34.60	3.99
Total	20,986.96	14,833.86

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

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

	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Impairment loss on loans	96.06	352.97
Loans written off(net)*	1,011.50	811.81
Impairment loss on EIS receivable on direct assignment	14.34	24.09
Impairement loss on stock of acquired properties	284.87	12.30
Total	**1,406.77**	**1,201.17**

*Net of bad debt recovery of Rs. 494.04 lakhs (31 March, 2022: Rs. 123.36 lakhs)

28. Employee benefits expenses

	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Salaries, wages and bonus	11,747.10	8,800.19
Contribution to provident and other funds	698.50	540.92
Share based payments to employees	830.35	594.12
Staff welfare expenses	179.99	195.65
Total	**13,455.94**	**10,130.88**

29. Depreciation and amortisation

	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Depreciation of property, plant and equipment (Refer note 11)	780.92	595.56
Amortisation of intangible assets (Refer note 12)	39.33	58.34
Total	**820.25**	**653.90**

30. Other expenses

	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Legal and professional charges	661.48	260.40
Loan processing charges	266.70	284.48
Advertisement and marketing expenses	182.13	132.09
Rent and hire charges	152.95	84.53
Travelling and conveyance	763.68	326.72
Information technology expense	771.12	680.14
Communication expenses	101.34	80.94
Rates and taxes expenses	3.63	3.97
Repairs and maintenance - others	100.18	52.63
Office expenses	91.77	106.19
Electricity and water expenses	138.48	88.95
Printing, stationery and office supplies	35.95	24.43
Insurance expenses	62.48	56.95
Directors' sitting fees	32.10	27.47
Auditor's remuneration (Refer note 30.1 below)	44.62	38.15
Bank charges	77.40	34.90
Loss on derecognition of property, plant and equipment	13.12	6.39
Corporate social responsibility expenses (Refer note 30.2 below)	230.00	146.54
Miscellaneous expenses	17.06	34.71
Total	**3,746.20**	**2,470.58**

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

30.1 Auditor's remuneration

	For the year ended 31 March, 2023	For the year ended 31 March, 2022
a) As auditors		
- Statutory audit including limited review	39.00	31.00
- Certification and other charges	3.45	6.20
b) for re-imbursement of expenses	2.17	0.95

30.2 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, 2023	For the year ended 31 March, 2022
a) Gross amount required to be spent by the Company during the year	230.00	146.54
b) Amount spent during the year on:		
i) Construction/acquisition of any asset	40.70	36.36
ii) On purpose other than (i) above Contribution towards Trust/NGOs	189.30	110.18
c) Amount unpaid	-	-

The nature of CSR activities undertaken by the Company: To improve the lives of the community, especially the socially and economically underprivileged communities, by making a long term, measurable and positive impact through projects in the areas of Education, Health and Skill Development.

30.1 Tax expense

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
In respect of the current year	4,634.07	3,183.62
	4,634.07	**3,183.62**
Deferred tax charge/(credit)	14.68	661.78
	14.68	**661.78**
Total income tax expense recognised (excluding tax recognised in other comprehensive income)	**4,648.75**	**3,845.40**

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, 2023	For the year ended 31 March, 2022
Profit before tax	20,146.50	16,690.11
Applicable tax rate	25.17%	25.17%
Expected tax expense [A]	**5,070.47**	**4,200.57**
Effect of expenses that are not deductible in determining taxable profit	261.86	80.39
Deductions under section 80JJAA of the Income-tax Act, 1961	(136.31)	(52.80)
Deductions under Section 36(1)(viii) of the Income-tax Act, 1961	(547.27)	(382.76)
Total	**4,648.75**	**3,845.40**

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

Income tax expense recognised in other comprehensive income

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Income tax relating to re-measurement loss on defined benefit plans	38.26	23.18
Income tax relating to re-measurement gains/ (losses) on hedge instruments	(59.20)	-
Total	**(20.94)**	**23.18**

32. Expenditure in foreign currency

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Software license expense	2.84	197.67
Interest Expense on ECB	172.25	-
Total	**175.09**	**197.67**

The Company's unhedged foreign currency exposure as on 31 March, 2023 is Nil (31 March, 2022: Nil).

For the year ended 31 March, 2023

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	-	-	-	-	-	-	-
FCY payables							
Imports	-	-	-	-	-	-	-
Trade credits	-	-	-	-	-	-	-
External Commercial Borrowings (ECBs)	-	-	-	-	8,177.20	8,177.20	-
Other FCY loans	-	-	-	-	-	-	-
INR to USD swaps	-	-	-	-	-	-	-
Total	-	-	-	-	**8,177.20**	**8,177.20**	-

For the year ended 31 March, 2022

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	-	-	-	-	-	-	-
FCY payables							
Imports	-	-	-	-	-	-	-
Trade credits	-	-	-	-	-	-	-
External Commercial Borrowings (ECBs)	-	-	-	-	-	-	-
Other FCY loans	-	-	-	-	-	-	-
INR to USD swaps	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

33. 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.

34. Contingent liabilities and commitments

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
a) Contingent liabilities - Income tax matters	445.23	445.23
b) Commitments		
- Loan financing	26,789.44	19,341.23
- Capital commitments	-	5.00
c) Bank guarantees	25.00	25.00

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.

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

Particulars	As at 31 March, 2023	As at 31 March, 2022
(i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;		
- Principal due	Nil	Nil
- 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
(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

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

36. 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.

Particulars	As at 31 March, 2023	As at 31 March, 2022
Gross Carrying Amount	991.22	397.81
Less:- Impairement loss on stock of acquired properties	(346.14)	(61.27)
Net Carrying amount	**645.08**	**336.54**

37. 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, 2023	For the year ended 31 March, 2022
Employer's contribution to provident and other funds	698.50	540.92
	698.50	**540.92**

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, 2023 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.

Principal assumptions	31 March, 2023	31 March, 2022
Discount rate(s)	7.50%	7.00%
Expected rate(s) of salary increase	11.00%	10.00%
Retirement age	58	58
Withdrawal rate	20.00%	8.00%
In service mortality	IALM (2012-14)	IALM (2012-14)

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

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, 2023	For the year ended 31 March, 2022
Service cost:		
Current service cost	113.36	148.93
Interest cost	25.55	17.76
Components of defined benefit costs recognised in profit or loss	**138.91**	**166.69**
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in demographic assumptions	(62.32)	-
Actuarial (gains)/losses arising from experience adjustments	(89.69)	92.12
Components of defined benefit costs recognised in other comprehensive income	**(152.01)**	**92.12**

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, 2023	As at 31 March, 2022
Present value of funded defined benefit obligation	325.35	365.01
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation	**325.35**	**365.01**

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

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Opening defined benefit obligation	365.01	253.74
Current service cost	113.36	148.93
Interest cost	25.55	17.76
Remeasurement (gains)/losses:		
Actuarial losses/(gains) arising from changes in financial assumptions	(62.32)	-
Actuarial (gains)/losses arising from experience adjustments	(89.69)	92.12
Past service cost, including losses/(gains) on curtailments	-	-
Benefits paid	(26.56)	(147.54)
Closing defined benefit obligation	**325.35**	**365.01**

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

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. 15.59 lakhs (increase by Rs. 16.85 lakhs) [31 March, 2022: 37.95 lakhs (increase by Rs. 44.40 lakhs)].

- If the expected salary growth increases (decreases) by 100 basis points, the defined benefit obligation would increase by Rs. 16.14 lakhs (decrease by Rs. 15.25 lakhs) [31 March, 2022: increase by Rs. 42.67 lakhs (decrease by Rs. 37.31 lakhs)].

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, 2023	As at 31 March, 2022
Average duration of the defined benefit obligation (in years)		
Less than 1 year	21.98	7.03
Between 1-2 years	4.58	3.06
Between 2-5 years	18.08	9.82
Over 5 years	280.71	345.10

-The expected contributions to the plan for the next year is Rs. 212.00 lakhs.

38. Maturity analysis of assets and liabilities

	31 March, 2023			31 March, 2022		
Assets	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	35,853.84	-	35,853.84	14,380.16	-	**14,380.16**
Bank balance other than cash and cash equivalents	10,864.52	2,764.27	13,628.79	17,789.59	859.62	**18,649.21**
Derivative financial instruments	5.85	-	5.85	-	-	**-**
Loans	55,066.43	3,05,847.99	3,60,914.42	36,602.66	2,25,649.79	**2,62,252.45**
Investments	4,692.83	1,200.00	5,892.83	17,532.00	-	**17,532.00**
Other financial assets	3,765.51	5,257.15	9,022.66	2,228.13	3,969.38	**6,197.51**
Non-financial assets						
Deferred tax assets (net)	-	301.31	301.31	-	295.06	**295.06**
Property, plant and equipment	-	2,383.47	2,383.47	-	1,657.28	**1,657.28**
Other intangible assets	-	48.45	48.45	-	46.54	**46.54**
Other non-financial assets	576.65	239.72	816.37	554.22	221.14	**775.36**
Assets held for sale	645.08	-	645.08	336.54	-	**336.54**
Total assets	**1,11,470.71**	**3,18,042.36**	**4,29,513.07**	**89,423.30**	**2,32,698.81**	**3,22,122.11**

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

Liabilities						
Financial liabilities						
Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-		-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	613.98	-	613.98	459.41	-	**459.41**
Debt securities	9,230.69	8,422.72	17,653.41	1,955.81	16,704.04	**18,659.85**
Borrowings (Other than debt securities)	62,260.88	2,18,972.61	2,81,233.49	47,675.60	1,40,665.52	**1,88,341.12**
Other financial liabilities	5,343.53	-	5,343.53	5,951.75	-	**5,951.75**
Non-financial liabilities						-
Provisions	92.60	376.38	468.98	84.58	428.74	**513.32**
Current tax liabilities (Net)	60.01	-	60.01	432.22	-	**432.22**
Other non-financial liabilities	123.46	-	123.46	151.80	-	**151.80**
Total liabilities	**77,725.15**	**2,27,771.71**	**3,05,496.86**	**56,711.17**	**1,57,798.30**	**2,14,509.47**
Net	**33,745.56**	**90,270.65**	**1,24,016.21**	**32,712.13**	**74,900.51**	**1,07,612.64**

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

39. Financial instruments

39.1 Capital 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, 2023	As at 31 March, 2022
Debt		
Borrowings(other than debt securities)	2,81,233.49	1,88,341.12
Debt securities	17,653.41	18,659.85
Cash and cash equivalents	(35,853.84)	(14,380.16)
Net debt	**2,63,033.06**	**1,92,620.81**
Total equity	1,24,016.21	1,07,612.64
Net debt to equity ratio	**2.12**	**1.79**

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, return on capital to shareholders, issue new shares, or sell assets to reduce debt.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

39.2 Categories of financial instruments

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

As at 31 March, 2023

Particulars	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying value
Financial assets				
Cash and cash equivalents	-	-	35,853.84	35,853.84
Bank balance other than cash and cash equivalents	-	-	13,628.79	13,628.79
Derivative financial instuments	-	5.85	-	5.85
Loans	-	-	3,60,914.42	3,60,914.42
Investments	499.98	-	5,392.85	5,892.83
Other financial assets	-	-	9,022.66	9,022.66
Total financial assets	499.98	5.85	4,24,812.56	4,25,318.39
Financial liabilities				
Trade payables	-	-	613.98	613.98
Debt securities	-	-	17,653.41	17,653.41
Borrowings (Other than debt securities)	-	-	2,81,233.49	2,81,233.49
Other financial liabilities	-	-	5,343.53	5,343.53
Total financial liabilities	-	-	3,04,844.41	3,04,844.41

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	-	-	6,197.51	6,197.51
Total financial assets	17,532.00	-	3,01,479.33	3,19,011.33
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	-	-	5,951.75	5,951.75
Total financial liabilities	-	-	2,13,412.13	2,13,412.13

39.3 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 significant accounting policies and other explanatory information

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

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

As at 31 March, 2023

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	499.98	-	-	499.98
Assets measured at fair value on a non recurring basis				
Assets held for sale	-	645.08	-	645.08

As at 31 March, 2022

Particulars	Level 1	Level 2	Level 3	Total
Asset measured at fair value on a recurring basis				
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

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.

39.4 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, 2023

Particulars	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Cash and cash equivalents	35,853.84	-	-	35,853.84	35,853.84
Bank balance other than cash and cash equivalents	13,628.79	-	-	13,628.79	13,628.79
Loans	3,60,914.42	-	-	3,60,914.42	3,60,914.42
Other financial assets	9,022.66	-	-	9,022.66	9,022.66
	4,19,419.71	-	-	4,19,419.71	4,19,419.71
Financial liabilities					
Trade payables	613.98	-	-	613.98	613.98
Debt securities	17,653.41	-	-	17,653.41	17,653.41
Borrowings (Other than debt securities)	2,81,233.49	-	-	2,81,233.49	2,81,233.49
Other financial liabilities	5,343.53	-	-	5,343.53	5,343.53
	3,04,844.41	-	-	3,04,844.41	3,04,844.41

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

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	6,197.51	-	-	6,197.51	**6,197.51**
	3,01,479.33	-	-	**3,01,479.33**	**3,01,479.33**
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	5,951.75	-	-	5,951.75	**5,951.75**
	2,13,412.13	-	-	**2,13,412.13**	**2,13,412.13**

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.

39.5. 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 minimise cost and maximise stability of funds. and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks.
Market risk - currency risk	External Commercial Borrowings	Sensitivity analysis	Hedging strategies to ensure 100 % hedge by way of booking derivatives in the form of forward cover or cross currency swap. Effectiveness of the hedge is reviewed by Risk management Committee periodically.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

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 and NHB 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, market risk, credit risk, and operational risk, and an Asset Liability Management Committee (ALCO).

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, 2023	As at 31 March, 2022
Loans	3,60,914.42	2,62,252.45
Cash and cash equivalents	35,853.84	14,380.16
Bank balance other than cash and cash equivalents	13,628.79	18,649.21
Investments	5,892.83	17,532.00
Other financial assets	9,022.66	6,197.51

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 and high rated debt securities. 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 amortised 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

Summary of significant accounting policies and other explanatory information

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

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.

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, 2023	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Cash and cash equivalents	35,853.84	-	-	-	**35,853.84**
Bank balance other than cash and cash equivalents	10,864.52	2,739.27	25.00	-	**13,628.79**
Derivative financial instrument	5.85	-	-	-	**5.85**
Loans	56,955.37	1,10,154.93	82,564.34	1,20,688.05	**3,70,362.69**
Investments	4,692.83	-	-	1,200.00	**5,892.83**
Other financial assets	3,765.51	4,369.91	859.94	27.30	**9,022.66**
Total	**1,12,137.92**	**1,17,264.11**	**83,449.28**	**1,21,915.35**	**4,34,766.66**

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	58,811.41	99,952.56	**2,69,414.79**
Investments	17,532.00	-	-	-	**17,532.00**
Other financial assets	2,228.13	2,762.75	1,126.04	80.59	**6,197.51**
Total	**89,044.72**	**77,082.91**	**60,012.89**	**1,00,033.15**	**3,26,173.67**

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, 2023	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Borrowings (Other than debt securities)	62,260.88	110,304.62	71,838.12	38,198.03	**2,82,601.65**
Debt securities	9,230.69	2,000.00	6,500.00	-	**17,730.69**
Trade payables	613.98	-	-	-	**613.98**
Other financial liabilities	5,343.53	-	-	-	**5,343.53**
Total	**77,449.08**	**1,12,304.62**	**78,338.12**	**38,198.03**	**3,06,289.85**

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

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	5,951.75	-	-	-	**5,951.75**
Total	**56,347.96**	**88,929.03**	**48,351.53**	**21,101.04**	**2,14,729.56**

c. Public disclosure on Liquidity Risk of India Shelter Finance Corporation Limited 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).

Funding concentration based on significant counterparty*# (borrowings)		
	As at 31 March, 2023	
Number of significant counterparties	**Amount**	**% of total liabilities**
29	2,78,861.74	91.28%
	As at 31 March, 2022	
Number of significant counterparties	**Amount**	**% of total liabilities**
29	1,97,713.82	92.17%

*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*#

	As at 31 March, 2023		As at 31 March, 2022	
Name of the instrument	**Amount**	**% of total liabilities**	**Amount**	**% of total liabilities**
Term loans from banks and financial institutions	2,13,817.53	49.78%	1,49,495.11	46.41%
Term loans from National Housing Bank	57,889.28	13.48%	34,415.56	10.68%
Non-convertible debentures	16,500.00	3.84%	18,000.00	5.59%
Securitisation	8,805.55	2.05%	4,213.18	1.31%
	2,97,012.36		**2,06,123.85**	

*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#

	As at 31 March, 2023		As at 31 March, 2022	
Particulars	Amount	% of total borrowings	Amount	% of total borrowings
Term Loan/NCD/Securitisation	1,79,679.90	60.50%	1,20,527.77	58.47%

#All the above mentioned outstanding borrowings are disclosed at gross carrying value.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

Stock Ratios:

Particulars	As at 31 March, 2023	As at 31 March, 2022
Commercial papers issued to publlic funds	Nil	Nil
Commercial papers issued to total liabilities	Nil	Nil
Commercial papers issued to total assets	Nil	Nil
NCD (original maturity < one year) to public funds	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 public funds	2.05%	3.18%
Other short-term liabilities to total liabilities	1.99%	3.06%
Other short-term liabilities to total assets	1.42%	2.04%

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, 2023, 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, 2023	As at 31 March, 2022
Variable rate borrowing	2,37,326.50	1,76,614.83
Fixed rate borrowing	59,685.86	29,509.02
Total borrowings	**2,97,012.36**	**2,06,123.85**

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, 2023	Year ended 31 March, 2022
Interest rate - Increase by 100 basis points*	1,925.33	1,368.45
Interest rate - Decrease by 100 basis points*	(1,925.33)	(1,368.45)

*Holding all other variables constant

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to External Commercial Borrowings (ECB).

(i) The Company has hedged its foreign currency exposure through Cross Currency Swaps in such a manner that it has fixed determinate outflows in its functional currency and as such there would be no significant impact of movement in foreign currency rates on the Company's profit before tax (PBT).

Foreign Currency Exposure

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
External Commercial Borrowing (USD in lakh)	100.00	-

Sensitivity

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

Particulars	Impact on profit before tax		Impact on OCI before tax	
	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022
USD rate - Increase by 5%*	-	-	(411.08)	-
USD rate - Decrease by 5%*	-	-	411.08	-

*Holding all other variables constant

40. Related party transactions

List of related parties:	
i. Holding Company	WestBridge Crossover Fund, LLC Aravali Investment Holdings (wholly-owned subsidiary of Westbridge Crossover Fund, LLC) (collectively holding more than one-half of the total voting power)
ii. Wholly owned subsidiary of the Company	India Shelter Capital Finance Limited
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 Novemebr, 2021*
	c. Ashish Gupta - Chief Financial Officer
	d. Mukti Chaplot - Company Secretary
	e. GV Ravishankar - Nominee Director (till 26 October, 2021)
	f Anup Gupta - Nominee Director
	g. Sumir Chadha - Nominee Director
	h. Shailesh J Mehta - Nominee Director (Independent Director till 2 November, 2021)
	i. Rachna Dikshit - Independent Director
	j. Sudhin Choksey- Nominee Director (w.e.f. 3 November, 2021)
	k. Sunil Bhumralkar- Additional Independent Director (till 30 November, 2022)
	l. Thomson Kadantot Thomas- Independent Director (w.e.f 02 August, 2022)
iv. Entities having significance influence	a. WestBridge Crossover Fund, LLC (Holder of Equity Shares)
	b. Nexus Ventures III Limited, Mauritius (Holder of Equity Shares)
	c. Aravali Investment Holdings (Holder of Equity Shares)
v. Relative of key management personnel(KMP) - (where there are transactions)	Gaj Singh Mehta - Father of Anil Mehta
	Ankit Aggarwal - Husband of Mukti Chaplot
	Adit Mehta- Son of Anil Mehta

*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 significant accounting policies and other explanatory information

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

Transactions with related parties

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Rent paid to relative of KMP	2.74	3.41
Rent Received from subsidiary	1.20	-
Investment in Equity Share Capital of subsidiary	1,200.00	-

Transaction with key management personnel

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Short- term benefits	763.28	942.51
Contribution to pension funds and gratuity payment	59.94	178.81
Fees paid to non-executive director	186.67	-
Sitting fees paid to independent directors	29.45	26.25
Proceeds from issue of equity shares	2.70	8.00
Proceeds for security premium	115.29	2.66
Sale of Assets	-	8.63

Amount payable to key management personnel

Particulars	As at 31 March, 2023	As at 31 March, 2022
Short-term benefits	413.39	379.56

Amount receivable from related party

Particulars	As at 31 March, 2023	As at 31 March, 2022
Receivable from subsidiary	1.42	-

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 prevoius year, the Board of Directors vide circular resolution dated 06 January, 2022 allotted 75,000 equity shares to Mr. Anil Mehta and 5,000 equity shares to Mrs. Mukti Chaplot pursuant to exercise of Employee Share Option Plan (ESOP) as per the ESOP schemes.

Note 3: During the year ended 31 March, 2023, the Company has allotted 1,35,000 partly paid-up equity shares of face value of Rs. 10/- per share at a premium of INR 427 per share on preferential basis to Mr. Anil Mehta (Promotor). Shares are paid-up to the extent of INR 2 towards face value and Rs. 85.4 towards premium. The said allotment has been approved by the Board of Directors vide circular resolution dated 19 November, 2022. Balance amount on partly paid shares to be called as per the terms of the agreement.

Summary of significant accounting policies and other explanatory information

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

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, 2023	As at 31 March, 2022
Share capital		
WestBridge Crossover Fund, LLC	1,085.42	1,085.42
Aravali Investment Holdings	1,421.14	1,421.14
Nexus Opportunity Fund II, Limited	291.00	291.00
Nexus Ventures III Limited	996.18	996.18
Relative of KMP	0.75	0.75
Key Managerial Personnel	35.19	84.39

41. Earnings per share

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Profits for the year	15,497.75	12,844.71
Weighted average number of equity shares for calculating basic earnings per share	4,37,41,360	4,33,99,740
Effect of potential ordinary shares on Employee Stock Options and right to subscribe outstanding	7,05,731	4,88,921
Total weighted average number of equity shares for calculating diluted earnings per share	**4,44,47,091**	**4,38,88,661**
Earnings per share on profit for the year (Face value of Rs. 10 per share)		
a) Basic earnings per share (Rs.)	35.43	29.60
b) Diluted earnings per share (Rs.)	34.87	29.27

42. 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, 2023	31 March, 2022
Short-term leases	152.95	84.53
Leases of low value assets	-	-
Variable lease payments	-	-

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

B. Total cash outflow for leases for the year ended 31 March, 2023 was Rs. 584.59 lakhs (31 March, 2022: 446.22 lakhs).

C. The Company has total commitment for short-term leases as at 31 March, 2023 Rs.Nil (31 March, 2022: 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, 2023	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	530.22	420.50	369.09	240.66	119.28	171.39	1,851.14
Interest expense	110.96	77.59	51.18	30.80	16.26	20.28	307.07
Net present values	419.26	342.91	317.91	209.86	103.02	151.11	1,544.07

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

E. There are no variable lease agreements.

F. Information about extension and termination options

As at 31 March, 2023

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	145	1 to 7 years	2.60 years	145	-	145
Car lease	6	2-5 years	1.5 years	-	6	6

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	-	2	2

G. The total future cash outflows as at 31 March, 2023 for leases that had not yet commenced is of Rs. Nil (31 March, 2022: Nil).

43. Employee Stock Option Scheme

The Company provides Employee Stock option schemes to its employees. For the year ended 31 March, 2023 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)

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

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

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 August, 2022	02 November, 2022	01 February, 2023	31 March, 2023
Tranche II (20% of the options granted)	31 August, 2023	02 November, 2023	01 February, 2024	31 March, 2024
Tranche III (20% of the options granted)	30 August, 2024	01 November, 2024	01 February, 2025	31 March, 2025
Tranche IV (20% of the options granted)	30 August, 2025	01 November, 2025	01 February, 2026	31 March, 2026
Tranche V (20% of the options granted)	30 August, 2026	01 November, 2026	01 February, 2027	31 March, 2027

Particulars	ESOP 2021						
Date of grant	12 May, 2022	31 May, 2022	01 July, 2022	30 July, 2022	01 August, 2022	03 November, 2022	10 February, 2023
Exercise price	Rs. 340.71 per option	Rs. 340.71 per option	Rs. 340.71 per option	Rs. 340.71 per option	Rs. 340.71 per option	Rs. 394.00 per option	Rs. 394.00 per option
Vesting dates:							
Tranche I (20% of the options granted)	12 May, 2023	31 May, 2023	01 July, 2023	30 July, 2023	01 August, 2023	03 November, 2023	10 February, 2023
Tranche II (20% of the options granted)	12 May, 2024	31 May, 2024	01 July, 2024	30 July, 2024	01 August, 2024	03 November, 2024	10 February, 2024
Tranche III (20% of the options granted)	12 May, 2025	31 May, 2025	01 July, 2025	30 July, 2025	01 August, 2025	03 November, 2025	10 February, 2025
Tranche IV (20% of the options granted)	12 May, 2026	31 May, 2026	01 July, 2026	30 July, 2026	01 August, 2026	03 November, 2026	10 February, 2026
Tranche V (20% of the options granted)	12 May, 2027	31 May, 2027	01 July, 2027	30 July, 2027	01 August, 2027	03 November, 2027	10 February, 2027

Reconciliation of options under each plan	ESOP 2012		ESOP 2017		ESOP 2021	
Particulars	Number of options	Amount	Number of options	Amount	Number of options	Amount
Outstanding as at 31 March, 2022	1,00,000	20.32	5,22,500	943.61	18,82,095	5,903.67
Granted during the year	-	-	-	-	7,78,098	2,882.87
Forfeited during the year	-	-	26,000.00	46.95	2,99,636	940.86
Exercised during the year	25,000.00	5.08	3,000.00	5.40	2,997.00	9.28
Expired during the year	-	-	-	-	-	-
Outstanding as at 31 March, 2023	75,000.00	15.24	4,93,500	895.45	23,57,560	7,836.40
Exercisable at the end of the year	75,000.00	15.24	2,78,200	493.44	3,37,719	1,060.40

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

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	7.20% to 7.50%
Expected life of option	3.6 yrs to 5.6 yrs
Expected Volatility	20% to 22%
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 relvant 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.

44. 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 and Notification No. RBI/2022-23/26 DOR.ACC.REC. No.20/21.04.018/2022-23 dated 19 April, 2022 issued by RBI.

44.01 Capital to risk assets ratio (CRAR)

Particulars	As at 31 March, 2023	As at 31 March, 2022
CRAR %	52.66%	55.87%
CRAR-Tier I capital %	51.93%	55.35%
CRAR-Tier II capital %	0.73%	0.52%
Amount of subordinated debt raised as Tier- II Capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

44.02 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. 3,099.55 lakhs (31 March, 2022 Rs. 2,568.94 lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balance at the beginning 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
Total	**6,992.50**	**4,423.56**
Addition / Appropriation / Withdrawal during the year		
a. Add:- Amount transferred u/s 29 C of the NHB Act, 1987	599.55	868.94
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	2,500.00	1,700.00
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	2,682.31	2,082.76
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	7,409.74	4,909.74
Balance at the end of the year	10,092.05	6,992.50

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

44.03 (A) Investments

Particulars	As at 31 March, 2023	As at 31 March, 2022
Value of investments		
Gross value of investments		
(a) In India	5,892.83	17,532.00
(b) Outside India	-	-
Provisions for depreciation		
(a) In India	-	-
(b) Outside India	-	-
Net value of investments		
(a) In India	5,892.83	17,532.00
(b) Outside India	-	-

(B) Movement of provisions held towards depreciation on investments

Particulars	As at 31 March, 2023	As at 31 March, 2022
Opening balance	-	-
Add: Provisions made during the year	-	-
Less: Write-off/written back of excess provision during the year	-	-
Closing balance	-	-

44.04 Derivatives

1. The Company does not have any Forward Rate Agreement/Interest rate Swaps as at 31 March, 2023 and 31 March, 2022

2. Exchange traded Interest Rate (IR) Derivative

The Company has not entered into any Exchange traded interest rate (IR) derivative during the current as well as previous financial year, hence the disclosure under this clause is not applicable.

Disclosures on Risk Exposure in Derivatives

i) Qualitative Disclosure

Structure and organisation for management of risk in derivatives trading:

The Board of Directors, the Asset Liability Management Committee (ALCO) and the Risk Management Committee (RMC) are entrusted with the management of market risks and derivatives booked to hedge the same, if any. The philosophy and framework for the hedging through derivative is laid out in theRisk Management policy approved by Board. The Risk Management Committee reviews all risks periodically. The monitoring and measurement of risk is carried out by the Risk Department headed by Chief Risk Officer which is independent of the Treasury Front office and back office.

Scope and nature of risk measurement, risk reporting and risk monitoring systems:

As per the risk framework, derivatives are being used only for hedging purpose and not speculating purposes. Company has undertaken Cross Currency swap to hedge the foreign exchange exposure on its ECB liability. Hedge effectiveness of this transaction is assessed on periodic basis.

Policies for hedging and / or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/mitigants: The Risk management Policy and Accounting Policy details the hedging strategies, hedging processes, accounting treatment, documentation requirements and effectiveness testing for hedges. Hedges are monitored for effectiveness periodically, in accordance with the Policy.

Accounting policy for recording hedge and non-hedge transactions; recognition of income, premiums and discounts; valuation of outstanding contracts; provisioning, collateral and credit risk mitigation:

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/ loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with its external commercial borrowings arising from changes in exchange rates.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges: When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flows hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in fair value of the derivative is recognised immediately in profit or loss. The Company designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedge relationships. The change in fair value of the forward element of the forward exchange contracts ('forward points') is separately accounted for as cost of hedging and recognised separately within equity. If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively.

The Compay periodically review the counterparty exposure and limits. Additional margins paid, if any, are shown under Other financial assets.

ii) Quantitative Disclosure

Particulars	Cross Currency		Interest Rate Derivatives	
	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022
(i) Derivatives (Notional Principal Amount)	7,981.00	-	-	-
(ii) Marked to Market Positions			-	
(a) Assets (+)	5.85	-	-	-
(b) Liability (-)	-	-	-	-
(iii) Credit Exposure		-	-	-
(iv) Unhedged Exposures	-	-	-	-

The Company has opted for hedge accounting under IND AS 109 as stated under the significiant accounting policies.

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

As at 31 March, 2023

Particulars	Liabilities		Assets	
	Borrowings*	Debt securities*	Loans*	Investments
1 to 7 days	1,005.66	-	897.42	4,217.85
8 to 14 days	132.44	-	149.57	249.99
Over 14 days to one month	2,890.01	-	3,781.78	224.99
Over 1 Month upto 2 Months	4,112.07	750.00	4,847.91	-
Over 2 Months upto 3 Months	4,765.92	1,500.00	4,806.82	-
Over 3 Months upto 6 Months	16,727.05	-	14,348.25	-
Over 6 Months upto 1 Year	32,082.54	5,750.00	28,123.62	-
Over 1 Year upto 3 Years	1,10,304.62	2,000.00	1,10,154.93	-
Over 3 Years upto 5 Years	71,838.12	6,500.00	82,564.34	-
Over 5 years	38,198.03	-	1,20,688.05	1,200.00
Total	**2,82,056.46**	**16,500.00**	**3,70,362.69**	**5,892.84**

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

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	21,101.05	-	99,952.56	-
Total	**1,89,185.30**	**18,000.00**	**2,69,414.79**	**17,532.00**

44.06 Exposure:

1. Exposure to Real Estate Sector

Particulars	As at 31 March, 2023*	As at 31 March, 2022*
(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.	3,70,062.95	2,69,058.32
B. Commercial Real Estate :		
Lending fully secured by mortgages on commercial real estates.	299.74	356.47
C. Investments in Mortgage Backed Securities and other securitised exposures:		
a. Resident	-	-
b. Commercial Real estate	-	-
(ii) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
Total Exposure to Real Estate Sector	**3,70,362.69**	**2,69,414.79**

*The disclosures made are based on the contractual obligations.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

2. As on 31 March, 2023, the Company did not have any exposure to Capital Market (31 March, 2022: Nil).

3. Sectoral exposure

Sectors	Current Year			Previous Year		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPA	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	-	-	-	-	-	-
2. Industry	-	-	-	-	-	-
3. Services	-	-	-	-	-	-
4. Personal Loans						
i Housing (Including Priority Sector Housing)	2,48,345.63	2,384.65	0.96%	1,65,876.32	3,639.11	2.19%
ii Non-Housing	1,22,017.06	1,804.97	1.48%	1,03,538.47	2,064.79	1.99%
Others	-	-		-	-	-
Total of Personal Loans (i+ii+Others)	3,70,362.69	4,189.63	1.13%	2,69,414.79	5,703.90	2.12%
5. Others, if any (please specify)	-	-	0.00%	-	-	0.00%
Total (1+2+3+4+5)	3,70,362.69	4,189.63	1.13%	2,69,414.79	5,703.90	2.12%

Particulars	31 March, 2023	31 March, 2022
(i) Total amount of intra-group exposure	-	-
(ii) Total amount of top 20 intra-group exposures	-	-
(iii) Percentage of intra-group exposures to total exposures to total exposures of the Company on borrowers/customers	-	-

4. There were no unhedged foreign currency transaction during current year. Refer Note no 39.05 for policies to manage currency induced risk.

5. As on 31 March, 2023, the Company has not financed any product of the parent Company (31 March, 2022: Nil).

6. The Company did not have any outstanding unsecured loans and advances as on 31 March, 2023 and 31 March, 2022. Further, the Company did not have any loans and advances against intangible securities such as charge over the rights, licenses, authority, etc. as on 31 March, 2023 and 31 March, 2022.

7. As on 31 March, 2023, the Company has not exceeded the prudential exposure limit prescribed by the RBI for single borrower or group of borrowers (31 March, 2022: Nil).

8. As on 31 March, 2023, no group Company is engaged in the business of real estate.(31 March, 2022: Nil)

44.07 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.

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

During year ended 31 March, 2023:- Nil

During year ended 31 March, 2022:- 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.

44.09 Related party transactions

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

31 March, 2023

Nature of transaction	Parent (as per ownership or control)	Subsidiaries	Associates/ Joint ventures	Key Management Personnel	Relatives of Key Management Personnel	Others	Total	Maximum outstanding during the year
Borrowings	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-
Investments#	-	1,200.00	-	-	-	-	1,200.00	1,200.00
Purchase of fixed/other assets	-	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-
Short- term benefits	-	-	-	763.28	-	-	763.28	-
Contribution to pension funds and gratuity payment	-	-	-	59.94	-	-	59.94	-
Fees	-	-	-	186.67	-	-	186.67	-
Sitting fees	-	-	-	29.45	-	-	29.45	-
Others	-	1.20	-	2.70	2.74	-	6.64	1.20

31 March, 2022

Nature of transaction	Parent (as per ownership or control)	Subsidiaries	Associates/ Joint ventures	Key Management Personnel	Relatives of Key Management Personnel	Others	Total	Maximum outstanding during the year
Borrowings	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-
Investments#	-	-	-	-	-	-	-	-
Purchase of fixed/other assets	-	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-
Short- term benefits	-	-	-	1,121.32	-	-	1,121.32	-
Contribution to pension funds and gratuity payment	-	-	-	420.60	-	-	420.60	-
Fees	-	-	-	-	-	-	-	-
Sitting fees	-	-	-	26.25	-	-	26.25	-
Others	-	-	-	16.63	3.41	-	20.04	-

The outstanding at the year end and the maximum during the year are to be disclosed

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

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

Nature of instrument	Rating agency	31 March, 2023	31 March, 2022
Bank term loans	ICRA	A+ stable(Outlook)	A stable(Outlook)
Bank term loans	CARE	A+ stable(Outlook)	A Positive(outlook)
Non-convertible debentures	ICRA	A+ stable(Outlook)	A stable(Outlook)

During the year, CARE and ICRA has upgraded the rating to A+ stable(outlook)

44.11 Remuneration of Directors

Remuneration of Directors has been disclosed separate note. Refer note 40.

44.12 Breach of covenant:-

There was no instance of breach of covenant by the Company of loan availed or debt securities issued by it.

44.13 Divergence in Asset Classification and Provisioning

During the year, the National Housing Bank, based on the inspection of the Company with reference to its position as on 31 March, 2021, had advised it to reassess classification of 55 loan accounts to which moratorium was granted on account of disruption caused by COVID19. The Company has reassessed factual status of these 55 loan accounts based on the Prudential Norms on Asset Classification and Provisioning and it was concluded that there is no impact on asset classification and provisioning as on 31 March, 2021, 31 March, 2022, and 31 March, 2023. The Company has also apprised the NHB regarding the same

44.14 Loans to Directors, Senior Officers, and relatives of Directors

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

44.15 Management

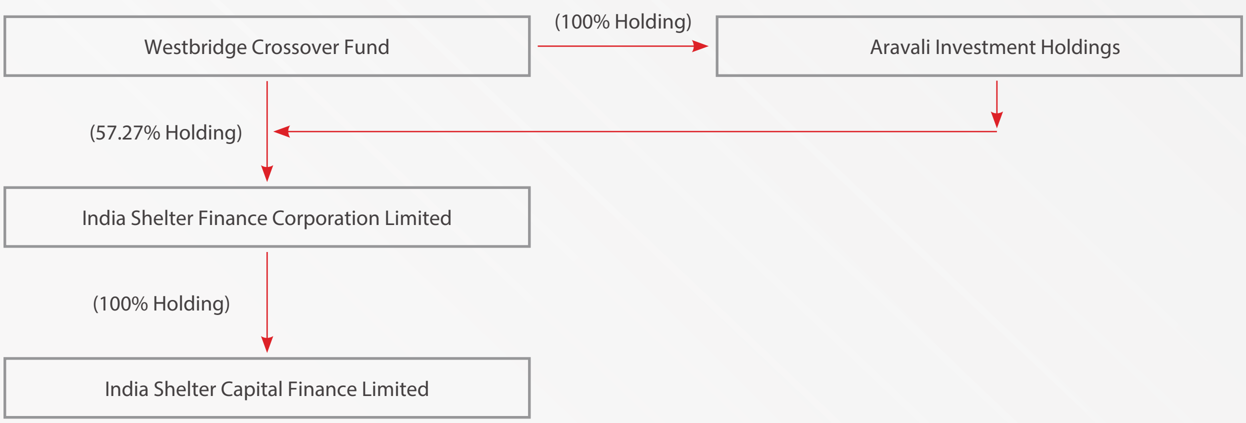
Management discussion and Analysis report shall form part of Board of Directors' report.

44.16 During the year, no expense was accounted which was related to prior period (31 March, 2022: Rs.Nil).

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

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

44.19 The diagramatical group structure of the Company is as follows:



Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

44.20 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, 2023	For the year ended 31 March, 2022
1	Provisions for depreciation on investment	-	-
2	Provision made towards Income tax	4,634.07	3,183.62
3	Provision towards NPA	(361.72)	301.31
4	Provision for Standard assets - Residential Mortgage	478.77	45.72
	- CRE- others	(0.09)	(0.37)
5	Other provision and contingencies (Provision for Gratuity, compensated absences, undrawn commitments and EIS receivables)	(30.00)	177.68

B) Break up of Loan & Advances and provisions thereon

S.No	Particulars	Housing		Non-housing	
		For the year ended 31 March, 2023	For the year ended 31 March, 2022	For the year ended 31 March, 2023	For the year ended 31 March, 2022
1	Standard assets				
	a) Total outstanding amount	2,45,960.97	1,62,347.55	1,20,212.09	1,01,363.35
	b) Provisions made	1,757.21	1,366.21	702.42	614.73
2	Sub-standard assets				
	a) Total outstanding amount	1,486.96	2,848.46	1,219.65	1,627.38
	b) Provisions made	425.94	759.62	272.20	340.64
3	Doubtful assets – Category-I				
	a) Total outstanding amount	897.70	648.76	585.32	546.32
	b) Provisions made	258.90	210.27	131.79	137.90
4	Doubtful assets – Category-II				
	a) Total outstanding amount	-	5.33	-	-
	b) Provisions made	-	0.41	-	-
5	Doubtful assets – Category-III				
	a) Total outstanding amount				
	b) Provisions made				
6	Loss assets				
	a) Total outstanding amount	-	26.22	-	1.42
	b) Provisions made	-	1.63	-	0.09
	TOTAL				
	a) Total outstanding amount	2,48,345.63	1,65,876.32	1,22,017.06	1,03,538.47
	b) Provisions made	2,442.05	2,338.14	1,106.41	1,093.36

44.21 There has been no draw down from reserves during the year ended 31 March, 2023 (31 March, 2022: Nil).

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

During the year ended 31 March, 2023 and 31 March, 2022, in accordance with the conditions of its Certificate of Registration and the resolution passed by its Board of Directors in the meeting held on 12 May, 2022 and 12 May, 2021, the Company has neither accepted any public deposits nor has any public deposits outstanding.

44.23 Concentration of Loans and Advances

	Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
1	Total loans and advances to twenty largest borrowers	1,720.63	1,896.69
2	Percentage of loans and advances of twenty largest borrowers to total advances of the Company	0.46%	0.70%

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

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

S.No	Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
1	Total exposure to twenty largest borrowers/customers	1,720.63	1,969.94
2	Percentage of exposures to twenty largest borrowers/customers to total exposure of the Company on borrowers / customers	0.39%	0.64%

44.25 Concentration of NPAs

S.No	Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
1	Total exposure to top ten NPA accounts	402.49	470.24

44.26 Sector-wise NPAs

S.No	Sector	Percentage of NPAs to total advances in that sector	
		For the year ended 31 March, 2023	For the year ended 31 March, 2022
1	Housing Loans:		
	a. Individuals	0.96%	2.19%
	b. Builders/Project Loans	-	-
	c. Corporates	-	-
	d. Others (specify)	-	-
2	Non-Housing Loans:		
	a. Individuals	1.48%	1.99%
	b. Builders/Project Loans	-	-
	c. Corporates	-	-
	d. Others (specify)	-	-

44.27 Movement of NPAs

S.No	Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
1	Net NPAs to Net Advances (%)	0.85%	1.60%
2	Movement of NPAs (Gross)		
	a) Opening balance	5,703.90	3,618.70
	b) Additions during the year	2,737.78	4,115.89
	c) Reductions during the year	4,252.07	2,030.69
	d) Closing balance	**4,189.61**	**5,703.90**
3	Movement of Net NPAs		
	a) Opening balance	4,253.35	2,469.46
	b) Additions during the year	1,968.68	3,053.23
	c) Reductions during the year	3,121.24	1,269.34
	d) Closing balance	**3,100.79**	**4,253.35**
4	Movement of provisions for NPAs (excluding provisions on standard assets)		
	a) Opening balance	1,450.55	1,149.24
	b) Provisions made during the year	769.10	1,062.66
	c) Write-off/write-back of excess provisions	1,130.82	761.35
	d) Closing balance	**1,088.83**	**1,450.55**

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

44.28 The Company does not have any Overseas assets.

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

44.30 Customer complaints

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

S.No	Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at the beginning of the year	2	2
2	Number of complaints received during the year	119	133
3	Number of complaints disposed during the year	120	133
	3.1 Of which, number of complaints rejected by the Company	0	1
4	Number of complaints pending at the end of the year	1	2
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	Not Applicable*	Not Applicable*
	5.1 Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman		
	5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman		
	5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC		
6	Number of Awards unimplemented within the stipulated time (other than those appealed)		

*The Reserve Bank - Integrated Ombudsman Scheme, 2021 was not applicable to the Company for year ended 31 March, 2023 and 31 March, 2022

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

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/(decrease) in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year					
Prepayment / Foreclosure Charges	0	18	(25%)	0	0
PMAY-Credit Link Subsidy	1	14	(39.13%)	0	0
Loan Recovery- SARFAESI	0	10	66.67%	0	0
Refund	0	8	100.00%	0	0
Insurance Claim	0	7	100.00%	0	0
Other's	1	62	(13.89%)	1	0
Total	**2**	**119**	**(10.53%)**	**1**	**0**
Previous Year					
Prepayment / Foreclosure Charges	0	24	500.00%	0	0
PMAY-Credit Link Subsidy	0	23	(17.86%)	1	1
Loan Recovery- SARFAESI	0	6	100.00%	0	0
Extension of moratorium period	0	4	(20%)	0	0
Foreclosure letter	0	4	33.33%	0	0
Other's	2	72	5.88%	1	0
Total	**2**	**133**	**23.15%**	**2**	**1**

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

44.31 Frauds

During the financial year 2022-23, the Company has not reported any cases of fraud (31 March, 2022: reported 2 cases of Rs. 10.35 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.

44.32 Schedule to Balance Sheet

	Particulars	As at 31 March, 2023		As at 31 March, 2022	
	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	17,653.41	-	18,659.85	-
	: Unsecured	-	-	-	-
	(other than falling within the meaning of public deposits*)				
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	2,70,905.97	-	1,83,102.93	-
	(d) Inter-corporate loans and borrowing	-	-	-	-
	(e) Commercial Paper	-	-	-	-
	(f) Public Deposits	-	-	-	-
	(g) Securitisation- Pass Through Certificates	8,783.45	-	4,176.76	-
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, 2023**	**Amount outstanding as at 31 March, 2022**
3	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:				
	(a) Secured			3,60,914.42	2,62,252.45
	(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			-	-

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

	(b) Preference	-	-
	(ii) Debentures and Bonds	4,192.85	-
	(iii) Units of mutual funds	499.98	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)		
	Asset Side	**Amount outstanding as at 31 March, 2023**	**Amount outstanding as at 31 March, 2022**
	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	1,200.00	-
	(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, 2023		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	3,60,914.42	-	2,62,252.45	-
	Total	3,60,914.42	-	2,62,252.45	-

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

7	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :	As at 31 March, 2023		As at 31 March, 2022	
	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	1,200.00	1,200.00	-	-
	(b) Companies in the same group	-	-	-	-
	('c) Other related parties	-	-	-	-
	2 Other than related parties	4,692.83	4,692.80	17,532.00	17,501.28
	Total	5,892.83	5,892.80	17,532.00	17,501.28
8	**Other information**			**As at 31 March, 2023**	**As at 31 March, 2022**
	(i) Gross Non-Performing Assets				
	(a) Related parties			-	-
	(b) Other than related parties			4,189.63	5,703.90
	(ii) Net Non-Performing Assets				
	(a) Related parties			-	-
	(b) Other than related parties			3,100.79	4,253.35
	(iii) Assets acquired in satisfaction of debt			-	-

44.33 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 22 October, 2020 has defined Principal Business Criteria for HFCs.

Details of principal business criteria is as follows

S.No	Particulars	As at 31 March, 2023	As at 31 March, 2022
1	% of total asset towards housing finance	57.94%	51.62%
2	% of total asset towards housing finance for individuals	57.94%	51.62%

45. "Disclosure pursuant to the Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021" ("RBI Securitisation Directions").

A) Disclosure as per the RBI Securitisation Directions for securitisation transactions as an originator :

	Particulars	As at 31 March, 2023	As at 31 March, 2022
1	No. of special purpose vehicle's (SPV's) sponsored by HFC for securitisation transaction	3	4
2	Total amount of securitised assets as per books of SPVs sponsored by the HFC	8,805.55	4,273.68
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	803.94	603.12
	b) Others- Over collateral	947.70	1,118.82
4	Amount of exposures to securitisation transactions other than MRR		
	i) Off-balance sheet exposures	-	-

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

	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	89.83	638.05
	Others	206.07	205.17
	b) Exposure to third party securitisation transaction		
	First loss	-	-
	Others		
5	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	7,905.98	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	417.00	237.23
	(b) Repayment received	164.18	26.12
	(c) Outstanding amount	803.94	603.12
8	Average default rate of portfolios observed in the past- Mortgage backed securities	0.46%	1.85%
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, 2022: Nil)

46. Disclosure pursuant to the Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021" ("RBI TLE Directions").

(a) Details of loans not in default transferred through assignment.

Particulars	As at 31 March, 2023	As at 31 March, 2022
Entity	Bank/ Financial Institutions	Bank/ Financial Institutions
Count of loan accounts assigned	4,833	3,714
Amount of loan account assigned	44,091.16 lakhs	27,326.80 lakhs
Retention of beneficial economic interest (MRR)	10%	10%
Weighted average maturity (Residual Maturity)	9.16 Years	8.93 years
Weighted average holding period	0.89 Years	1.55 years
Coverage of tangible security coverage (LTV)	40.63%	40.32%
Number of transactions	7	7
Rating wise distribution of rated loans	Unrated	Unrated

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

(b) Details of loans not in default transferred through Co-Lending

	As at 31 March, 2023	As at 31 March, 2022
Entity	Bank	-
Count of loan accounts assigned	7	-
Amount of loan account assigned	59.75 lakhs	-
Retention of beneficial economic interest (MRR)	20%	-
Weighted average Residual Tenure of the loans transferred	10.66 Years	-
Weighted average holding period	0.25 Years	-
Coverage of tangible security coverage (LTV)	44.00%	-
Number of transactions	1	-
Rating wise distribution of rated loans	Unrated	-

(c) The Company has not acquired any loan assets during the year ended 31 March, 2023 and 31 March, 2022 in terms with the RBI TLE Directions.

(d) The Company has not transferred/acquired any stressed loan during the year ended 31 March, 2023 and 31 March, 2022.

47. Key Analytical Ratios

Particulars	As at 31 March, 2023	As at 31 March, 2022
Debt -Equity Ratio	2.41 times	1.92 times
Total Debts to Total Assets *(Debt securities+ Borrowings {Other than Debt Securities}/Total Assets)*	0.70	0.64
Net Profit Margin (%) *(PAT/Revenue from operation)*	26.54%	28.67%
Gross NPA ratio (DPD> 90 days) *(Gross DPD 90+ loans/Gross Loan Assets)*	1.03%	1.63%
Gross NPA ratio *(Gross Stage 3 loans/Gross Loan Assets)*	1.13%	2.12%
Net NPA ratio *(Net Stage 3 loans/Net Loan Assets)*	0.85%	1.60%
Provision Coverage ratio *(Stage 3 Provision/Gross Stage 3 loans)*	25.99%	25.43%

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 halfYear	Exposure (#) to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loan**	1,893.82	80.68	0.06	107.73	2,090.80
Corporate Persons*	-	-	-	-	-
of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	1,893.82	80.68	0.06	107.73	2,090.80

*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 30 September, 2022.

(#) Principal outstanding (including capitalised interest) is for live restructured accounts (including sub-standard accounts as on 30 September, 2022) classified as standard as on 31 March, 2023

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

Summary of significant accounting policies and other explanatory information

for the year ended 31 March, 2023

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

49. The Company does not hold any immovable property other than disclosed in Note 11 as on 31 March, 2023 and 31 March, 2022. 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, 2023 and 31 March, 2022.

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, 2023 and 31 March, 2022.

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, 2023 are held by the Company in the form of short term deposits/investments till the time the utilisation is made subsequently.

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, 2023 and 31 March, 2022, 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, 2023 and 31 March, 2022.

54. i) The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended 31 March, 2023 and 31 March, 2022.

ii) The Company has not entered into any scheme of arrangement.

iii) The Company has complied with the number of layers prescribed under clause(87) of section 2 of the Act read with Companies(Restriction on number of layers) Rules, 2017 for the financial years ended 31 March, 2023 and 31 March, 2022.

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 31 March, 2023 and 31 March, 2022. 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

The accompanying notes form an integral part of these standalone 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: 09 May, 2023

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

Anil Mehta
Chairman and Non-Executive Director
DIN: 02132315
Place: Gurugram

Ashish Gupta
Chief Financial Officer
Place: Jaipur

Rupinder Singh
Managing Director and Chief Executive Officer
DIN: 09153382
Place: Jaipur

Mukti Chaplot
Company Secretary
Membership No. 38326
Place: Gurugram

Independent Auditors' Report

To the Member of
India Shelter Finance Corporation Limited

Report on the Audit of the Consolidated financial statements

1. Opinion

We have audited the accompanying Consolidated financial statements of India **Shelter Finance Corporation Limited ("the Company")** and its subsidiaries (the company and its subsidiaries together referred to as **"the Group"**), which comprise the Consolidated Balance Sheet as at 31 March 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year ended on that date, and notes to the Consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards 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 Consolidated state of affairs of the Group as at 31 March 2023, and Consolidated profit, Consolidated other comprehensive income, Consolidated changes in equity and its Consolidated cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of Consolidated 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 Consolidated financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 Consolidated 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 Consolidated financial statements of the current year. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. 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 2023, the Group has reported gross loans assets amounting to Rs.3,64,462.88 lakhs and other financial assets amounting to Rs.9,077.80 lakhs against which impairment of Rs.3,548.46 lakhs and Rs.55.14 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 amortised cost or fair value through other comprehensive income) using the expected credit loss (ECL) approach.	Read and assessed the Group'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 Group'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.

	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 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. 6 and 8 of the Consolidated financial statements.	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. 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 Consolidated 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 Group'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 Consolidated financial statements and our auditors' report thereon.

Our opinion on the Consolidated 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 Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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 Consolidated 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 Consolidated 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 Group 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 Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The respective Board of Directors of the companies included in the group are also responsible for overseeing the financial reporting process of the Group's.

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

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Consolidated 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 Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal 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 Consolidated 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 Consolidated 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 Group'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 Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

- Materiality is the magnitude of misstatements in the Consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated 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 Consolidated 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 Consolidated 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

In respect of financial statements and other information of 1 subsidiary company, we did not carry out the audit, whose financial statements include total income of Rs.61.64 lakhs, and total profit after tax of Rs.36.46 lakhs and total comprehensive income of Rs.36.46 lakhs for the year ended 31 March 2023. These financial statements and other financial information have been audited by other independent auditors.

The independent auditor's reports on financial results of the entity have been furnished to us by the management and our opinion on the statement in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the reports of such auditors and the procedures performed by us as stated in above paragraph.

Our opinion is not modified in this respect.

8. Report on Other Legal and Regulatory Requirements

I. 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 Group so far as it appears from our examination of those books.

c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Consolidated 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 2023 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act.

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

h) 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:

i) The Group has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its Consolidated financial statements - Refer Note 34 of Consolidated financial statements;

ii) The Group is not required to make any provision, as required under any law and accounting standards, for material foreseeable losses on any long-term contracts including derivative contracts- Refer note 5 of the financial statements;

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

iv) (a) 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 Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Group from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on 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.

v) During the year, the group has not paid or declared any dividend.

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

II. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiary included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

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

Aashish Gupta
Partner
Membership No.: 097343
UDIN No. 23097343BGQJLV3033

Place: Gurugram
Date: 09 May, 2023

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

Report on the Internal Financial Controls with reference to Consolidated 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 Consolidated financial statements of India Shelter Finance Corporation Limited ("the Company") and its subsidiaries (the company and its subsidiaries together referred to as "the Group") as of March 31, 2023 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Group's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group 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 Group'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 Group's internal financial controls with reference to consolidated 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 consolidated financial statements, both applicable to an audit of Internal Financial controls with reference to consolidated 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 consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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 consolidated 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 Group's internal financial controls system with reference to consolidated 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated 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 Group has, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to consolidated financial statements criteria established by the Group 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 Registration No.: 006711N/N500028

Aashish Gupta
Partner
Membership No.: 097343
UDIN No. 23097343BGQJLV3033

Place: Gurugram
Date: 09 May, 2023

Consolidated Balance Sheet as at 31 March, 2023

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

		Notes	As at 31 March, 2023	As at 31 March, 2022
	Assets			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	3	36,094.42	14,380.16
(b)	Bank balance other than cash and cash equivalents	4	14,633.40	18,649.21
(c)	Derivative financial instruments	5	5.85	-
(d)	Loans	6	3,60,914.42	2,62,252.45
(e)	Investments	7	4,692.83	17,532.00
(f)	Other financial assets	8	9,021.25	6,197.51
(2)	**Non-financial assets**			
(a)	Deferred tax assets (net)	10	303.39	295.06
(b)	Property, plant and equipment	11	2,383.47	1,657.28
(c)	Other intangible assets	12	48.45	46.54
(d)	Other non-financial assets	13	816.37	775.36
(e)	Assets held for sale		645.08	336.54
	Total assets		**4,29,558.93**	**3,22,122.11**
	Liabilities and equity			
	Liabilities			
(1)	**Financial liabilities**			
(a)	Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	14	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	14	614.88	459.41
(b)	Debt securities	15	17,653.41	18,659.85
(c)	Borrowings (other than debt securities)	16	2,81,233.49	1,88,341.12
(d)	Other financial liabilities	17	5,343.53	5,951.75
(2)	**Non-financial liabilities**			
(a)	Provisions	18	468.98	513.32
(b)	Current tax liabilities (Net)	9	68.51	432.22
(c)	Other non-financial liabilities	19	123.46	151.80
	Total liabilities		**3,05,506.26**	**2,14,509.47**
(3)	Equity			
(a)	Equity share capital	20	4,376.47	4,370.67
(b)	Other equity	21	1,19,676.20	1,03,241.97
	Total equity		**1,24,052.67**	**1,07,612.64**
	Total liabilities and equity		**4,29,558.93**	**3,22,122.11**

The accompanying notes form an integral part of these consolidated financial statements.
This is the consolidated 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: 09 May, 2023

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

Anil Mehta
Chairman and Non-Executive Director
DIN: 02132315
Place: Gurugram

Ashish Gupta
Chief Financial Officer
Place: Jaipur

Rupinder Singh
Managing Director and Chief Executive Officer
DIN: 09153382
Place: Jaipur

Mukti Chaplot
Company Secretary
Membership No. 38326
Place: Gurugram

Consolidated statement of profit and loss for the year ended 31 March, 2023

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

		Notes	For the year ended 31 March, 2023	For the year ended 31 March, 2022
	Revenue from operations			
(i)	Interest income	22	50,294.60	37,764.74
(ii)	Fees and commission income	23	3,158.41	1,602.65
(iii)	Net gain on fair value changes	24	609.19	458.85
(iv)	Net gain on derecognition of financial instruments under amortised cost category		4,390.76	4,971.46
(I)	**Total revenue from operations**		**58,452.96**	**44,797.70**
(II)	Other income	25	2,170.10	1,182.80
(III)	**Total income (I+II)**		**60,623.06**	**45,980.50**
	Expenses			
(i)	Finance costs	26	20,986.96	14,833.86
(ii)	Impairment on financial instruments	27	1,406.77	1,201.17
(iii)	Employee benefits expenses	28	13,455.94	10,130.88
(iv)	Depreciation and amortisation	29	820.25	653.90
(v)	Other expenses	30	3,757.92	2,470.58
(IV)	**Total expenses**		**40,427.84**	**29,290.39**
(V)	**Profit before tax (III-IV)**		**20,195.22**	**16,690.11**
(VI)	**Tax expense:**	31		
	(1) Current tax		4,648.41	3,183.62
	(2) Deferred tax charge/(credit)		12.60	661.78
	Total tax expense		**4,661.01**	**3,845.40**
(VII)	**Profit for the year (V-VI)**		**15,534.21**	**12,844.71**
(VIII)	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss			
	-Remesurment of defined benefit obligations		152.01	(92.12)
	-Income tax effect relating to re-measurement loss on defined benefit plans		(38.26)	23.18
	(ii) Items that will be reclassified to profit or loss			
	-Re-measurement gains/ (losses) on hedge instruments		(235.22)	-
	-Income tax effect relating to re-measurement gains/ (losses) on hedge instruments		59.20	-
	Total other comprehensive income		**(62.27)**	**(68.94)**
(IX)	**Total comprehensive income for the year(VII+VIII)**		**15,471.94**	**12,775.77**
(X)	**Earnings per equity share**	41		
	Basic (Rs.)		35.49	29.60
	Diluted (Rs.)		34.93	29.27

The accompanying notes form an integral part of these consolidated financial statements.
This is the consolidated 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: 09 May, 2023

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

Anil Mehta
Chairman and Non-Executive Director
DIN: 02132315
Place: Gurugram

Ashish Gupta
Chief Financial Officer
Place: Jaipur

Rupinder Singh
Managing Director and Chief Executive Officer
DIN: 09153382
Place: Jaipur

Mukti Chaplot
Company Secretary
Membership No. 38326
Place: Gurugram

Consolidated statement of changes in equity for the year ended 31 March, 2023

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

A. Equity share capital

Particulars	Balance as at 01 April, 2021	Changes during the year	Balance as at 31 March, 2022	Changes during the year	Balance as at 31 March, 2023
Equity share capital	4,297.84	72.83	4,370.67	5.80	4,376.47

B. Other equity

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	Effective portion of cash flow hedge reserve	
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	-	-	-	**594.12**
Profit for the year	-	-	-	-	12,844.71	-	-	**12,844.71**
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**
Transfer to statutory reserve	-	3,099.55	-	-	(3,099.55)	-	-	-
Issue of share capital	-	-	131.94	-	-	-	-	**131.94**
Share options exercised during the year	-	-	3.28	(3.28)	-	-	-	-
Share based payment to employees	-	-	-	830.35	-	-	-	**830.35**
Profit for the year	-	-	-	-	15,534.21	-	-	**15,534.21**
Other comprehensive income(net of taxes)	-	-	-	-	-	113.75	(176.02)	**(62.27)**
Balance as at 31 March, 2023	**-**	**10,092.05**	**68,713.05**	**1,661.02**	**39,332.04**	**54.06**	**(176.02)**	**1,19,676.20**

The accompanying notes form an integral part of these consolidated financial statements.
This is the consolidated 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: 09 May, 2023

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

Anil Mehta
Chairman and Non-Executive Director
DIN: 02132315
Place: Gurugram

Ashish Gupta
Chief Financial Officer
Place: Jaipur

Rupinder Singh
Managing Director and Chief Executive Officer
DIN: 09153382
Place: Jaipur

Mukti Chaplot
Company Secretary
Membership No. 38326
Place: Gurugram

Consolidated statement of cash flows for the year ended 31 March, 2023

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

	Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
(A)	**Cash flows from operating activities**		
	Profit before tax	20,195.22	16,690.11
	Adjustments for:		
	Depreciation and amortisation	820.25	653.90
	Effective interest rate adjustment on financial assets	2,001.93	776.79
	Effective interest rate adjustment on debt securities and borrowings	(369.05)	(400.24)
	Share based payments to employees	830.35	594.12
	Impairment on financial instruments	1,121.90	1,188.87
	Impairment on assets held for sale	284.87	12.30
	Net loss on derecognition of property, plant and equipment	13.12	6.38
	Net unrealised gain on fair value change of investments	(0.03)	(30.72)
	Net gain on derecognition of financial instruments under amortised cost category	(4,390.76)	(4,971.46)
	Gain on termination of leases	(8.07)	(8.22)
	Interest expense on lease liabilities	119.24	91.93
	Operating profit before working capital changes	20,618.97	14,603.76
	Movements in working capital		
	Increase in loans	(1,01,789.03)	(66,058.59)
	Decrease in other financial assets	1,552.69	1,559.06
	(Increase)/Decrease in other non-financial assets	(634.70)	397.98
	Increase in derivative financial instruments	(241.07)	-
	Increase /(Decrease)in trade payables	155.48	(3.35)
	(Decrease)/Increase in other financial liabilities	(608.22)	3,862.94
	Decrease in other non-financial liabilities	(28.21)	(345.09)
	Increase in provisions	125.26	43.01
	Increase/(Decrease) in interest accrued on debt securities and borrowings	642.76	(840.23)
	Cash flows used in operating activities post working capital changes	(80,206.07)	(46,780.51)
	Income tax paid (net)	(5,012.04)	(2,747.86)
	Net cash flows used in operating activities (A)	(85,218.11)	(49,528.37)
(B)	Cash flows from investing activities		
	Payments made for purchase of property, plant and equipment and intangible assets	(639.67)	(507.89)
	Proceeds from sale of property, plant and equipment	34.27	22.32
	Proceeds/(Payments) from investments (net)	12,839.21	(17,501.28)
	Proceeds/(Investment) in other bank balance (net)	4,015.82	(590.90)
	Net cash used in investing activities (B)	16,249.63	(18,577.75)

Consolidated statement of cash flows for the year ended 31 March, 2023

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

(C)	Cash flows from financing activities		
	Proceeds from issue of equity share capital	137.75	515.78
	Proceeds from debt securities	-	16,500.00
	Proceeds from borrowings(other than debt securities)	1,63,859.00	1,14,063.55
	Repayment of borrowings	(71,229.42)	(66,456.29)
	Repayment of debt securities	(1,500.00)	(5,000.00)
	Payment towards lease liabilities	(584.59)	(446.22)
	Net cash flows from financing activities (C)	**90,682.74**	59,176.82
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**21,714.26**	(8,929.30)
	Cash and cash equivalents at the beginning of the year	14,380.16	23,309.46
	Cash and cash equivalents at the end of the year	36,094.42	14,380.16
	Components of cash and cash equivalents:-		
	Cash on hand	175.98	117.26
	Balances with banks (of the nature of cash and cash equivalents)		
	(a) Balance with banks in current accounts	6,281.44	55.96
	(b) Deposits with original maturity of less than 3 months	29,637.00	14,206.94
	Total cash and cash equivalents	**36,094.42**	14,380.16

Note:

1. The above consolidated 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 16 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 consolidated financial statements.
This is the consolidated 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: 09 May, 2023

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

Anil Mehta
Chairman and Non-Executive Director
DIN: 02132315
Place: Gurugram

Rupinder Singh
Managing Director and Chief Executive Officer
DIN: 09153382
Place: Jaipur

Ashish Gupta
Chief Financial Officer
Place: Jaipur

Mukti Chaplot
Company Secretary
Membership No. 38326
Place: Gurugram

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

1. 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 Group 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.

India Shelter Capital Finance Limited ("Subsidiary Company") was incorporated on 24 March, 2022 to carry on lending business as Non-Banking Finance Company subject to receipt of regulatory approvals. The Subsidiary Company has neither obtained Certificate of Registration from Reserve Bank of India nor has commenced any business activity during the year ending 31 March, 2023.

The above two companies are collectively referred to as the ("Group").

1.1 Basis of preparation

(i) Statement of co mpliance with Indian Accounting Standards (Ind AS)

These Consolidated financial statements ("the Financial Statements") of the Group 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 Group has uniformly applied the accounting policies for the periods presented in these financial statements.

The financial statements for the year ended 31 March, 2023 were authorised and approved for issue by the Board of Directors on 09 May, 2023.

(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 Group 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 Group 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.

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

(iii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries including controlled structured entities as at 31 March, 2023. The Company consolidates a subsidiary when it controls it. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Company's voting rights and potential voting rights.
- The size of the Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Company uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Company member's financial statements in preparing the consolidated financial statements to ensure conformity with the Company's accounting policies.

(iv) Principles of consolidation

The consolidated financial statements relate to India Shelter Finance Corporation Limited (the Company') and its subsidiary company. The consolidated financial statements have been prepared on the following basis:

- The financial statements of all the entities used for the purpose of consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2023.
- The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intragroup transactions.
- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- India Shelter Capital Finance Limited, a wholly owned subsidiary has been considered in the preparation of the consolidated financial statements.

2. Summary of significant accounting policies

These consolidated 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 consolidated financial statements, except where the Group 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.

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 Group recognises the fee and commission income at fair value of the consideration received or receivable when the Group 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 Group 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.

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

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 Group 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.

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 Group, 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.

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

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 recognised 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 01 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.

MAT policy applicable before 01 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 Group 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 Group'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

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group 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 Group has a defined contribution plans namely provident fund, pension fund and employees state insurance scheme. The contribution made by the Group in respect of these plans are charged to the Statement of Profit and Loss.

Defined benefit plans

The Group 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 Group, 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 Group 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 Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group 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.

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

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 Group, 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 Group'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 Group'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 Group'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 Group expects to be owed at the time of default. For a revolving commitment, the Gropu 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 Group 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 Group 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 Group 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 Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group 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 Group 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.

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

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 Group 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

Group as a Lessee:

At inception of a contract, Group 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 Group 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 Group's incremental borrowing rate. Generally, the Group 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 Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group 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 Group 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 Group 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 Group 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 Group 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 Group'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 Group 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.

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

Financial liabilities

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

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.

Derivative Financial Instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with its external commercial borrowings arising from changes in exchange rates.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under ‘effective portion of cash flows hedges’. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in fair value of the derivative is recognised immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedge relationships. The change in fair value of the forward element of the forward exchange contracts (‘forward points’) is separately accounted for as cost of hedging and recognised separately within equity. If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively.

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

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 consolidated financial statement of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements have been prepared and presented in Indian Rupees (INR), which is the Group'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 Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group 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 Group. 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 Group 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 Group 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.

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

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 Group and make strategic decision.

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

The preparation of the consolidated 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 Group 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 Group'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.

3. Cash and cash equivalents

	As at 31 March, 2023	As at 31 March, 2022
I. Cash on hand	175.98	117.26
II. Balances with banks (of the nature of cash and cash equivalents)		
(a) Balance with banks in current accounts	6,281.44	55.96
(b) Deposits with original maturity of less than 3 months	29,637.00	14,206.94
Sub-total (a and b)	35,918.44	14,262.90
Total (I and II)	36,094.42	14,380.16

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

4. Bank balance other than cash and cash equivalents

	As at 31 March, 2023	As at 31 March, 2022
Deposits with original maturity of more than 3 months	8,048.03	14,779.54
Deposit held as margin money under securitisation and borrowing agreements*	6,585.37	3,869.67
Total	**14,633.40**	**18,649.21**

*Includes Rs. 25 lakhs (31 March, 2022: Rs. 25 lakhs) towards guarantee to a Unique Identification Authority of India (UIDAI)

5. Derivative Financial Instruments

	As at 31 March, 2023	As at 31 March, 2022
Financial Asset Cross currency derivatives	5.85	-
Total	**5.85**	**-**

(a) Cross Currency Swaps (CCS)

Particulars	As at 31 March, 2023	As at 31 March, 2022
i) Total notional principal amount of CCS agreement undertaken during the year*	7,981.00	-
ii) Total notional principal amount of CCS agreement outstanding as on end of the year*	7,981.00	-
iii) Maturity date of CCS	15-Jun-27	-
iv) Hedge ratio	1:1	-
v) Currency pair	USD/INR	

* Notional amount outstanding is the original amount. Restated amount as at the balance sheet date basis exchange rate is INR 8,222.00

(b) Hedged item

As at 31 March, 2023

Particulars	Change in the value of the hedged item used as the basis for recognising hedge ineffectiveness	Cash flow hedge reserve
ECB term loan	(241.07)	(235.22)

As at 31 March, 2022

Particulars	Change in the value of the hedged item used as the basis for recognising hedge ineffectiveness	Cash flow hedge reserve
ECB term loan	-	-

(c) The fair value mark to market (MTM) gains or losses in respect of CCS Agreement outstanding as at the Balance Sheet date is stated below:

Hedging Instrument	As at 31 March, 2023	As at 31 March, 2022
Cross currency swaps (CCS)	5.85	-
Total	**5.85**	**-**

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

(d) Movement in Hedge Reserve (excluding deferred tax)

Cash Flow Hedge Reserve Account	As at 31 March, 2023		
	Realised	Unrealised	Total
i) Balance at the beginning of the year	-	-	-
ii) Add: Changes in the fair value during the Year	-		
Included in derivative financial instrument	-	5.85	5.85
Included in ECB term loan	-	(241.07)	(241.07)
iii) Less: Amounts reclassified to statement of profit & loss	-	-	-
iv) Balance at the end of the year	-	(235.22)	(235.22)

Cash Flow Hedge Reserve Account	As at 31 March, 2022		
	Realised	Unrealised	Total
i) Balance at the beginning of the year	-	-	-
ii) Add: Changes in the fair value during the Year	-	-	-
Included in derivative financial instrument	-	-	-
Included in ECB term loan	-	-	-
iii) Less: Amounts reclassified to statement of profit & loss	-	-	-
iv) Balance at the end of the year	-	-	-

All hedges are 100% effective.

Note: ECB carries coupon of 3.5% p.a in USD which has been hedged/swapped via Cross currecy swap @ 7.55% p.a in INR.

6. Loans

	As at 31 March, 2023	As at 31 March, 2022
At amortised cost		
Term loans	3,64,245.87	2,65,507.65
Staff loans	217.01	179.62
Total gross	**3,64,462.88**	**2,65,687.27**
Less: Impairment loss allowance	3,548.46	3,434.82
Total net	**3,60,914.42**	**2,62,252.45**
Secured by tangible assets	3,64,462.88	2,65,687.27
Total	**3,64,462.88**	**2,65,687.27**
Less: Impairment loss allowance	3,548.46	3,434.82
Total net	**3,60,914.42**	**2,62,252.45**
Loans in India		
Public sectors	-	-
Others (individuals and other corporates)	3,64,462.88	2,65,687.27
Total gross	**3,64,462.88**	**2,65,687.27**
Less: Impairment loss allowance	3,548.46	3,434.82
Total net	**3,60,914.42**	**2,62,252.45**

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

6.2 Loan details

Particulars	Principal and Interest outstanding	Overcollateral	Effective interest rate adjustment	Total
As at 31 March, 2023	3,70,362.69	-	(5,899.81)	**3,64,462.88**
As at 31 March, 2022	2,69,414.79	218.80	(3,946.32)	**2,65,687.27**

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

6.3 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, 2022: Nil).

6.4 Loans sanctioned but undisbursed amount to Rs. 26,789.44 lakhs as on 31 March, 2023 (31 March, 2022: 19,341.23 lakhs).

6.5 The Group has securitised assets amounting to Rs.10,652.34 lakhs (31 March, 2022: 7,514.12 lakhs). These loan assets have not been de-recognised from the loan portfolio of the Group as these does not meet the de-recognition criteria. The Group is responsible for collection and servicing of this loan portfolio on behalf of buyers/investors. In terms of the said securitisation agreements, the Group pays to buyer/investor on monthly basis the prorated collection amount as per the respective agreement terms.

6.6 During the FY 2022-23, the Group has assigned pools of certain loans amounting to Rs. 44,091.16 lakhs (31 March, 2022: 27,326.80 lakhs) by way of a direct assignment transactions. These loans have been de-recognised from the loan portfolio of the Group as the sale of loan assets is an absolute assignment and transfer on a 'no-recourse' basis. The Group continues to act as a servicer to the assignment transaction on behalf of assignee. In terms of the assignment agreements, the Group pays to assignees, on a monthly basis, the pro-rata collection amounts.

6.7 During the FY 2022-23, The Group also undertakes lending under co-lending model with Banks, whereby loans are co-originated by both the entities in 20:80 ratio (Group:Bank). As at 31 March, 2023, outstanding amount for same is Rs. 59.76 lakhs (31 March, 2022 Rs. Nil). The said arrangement is carried post disbursement of loans by the group and the folios under the same are picked by the Bank.

6.8 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 Group'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 Group 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 or classified as NPA as per RBI directions. 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 Group 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 Group 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 Group assesses whether there has been a significant increase in credit risk since initial recognition. The Group 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 Group 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:

- Stage 3 are those accounts which are classified as NPA

- Stage 2 are those accounts wherein there is significant increase in credit risk

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

- Stage 1 are those accounts wherein DPD is 0-30 days and not considered in Stage 2 and Stage 3

(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 Group has considered the 10 year bond yield as relevant macro-economic factor as it shows relatively better correlation with the portfolio performance.

(vii) Credit quality of asset

The Group 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 Group has used the forward looking LGD basis the management expectation on property prices basis the market enviornment.

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, 2021	**1,93,710.11**	**5,140.66**	**5,234.96**	**2,04,085.73**
Transfer to Stage 1	2,320.12	(1,576.23)	(743.89)	-
Transfer to Stage 2	(5,422.83)	6,569.74	(1,146.91)	-
Transfer to Stage 3	(2,554.65)	(1,083.58)	3,638.23	-
New financial assets originated	1,21,607.30	148.33	82.56	**1,21,838.19**
Financial assets that have been de-recognised/repaid	(54,644.60)	(503.71)	(1,360.82)	**(56,509.13)**
Balance as at 31 March, 2022	**2,55,015.45**	**8,695.21**	**5,704.13**	**2,69,414.79**
Loans to customers at amortised cost				
Balance as at 01 April, 2022	**2,55,015.45**	**8,695.21**	**5,704.13**	**2,69,414.79**
Transfer to Stage 1	5,219.33	(3,585.50)	(1,633.83)	-
Transfer to Stage 2	(4,643.85)	5,091.36	(447.51)	-
Transfer to Stage 3	(1,330.29)	(1,122.71)	2,453.00	-
New financial assets originated	1,80,841.30	363.56	135.14	**1,81,340.00**
Financial assets that have been de-recognised/repaid	(76,853.70)	(1,517.33)	(2,021.07)	**(80,392.10)**
Balance as at 31 March, 2023	**3,58,248.24**	**7,924.59**	**4,189.86**	**3,70,362.69**

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

Reconciliation of ECL balance is as follows:

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	-
Impact of change in EAD and stages during the year	654.15	232.79	(516.59)	**370.35**
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**

Particulars	Stage 1	Stage 2	Stage 3	Total
Balance as at 01 April, 2022	1,537.36	444.76	1,452.70	**3,434.82**
Transfer to Stage 1	410.93	(97.52)	(313.42)	-
Transfer to Stage 2	(35.49)	152.77	(117.28)	-
Transfer to Stage 3	(9.53)	(59.73)	69.26	-
Impact of change in EAD and stages during the year	(426.29)	197.79	580.56	**352.07**
New financial assets originated	616.00	8.68	41.78	**666.46**
Financial assets that have been de-recognised/repaid	(232.49)	(47.63)	(624.76)	**(904.89)**
Balance as at 31 March, 2023*	**1,860.49**	**599.13**	**1,088.84**	**3,548.46**

*includes ECL amount of Rs. Nil (31 March, 2022: 3.32 lakhs) created on securitised loans derecognised from the books which has been adjusted from EAD as at 31 March, 2023.

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, 2023

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*	3,58,248.45	1,860.47	3,56,387.98	1,142.43	718.04
		7,924.61	599.16	7,325.45	243.07	356.09
Sub-total		**3,66,173.06**	**2,459.63**	**3,63,713.43**	**1,385.50**	**1,074.13**
Non- performing assets (NPA)						
Substandard	Stage 3	2,706.61	698.14	2,008.46	523.20	174.96
Doubtful - up to 1 year	Stage 3	1,483.02	390.69	1,092.33	473.14	(82.45)
Doubtful - 1 to 3 years	Stage 3	-	-	-	-	-
Doubtful - More than 3 years	Stage 3	-	-	-	-	-
Sub-total for doubtful		**1,483.02**	**390.69**	**1,092.33**	**473.14**	**(82.45)**
Loss	Stage 3	-	-	-	-	-
Sub-total for NPA		**4,189.63**	**1,088.83**	**3,100.79**	**996.34**	**92.51**
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	28,861.67	110.66	28,751.01	-	110.66
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**28,861.67**	**110.66**	**28,751.01**	**-**	**110.66**
Total	Stage 1	3,87,110.12	1,971.13	3,85,138.99	1,142.43	828.70
	Stage 2	7,924.61	599.16	7,325.45	243.07	356.09
	Stage 3	4,189.63	1,088.83	3,100.80	996.34	92.48
	Total	**3,99,224.36**	**3,659.12**	**3,95,565.24**	**2,381.84**	**1,277.27**

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

As at 31 March, 2022

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*	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

*Does not includes ECL amount of Rs. Nil (31 March, 2022: Rs. 3.32 lakhs) created on securitised loans derecognised from the books which has been adjusted from EAD.

7. Investments

	As at 31 March, 2023	As at 31 March, 2022
Investments in India		
At fair value through profit and loss		
- Mutual funds	499.98	17,532.00
At amortised cost		
-Investment in debt Instument	1,695.34	-
- Investment in CD	2,497.51	-
Total	4,692.83	17,532.00

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

8. Other financial assets

	As at 31 March, 2023	As at 31 March, 2022
Security deposits	259.79	264.18
Receivables on securitised loans (refer note a)	53.37	38.01
EIS receivable on direct assignment (refer note b)	8,111.51	5,884.62
Receivables on assignment transactions	279.78	19.12
Other receivables	371.94	32.38
Total gross	**9,076.39**	**6,238.31**
Less: Impairment loss allowance (on EIS Receivable assets)	(55.14)	(40.80)
Total	**9,021.25**	**6,197.51**

Note:

a) Receivables on securitised loans is Group's share of receivable towards collections made and recoverable by the Group as at the end of the year.

b) Under Ind AS, with respect to Assignment deals, Group has created an Excess Interest Spread (EIS) receivable, with corresponding credit to Statement of Proft and loss account. The same has been computed by discounting EIS to present value with necessary estimates and assumptions.

9. Current tax assets/liabilities (net)

	As at 31 March, 2023	As at 31 March, 2022
Income tax advance/ (liabilities)(net)	(68.51)	(432.22)
Total	**(68.51)**	**(432.22)**

10. Deferred tax assets (net)

	As at 31 March, 2023	As at 31 March, 2022
Deferred tax assets		
Provision for employee benefits	104.07	110.80
Difference in written down value as per Companies Act and Income Tax Act	64.80	57.44
Impairment loss allowance on loans	920.89	893.13
Unamortised processing fees	1,503.42	999.57
Lease liabilities	388.61	267.14
Provision for impairement on assets held for sale	87.11	15.41
Cash Flow Hedge Reserve	59.20	-
Preliminary expenses (Incorporation Charges)	2.08	-
Deferred tax liabilities		
Unamortised borrowing cost	(424.45)	(331.57)
Right-of-use assets	(353.09)	(235.82)
EIS receivable on direct assignment	(2,049.25)	(1,481.04)
Net deferred tax assets	**303.39**	**295.06**

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

Movement in deferred tax assets (net)

Particulars	As at 01 April, 2022	(Charged)/ credited to statement of profit and loss	Credited/ (charged) to other comprehensive income	As at 31 March, 2023
Deferred tax assets				
Provision for employee benefits	110.80	31.53	(38.26)	104.07
Difference in written down value as per Companies Act and Income Tax Act	57.44	7.36	-	64.80
Impairment loss allowance on loans	893.13	27.76	-	920.89
Unamortised processing fees	999.57	503.85	-	1,503.42
Derivative instruments in cash flow hedge reserve	-	-	59.20	59.20
Lease liability	267.14	121.47	-	388.61
Provision for impairement on assets held for sale	15.41	71.70	-	87.11
Preliminary expenses (Incorporation Charges)	-	2.08	-	2.08
Deferred tax liabilities				
Unamortised borrowing cost	(331.57)	(92.88)	-	(424.45)
Right-of-use assets	(235.82)	(117.27)		(353.09)
EIS reveivable on direct assignment	(1,481.04)	(568.21)	-	(2,049.25)
Net deferred tax assets	295.06	(12.60)	20.94	303.39

Movement in deferred tax assets (net)

Particulars	As at 01 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	804.07	195.50	-	999.57
Others	1.10	(1.10)	-	-
Lease liability	266.07	1.07	-	267.14
Provision for impairement on assets held for sale	9.01	6.40	-	15.41
Deferred tax liabilities				
Unamortised borrowing cost	(121.95)	(209.62)	-	(331.57)
Right-of-use assets	(239.96)	4.14		(235.82)
EIS recievable on direct assignment	(596.71)	(884.33)	-	(1,481.04)
Net deferred tax assets	933.65	(661.77)	23.18	295.06

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

11. 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, 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
Additions during the year	-	158.78	72.68	5.16	324.29	37.51	1,044.33	1,642.75
Disposals/adjustments	-	(1.33)	(0.55)	-	(53.97)	(2.62)	(422.95)	(481.42)
Balance as at 31 March, 2023	9.17	802.40	258.51	151.52	523.40	400.25	2,217.80	4,363.05
Accumulated depreciation								
Balance as at 01 April, 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
Depreciation charge for the year	-	138.10	36.23	12.54	52.48	51.45	490.11	780.91
Disposals/adjustments	-	(0.76)	(0.59)	-	(9.37)	(0.37)	(334.68)	(345.77)
Balance as at 31 March, 2023	-	534.31	147.69	95.01	64.98	322.77	814.82	1,979.58
Net block								
Balance as at 31 March, 2022	9.17	247.98	74.33	63.89	231.21	93.67	937.03	1,657.28
Balance as at 31 March, 2023	9.17	268.09	110.82	56.51	458.42	77.48	1,402.98	2,383.47

12. Other intangible assets

Gross block	Computer software
Balance as at 01 April, 2021	304.65
Disposal during the year	(24.47)
Balance as at 31 March, 2022	280.18
Additions during the year	41.24
Balance as at 31 March, 2023	321.42
Accumulated amortisation	
Balance as at 01 April, 2021	196.91
Amortisation charge during the year	58.34
Disposal during the year	(21.61)
As at 31 March, 2022	233.64
Amortisation charge during the year	39.33
Balance as at 31 March, 2023	272.97
Net block	
Balance as at 31 March, 2022	46.54
Balance as at 31 March, 2023	48.45

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

13. Other non-financial assets

	As at 31 March, 2023	As at 31 March, 2022
Prepaid expenses	514.48	427.86
Capital advances	-	40.35
Advance to employees	80.32	47.02
Advance to suppliers	62.66	112.44
Balance with government authorities	158.91	147.69
Total	**816.37**	**775.36**

14. Trade payables

14. Trade payables	As at 31 March, 2023	As at 31 March, 2022
(i) total outstanding dues of micro enterprises and small enterprises (refer note 35)	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	614.88	459.41
Total	**614.88**	**459.41**

Trade Payables ageing schedule as at 31 March, 2023

Particulars	MSME	Others	Disputed dues – MSME	Disputed dues - Others
Less than 1 year	-	614.88	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
Total	-	614.88	-	-

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	-	-

15. Debt securities (at amortised cost)

15. Debt securities (at amortised cost)	As at 31 March, 2023	As at 31 March, 2022
Secured		
Non-convertible debentures (including interest accrued)	17,653.41	18,659.85
Total	**17,653.41**	**18,659.85**
Debt securities in India	17,653.41	18,659.85
Debt securities outside India	-	-
Total	**17,653.41**	**18,659.85**

i) 150 (31 March, 2022: 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, 2023 Rs.1500 lakhs (31 March, 2022: Rs. 1,500 lakhs).
(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).

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

ii) 5000 (31 March, 2022: 5000), @ 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, 2023 Rs. 5,000 lakhs (31 March, 2022: Rs. 5,000 lakhs).
(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 1.28 times).

iii) 500 (31 March, 2022: 500), @ 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, 2023 Rs. 3,500 lakhs (31 March, 2022: Rs. 5,000 lakhs).
(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, 2022: 300), @ 10.15% (31 March, 2022: 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, 2023 Rs. 3,000 lakhs (31 March, 2022: Rs. 3,000 lakhs).
(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).

v) 350 (31 March, 2022: 350), @ 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, 2023 Rs. 3,500 lakhs (31 March, 2022: Rs. 3,500 lakhs).
(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, 2023	As at 31 March, 2022
less than 1 year	8,000.00	1,500.00
one to three years	2,000.00	10,000.00
three to five years	6,500.00	6,500.00
more than five years	-	-

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

16. Borrowings (Other than debt securities)

	As at 31 March, 2023	As at 31 March, 2022
At amortised cost		
(a) Term loans - Secured (including interest accrued)		
(i) from banks	1,79,128.67	1,24,741.85
(ii) from other parties		
- National housing bank	57,843.78	34,404.92
- Financial institutions	33,933.52	23,956.16
(b) Lease liabilities	1,544.07	1,061.43
(c) Liability against securitised assets (net of over collateralisation amount)	8,783.45	4,176.76
Total	**2,81,233.49**	**1,88,341.12**
Borrowings in India	2,73,056.29	1,88,341.12
Borrowings outside India	8,177.20	-
Total	**2,81,233.49**	**1,88,341.12**

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

i) Secured term loans from National Housing Bank carry rate of interest in the range of 2.80% to 7.90% p.a (31 March, 2022: 3% to 7.35%). The loans are having tenure of 5 to 15 years (31 March, 2022: 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 Group.

ii) Secured term loans from banks and financial institutions include loans from various banks and financial institutions and carry rate of interest (including hedge cost in case of external commercial borrowing) in the range of 7.55% to 12.35% p.a (31 March, 2022: 7.5% to 11.20%). The loans are having tenure of 34 to 180 months (31 March, 2022: 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 Group.

iii) During the year the Group has borrowed Rs. 7,981.00 lakhs (equivalent to 100 lakh USD) under the External Commercial Borrowing (ECB). The ECB loan is secured by hypothecation (exclusive charge) of certain loans given by the Group. The same is hedged by derivative instrumnent throiugh cross currency swaps. The derivative instrument is for hedging the underlying ECB transaction as per applicable RBI guidelines and not for any speculative purpose.

iii) The Group 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, 2023 and 31 March, 2022.

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

v) The Group has not defaulted in the repayment of debt, borrowings(other than debt securities) and interes thereon for the year ended 31 March, 2023 and 31 March, 2022

Terms of principal repayment of borrowings as at 31 March, 2023*

Particulars	Number of installments	Monthly repayment	Number of installments	Quarterly repayment
less than one year	766	43,026.29	139	18,689.39
one to three years	1,310	73,806.57	287	36,498.03
three to five years	808	43,252.20	245	28,585.81
more than five years	351	15,851.25	227	22,346.78

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

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

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

Reconciliation of liabilities arising from financing activities

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

Particulars	Debt securities	Borrowings (other than debt securities)	Total
01 April, 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
Cash flows:			
-Repayments	(1,500.00)	(71,229.42)	(72,729.42)
-Proceeds		1,63,859.00	1,63,859.00
-Payment of lease liability	-	(584.59)	(584.59)
Non-cash:			
-Amortisation of upfront fees and others(net)	73.06	(442.11)	(369.05)
-Accrued interest(net)	420.50	222.26	642.76
-Recognition of lease liabilities	-	1,067.23	1,067.23
31 March, 2023	17,653.41	2,81,233.49	2,98,886.90

17. Other financial liabilities

	As at 31 March, 2023	As at 31 March, 2022
Employee related payable	1,716.78	1,464.75
Payable towards securitisation transactions	374.07	305.99
Payable towards assignment transactions	2,312.95	1,055.71
Insurance payables	221.77	99.78
Advance received from customers	717.96	410.28
Book Overdraft	-	2,615.24
Total	5,343.53	5,951.75

18. Provisions

	As at 31 March, 2023	As at 31 March, 2022
Provisions for employee benefits		
- Provision for compensated absences	88.11	75.21
- Provision for gratuity (Refer note 36)	325.35	365.01
Impairement loss allowance on Undrawn commitments	55.52	73.10
Total	468.98	513.32

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

19. Other non-financial liabilities

	As at 31 March, 2023	As at 31 March, 2022
Statutory dues payables	123.46	151.80
Total	123.46	151.80

20. Equity share capital

	As at 31 March, 2023	As at 31 March, 2022
(a) Authorised capital		
81,000,000 (31 March, 2022: 81,000,000) equity shares of Rs. 10 each	8,100.00	8,100.00
(b) Issued capital and Subscribed		
4,38,72,652 (31 March, 2022: 4,37,06,655) equity shares of Rs. 10 each	4,387.27	4,370.67
(c) Paid up capital		
4,37,37,652 (31 March, 2022: 4,37,06,655) equity shares of Rs. 10 each fully paid up	4,373.77	4,370.67
1,35,000 (31 March, 2022: Nil) equity shares of Rs. 10 each partly paid up at Rs. 2 each	2.70	-

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

Particulars	As at 31 March, 2023	As at 31 March, 2022
Equity shares outstanding at the beginning of the year	4,37,06,655	4,29,78,405
Issued during the year (Refer note (e) & (f) below)	1,65,997	7,28,250
Equity shares outstanding at the end of the year	4,38,72,652	4,37,06,655

(e) Issue of shares

During the year ended 31 March, 2023, the Company has allotted 1,35,000 partly paid-up equity shares of face value of Rs. 10/- per share at a premium of Rs. 427 per share on preferential basis to Mr. Anil Mehta (Promotor). Shares are paid-up to the extent of Rs. 2 towards face value and Rs. 85.4 towards premium. The said allotment has been approved by the Board of Directors vide circular resolution dated 19 November, 2022. Balance amount on partly paid shares to be called as per the terms of the agreement.

(f) Issue of shares against exercise of ESOPs

A) During the current year,the Board of Directors of the Company have approved allotment of 30,997 equity shares to 2 option holders, who exercised their options as per the following:

a. 25,000 shares of Rs. 10 each at a premium of Rs. 10.32 each (aggregating to Rs. 5.08 lakhs) vide circular dated on 26 April, 2022.
b. 3,000 shares of Rs. 10 each at a premium of Rs. 169.92 each (aggregating to Rs. 5.40 lakhs) and 2,997 shares of Rs. 10 each at a premium of Rs. 299.59 each (aggregating to Rs. 9.28 lakhs) vide circular dated on 22 December, 2022.

B) During the previous year, the Board of Directors of the Company have approved allotment of 728,250 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.

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

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

(g) 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 dividend, if any, propsed by the Board of Directors, is subject to the approval of 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.

(h) Detail of shareholders holding 5% or more

Name of shareholders	As at 31 March, 2023		As at 31 March, 2022	
	No. of shares	% of holding	No. of shares	% of holding
Nexus Ventures III Limited	99,61,798	22.76%	99,61,798	22.79%
MIO Starrock (Formerly known as Starrock)	22,17,554	5.07%	-	0.00%
WestBridge Crossover Fund, LLC	1,08,54,151	24.80%	1,08,54,151	24.83%
Catalyst Trusteeship Limited (Erstwhile Milestone Trusteeship Services Private Limited) acting as trustee for Madison India Opportunities Trust Fund	23,79,954	5.44%	23,79,954	5.45%
Aravali Investment Holdings (Wholly owned subsidiary of Westbridge Crossover Fund, LLC)	1,42,11,409	32.47%	1,42,11,409	32.52%
Nexus Opportunity Fund II, Limited	29,10,037	6.65%	29,10,037	6.66%

(i) Shares held by promoter

	As at 31 March, 2023		As at 31 March, 2022		
Name of Promoter	No of shares	% of total shares	No of shares	% of total shares	% change during the year
Anil Mehta	4,30,367	0.73%	8,20,367	1.88%	(47.54%)
WestBridge Crossover Fund, LLC	1,08,54,151	24.8%	1,08,54,151	24.83%	0.00%
Aravali Investment Holdings (Wholly owned subsidiary of Westbridge Crossover Fund, LLC)	1,42,11,409	32.47%	1,42,11,409	32.52%	0.00%

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

The Company has reserved 35,67,347 (31 March, 2022: 30,38,344) number of shares for creating a pool of employee stock options/right to subscribe to equity shares representing 7.52% (31 March, 2022: 6.50%) 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.

(k) 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.

(l) The Board of Directors have not proposed any dividend for the year ended 31 March, 2023 and 31 March, 2022.

21. Other equity

21. Other equity	As at 31 March, 2023	As at 31 March, 2022
Securities premium	68,713.05	68,577.83
Statutory reserve	10,092.05	6,992.50
Employee share based payment reserve	1,661.02	833.95
Re-measurements of defined benefit plans	54.06	(59.69)
Effective portion of cash flow hedge reserve	(176.02)	-
Retained earnings	39,332.04	26,897.38
Total	1,19,676.21	1,03,241.96

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

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 Group 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 Group under Group's employee stock option plan.

Retained earnings

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

Re-measurements of defined benefit plans

Represents the cumulative actuarial gains/(losses) arising on defined benefit plans classified under Other Comprehensive income.

Effective portion of cash flow hedge reserve

Represents the cumulative gains/(losses) arising on revaluation of the derivative instruments and underlying financial instrument designated as cash flow hedges through OCI.

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

	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Interest on loans	46,504.46	35,534.78
Interest on investments	1,406.92	566.16
Interest on deposits with banks	1,221.63	1,471.99
Other interest income	1,161.59	191.81
Total	**50,294.60**	**37,764.74**

23. Fees and commission income

	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Fee based income	3158.41	1,602.65
Total	**3,158.41**	**1,602.65**

Revenue from contract with customers

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
i. Type of services		
- Fee and commission income (as per note no- 23)	3,158.41	1,602.65
- Marketing support income (as per note no- 25)	2,142.99	1,172.55
Total	**5,301.40**	**2,775.20**
ii. Primary Geographical market		
- Outside India	-	-
- India	5,301.40	2,775.20
Total	**5,301.40**	**2,775.20**

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

iii. Timing of revenue recognition		
- At a point in time upon rendering services	3,158.41	1,602.65
- Over period of time upon rendering services	2,142.99	1,172.55
Total	5,301.40	2,775.20
iv. Receivable towards contract with customers		
- Opening Balance	-	145.98
- Closing Balance	258.22	-
v. Impairement on receivable towards contract with customers	-	-

24. Net gain on fair value changes

	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Net gain on financial instruments at fair value through profit or loss On trading portfolio - Investments	609.19	458.85
Total net gain on fair value changes	609.19	458.85
Fair value changes		
- Realised	609.16	428.13
- Unrealised	0.03	30.72
Total net gain on fair value changes	609.19	458.85

25. Other income

	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Marketing support income	2,142.99	1,172.55
Gain on termination of leases	8.07	8.22
Liabilities no longer required, written back	19.04	2.03
Total	2,170.10	1,182.80

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

	For the year ended 31 March, 2023	For the year ended 31 March, 2022
(a) Interest expenses on		
- Borrowings	18531.77	13,264.25
- Debt securities	1697.18	1,043.86
- Securitised loans	579.05	427.46
(b) Other borrowing costs		
- Securitisation expense	25.12	2.37
- Interest expense on lease liabilities	119.24	91.93
- Other interest expense	34.60	3.99
Total	20,986.96	14,833.86

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

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

	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Impairment loss on loans	96.06	352.97
Net loans written off(net)*	1,011.50	811.81
Impairment loss on EIS receivable on direct assignment	14.34	24.09
Impairement loss on stock of acquired properties	284.87	12.30
Total	**1,406.77**	**1,201.17**

*Net of bad debt recovery of Rs. 494.04 lakhs (31 March, 2022: Rs. 123.36 lakhs)

28. Employee benefits expenses

	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Salaries, wages and bonus	11,747.10	8,800.19
Contribution to provident and other funds	698.50	540.92
Share based payments to employees	830.35	594.12
Staff welfare expenses	179.99	195.65
Total	**13,455.94**	**10,130.88**

29. Depreciation and amortisation

	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Depreciation of property, plant and equipment (Refer note 11)	780.92	595.56
Amortisation of intangible assets (Refer note 12)	39.33	58.34
Total	**820.25**	**653.90**

30. Other expenses

	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Legal and professional charges	661.48	260.40
Loan processing charges	266.70	284.48
Advertisement and marketing expenses	182.13	132.09
Rent and hire charges	152.95	84.53
Travelling and conveyance	763.68	326.72
Information technology expense	771.12	680.14
Communication expenses	101.34	80.94
Rates and taxes expenses	3.63	3.97
Repairs and maintenance - others	100.18	52.63
Office expenses	91.77	106.19
Electricity and water expenses	138.48	88.95
Printing, stationery and office supplies	35.95	24.43
Insurance expenses	62.48	56.95
Directors' sitting fees	32.10	27.47
Auditor's remuneration (Refer note 30.1 below)	45.97	38.15
Bank charges	77.46	34.90
Loss on derecognition of property, plant and equipment	13.12	6.39
Corporate social responsibility expenses (Refer note 30.2 below)	230.00	146.54
Preliminary expenses (Incorporation Charges)	10.32	-
Miscellaneous expenses	17.05	34.72
Total	**3,757.92**	**2,470.58**

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

30.1 Auditor's remuneration

	For the year ended 31 March, 2023	For the year ended 31 March, 2022
a) As auditors		
- Statutory audit including limited review	40.35	31.00
- Certification and other charges	3.45	6.20
b) for re-imbursement of expenses	**2.17**	**0.95**

30.2 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 Group 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 2023	For the year ended 31 March 2022
a) Gross amount required to be spent by the Group during the year	230.00	146.54
b) Amount spent during the year on:		
i) Construction/acquisition of any asset	40.70	36.36
ii) On purpose other than (i) above		
Contribution towards Trust/NGOs	189.30	110.18
c) Amount unpaid	-	-

The nature of CSR activities undertaken by the Group: To improve the lives of the community, especially the socially and economically underprivileged communities, by making a long term, measurable and positive impact through projects in the areas of Education, Health and Skill Development

31. Tax expense

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
In respect of the current year	4,648.41	3,183.62
	4,648.41	**3,183.62**
Deferred tax charge/(credit)	12.60	661.78
	12.60	**661.78**
Total income tax expense recognised (excluding tax recognised in other comprehensive income)	4,661.01	3,845.40

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, 2023	For the year ended 31 March, 2022
Profit before tax	20,195.22	16,690.11
Applicable tax rate	25.17%	25.17%
Expected tax expense [A]	5,082.73	4,200.57
Effect of expenses that are not deductible in determining taxable profit	261.86	80.39
Deductions under section 80JJAA of the Income-tax Act, 1961	(136.31)	(52.80)
Deductions under Section 36(1)(viii) of the Income-tax Act, 1961	(547.27)	(382.76)
Total	4,661.01	3,845.40

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

Income tax expense recognised in other comprehensive income

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Income tax relating to re-measurement loss on defined benefit plans	38.26	23.18
Income tax relating to re-measurement gains/ (losses) on hedge instruments	(59.20)	-
Total	(20.94)	23.18

32. Expenditure in foreign currency

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Software license expense	2.84	197.67
Interest Expense on ECB	172.25	-
Total	175.09	197.67

The Company's unhedged foreign currency exposure as on 31 March, 2023 is Nil (31 March, 2022: Nil).

For the year ended 31 March, 2023

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	-	-	-	-	-	-	-
FCY payables							
Imports	-	-	-	-	-	-	-
Trade credits	-	-	-	-	-	-	-
External Commercial Borrowings (ECBs)	-	-	-	-	8,177.20	8,177.20	-
Other FCY loans	-	-	-	-	-	-	-
INR to USD swaps	-	-	-	-	-	-	-
Total	-	-	-	-	8,177.20	8,177.20	-

For the year ended 31 March, 2022

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	-	-	-	-	-	-	-
FCY payables							
Imports	-	-	-	-	-	-	-
Trade credits	-	-	-	-	-	-	-
External Commercial Borrowings (ECBs)	-	-	-	-	-	-	-
Other FCY loans	-	-	-	-	-	-	-
INR to USD swaps	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

33. Segment reporting

The Group is 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.

34. Contingent liabilities and commitments

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
a) In respect of following:		
- Income tax matters	445.23	445.23
b) Commitments		
- Loan financing	26,789.44	19,341.23
- Capital commitments	-	5.00
c) Bank guarantees	25.00	25.00

Note: The Group 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 Group has filed an appeal before Commissioner of Income Tax (Appeals). The Group 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 Group. Above amount does not include the contingencies, the likelihood of which is remote.

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

Particulars	As at 31 March, 2023	As at 31 March, 2022
(i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;		
- Principal due	Nil	Nil
- 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
(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

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

36. Assets held for sale

The Group 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 Group. The Group is in the process of selling these properties and has classified these as assets held for sale.

Particulars	As at 31 March, 2023	As at 31 March, 2022
Gross Carrying Amount	991.22	397.81
Less:- Impairement loss on stock of acquired properties	(346.14)	(61.27)
Net Carrying amount	**645.08**	**336.54**

37. Employee benefit plans

A) Defined contribution plans

Provident and other funds

The Group 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 Group 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, 2023	For the year ended 31 March, 2022
Employer's contribution to provident and other funds	698.50	540.92
	698.50	**540.92**

B) Defined benefit plans

Gratuity

These plans typically expose the Group 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 Group 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, 2023 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 significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

Principal assumptions	31 March, 2023	31 March, 2022
Discount rate(s)	7.50%	7.00%
Expected rate(s) of salary increase	11.00%	10.00%
Retirement age	58	58
Withdrawal rate	20.00%	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, 2023	For the year ended 31 March, 2022
Service cost:		
Current service cost	113.36	148.93
Interest cost	25.55	17.76
Components of defined benefit costs recognised in profit or loss	**138.91**	**166.69**
Remeasurement on the net defined benefit liability:		
Actuarial losses/(gains) arising from changes in financial assumptions	(62.32)	-
Actuarial (gains)/losses arising from experience adjustments	(89.69)	92.12
Components of defined benefit costs recognised in other comprehensive income	**(152.01)**	**92.12**

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

Particulars	As at 31 March, 2023	As at 31 March, 2022
Present value of funded defined benefit obligation	325.35	365.01
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation	**325.35**	**365.01**

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

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Opening defined benefit obligation	365.01	253.74
Current service cost	113.36	148.93
Interest cost	25.55	17.76
Remeasurement (gains)/losses:		
Actuarial losses/(gains) arising from changes in financial assumptions	(62.32)	-
Actuarial (gains)/losses arising from experience adjustments	(89.69)	92.12
Past service cost, including losses/(gains) on curtailments	-	-
Benefits paid	(26.56)	(147.54)
Closing defined benefit obligation	**325.35**	**365.01**

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

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. 15.59 lakhs (increase by Rs. 16.85 lakhs) [31 March, 2022: 37.95 lakhs (increase by Rs. 44.40 lakhs)].

- If the expected salary growth increases (decreases) by 100 basis points, the defined benefit obligation would increase by Rs. 16.14 lakhs (decrease by Rs. 15.25 lakhs) [31 March, 2022: increase by Rs. 42.67 lakhs (decrease by Rs. 37.31 lakhs)].

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, 2023	As at 31 March, 2022
Average duration of the defined benefit obligation (in years)		
Less than 1 year	21.98	7.03
Between 1-2 years	4.58	3.06
Between 2-5 years	18.08	9.82
Over 5 years	280.71	345.10

-The expected contributions to the plan for the next year is Rs. 212.00 lakhs.

38. Maturity analysis of assets and liabilities

	31 March, 2023			31 March, 2022		
Assets	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	36,094.42	-	36,094.42	14,380.16	-	**14,380.16**
Bank balance other than cash and cash equivalents	11,869.13	2,764.27	14,633.40	17,789.59	859.62	**18,649.21**
Derivative financial instruments	5.85	-	5.85	-	-	-
Loans	55,066.43	3,05,847.99	3,60,914.42	36,602.66	2,25,649.79	**2,62,252.45**
Investments	4,692.83	-	4,692.83	17,532.00	-	**17,532.00**
Other financial assets	3,764.10	5,257.15	9,021.25	2,228.13	3,969.39	**6,197.52**
Non-financial assets			-			
Current tax assets (net)	-	-	-	-	-	-
Deferred tax assets (net)	-	303.39	303.39	-	295.06	**295.06**
Property, plant and equipment	-	2,383.47	2,383.47	-	1,657.28	**1,657.28**
Other intangible assets	-	48.45	48.45	-	46.54	**46.54**
Other non-financial assets	576.65	239.72	816.37	554.22	221.14	**775.36**
Assets held for sale	645.08	-	645.08	336.54	-	**336.54**
Total assets	**1,12,714.49**	**3,16,844.44**	**4,29,558.93**	**89,423.30**	**2,32,698.82**	**3,22,122.12**

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

Liabilities						
Financial liabilities						
Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-		-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	614.88	-	614.88	459.41	-	**459.41**
Debt securities	9,230.69	8,422.72	17,653.41	1,955.81	16,704.04	**18,659.85**
Borrowings (Other than debt securities)	62,260.88	2,18,972.61	2,81,233.49	47,675.60	1,40,665.52	**1,88,341.12**
Other financial liabilities	5,343.53	-	5,343.53	5,951.75	-	**5,951.75**
Non-financial liabilities						-
Provisions	92.60	376.38	468.98	84.58	428.74	**513.32**
Current tax liabilities (Net)	68.51	-	68.51	432.22	-	**432.22**
Other non-financial liabilities	123.46	-	123.46	151.80	-	**151.80**
Total liabilities	**77,734.55**	**2,27,771.71**	**3,05,506.26**	**56,711.17**	**1,57,798.30**	**2,14,509.48**
Net	**34,979.94**	**89,072.73**	**1,24,052.67**	**32,712.13**	**74,900.52**	**1,07,612.65**

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

39. Financial instruments

39.1 Capital management

Capital

'The Group 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 Group's capital is monitored using, among other measures, the regulations issued by NHB and RBI.

Capital management

The capital management objectives of the Group are:

- to ensure that the Group 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, 2023	As at 31 March, 2022
Debt		
Borrowings(other than debt securities)	2,81,233.49	1,88,341.12
Debt securities	17,653.41	18,659.85
Cash and cash equivalents	(36,094.42)	(14,380.16)
Net debt	**2,62,792.49**	**1,92,620.81**
Total equity	1,24,052.67	1,07,612.64
Net debt to equity ratio	**2.12**	**1.79**

Management assesses the capital requirements of the Group in order to maintain an efficient overall financing structure. The Group 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 Group may adjust the amount of dividends, return on capital to shareholders, issue new shares, or sell assets to reduce debt.

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

39.2 Categories of financial instruments

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

As at 31 March, 2023

Particulars	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying value
Financial assets				
Cash and cash equivalents	-	-	36,094.42	**36,094.42**
Bank balance other than cash and cash equivalents	-	-	14,633.40	**14,633.40**
Derivative financial instuments	-	5.85	-	**5.85**
Loans	-	-	3,60,914.42	**3,60,914.42**
Investments	499.98	-	4,192.85	**4,692.83**
Other financial assets	-	-	9,021.25	**9,021.25**
Total financial assets	**499.98**	**5.85**	**4,24,856.34**	**4,25,362.17**
Financial liabilities				
Trade payables	-	-	614.88	**614.88**
Debt securities	-	-	17,653.41	**17,653.41**
Borrowings (Other than debt securities)	-	-	2,81,233.49	**2,81,233.49**
Other financial liabilities	-	-	5,343.53	**5,343.53**
Total financial liabilities	**-**	**-**	**3,04,845.31**	**3,04,845.31**

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	-	-	6,197.51	**6,197.51**
Total financial assets	**17,532.00**	**-**	**3,01,479.33**	**3,19,011.33**
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	-	-	5,951.75	**5,951.75**
Total financial liabilities	**-**	**-**	**2,13,412.13**	**2,13,412.13**

39.3 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 significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

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

As at 31 March, 2023

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	499.98	-	-	**499.98**
Assets measured at fair value on a non recurring basis				
Assets held for sale	-	645.08	-	**645.08**

As at 31 March, 2022

Particulars	Level 1	Level 2	Level 3	Total
Asset measured at fair value on a recurring basis				
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**

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 Group'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.

39.4 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, 2023

Particulars	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Cash and cash equivalents	36,094.42	-	-	36,094.42	**36,094.42**
Bank balance other than cash and cash equivalents	14,633.40	-	-	14,633.40	**14,633.40**
Loans	3,60,914.42	-	-	3,60,914.42	**3,60,914.42**
Other financial assets	9,021.25	-	-	9,021.25	**9,021.25**
	4,20,663.49	**-**	**-**	**4,20,663.49**	**4,20,663.49**
Financial liabilities					
Trade payables	614.88	-	-	614.88	**614.88**
Debt securities	17,653.41	-	-	17,653.41	**17,653.41**
Borrowings (Other than debt securities)	2,81,233.49	-	-	2,81,233.49	**2,81,233.49**
Other financial liabilities	5,343.53	-	-	5,343.53	**5,343.53**
	3,04,845.31	**-**	**-**	**3,04,845.31**	**3,04,845.31**

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

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	6,197.51	-	-	6,197.51	**6,197.51**
	3,01,479.33	**-**	**-**	**3,01,479.33**	**3,01,479.33**
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	5,951.75	-	-	5,951.75	**5,951.75**
	2,13,412.13	**-**	**-**	**2,13,412.13**	**2,13,412.13**

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.

39.5. Financial risk management

Risk Management

The Group's activities expose it to market risk, liquidity risk 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 minimise cost and maximise stability of funds. and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks.
Market risk - currency risk	External Commercial Borrowings	Sensitivity analysis	Hedging strategies to ensure 100 % hedge by way of booking derivatives in the form of forward cover or cross currency swap. Effectiveness of the hedge is reviewed by Risk management Committee periodically.

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 and NHB 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, market risk, credit risk, and operational risk, and an Asset Liability Management Committee (ALCO).

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

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 Group. In its lending operations, the Group 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 Group 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 Group 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, 2023	As at 31 March, 2022
Loans	3,60,914.42	2,62,252.45
Cash and cash equivalents	36,094.42	14,380.16
Bank balance other than cash and cash equivalents	14,633.40	18,649.21
Investments	4,692.83	17,532.00
Other financial assets	9,021.25	6,197.51

Credit risk management

The Group 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 and high rated debt securities. 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 amortised 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 Group 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.

The tables below analyse the financial assets and liabilities of the Group 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.

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

Maturities of financial assets

31 March, 2023	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Cash and cash equivalents	36,094.42	-	-	-	36,094.42
Bank balance other than cash and cash equivalents	11,869.13	2,739.27	25.00	-	14,633.40
Derivative financial instrument	5.85	-	-	-	5.85
Loans	56,955.37	1,10,154.93	82,564.34	1,20,688.05	3,70,362.69
Investments	4,692.83	-	-	-	4,692.83
Other financial assets	3,764.10	4,369.91	859.94	27.30	9,021.25
Total	1,13,381.70	1,17,264.11	83,449.28	1,20,715.35	4,34,810.44

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	2,228.13	2,762.75	1,126.04	80.59	6,197.51
Total	89,044.72	77,082.91	60,012.90	1,00,033.14	3,26,173.67

Maturities of financial liabilities

The tables below analyse the financial liabilities of the group 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, 2023	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Borrowings (Other than debt securities)	62,260.88	1,10,304.62	71,838.12	38,198.03	2,82,601.65
Debt securities	9,230.69	2,000.00	6,500.00	-	17,730.69
Trade payables	614.88	-	-	-	614.88
Other financial liabilities	5,343.53	-	-	-	5,343.53
Total	77,449.98	1,12,304.62	78,338.12	38,198.03	3,06,290.75

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	5,951.75	-	-	-	5,951.75
Total	56,347.96	88,929.03	48,351.53	21,101.04	2,14,729.56

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

c) Public disclosure on Liquidity Risk 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).

Funding concentration based on significant counterparty*# (borrowings)

	As at 31 March, 2023	
Number of significant counterparties	Amount	% of total liabilities
29	2,78,861.74	91.28%

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

*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*#

	As at 31 March, 2023		As at 31 March, 2022	
Name of the instrument	Amount	% of total liabilities	Amount	% of total liabilities
Term loans from banks and financial institutions	2,13,817.53	49.78%	1,49,495.11	46.41%
Term loans from National Housing Bank	57,889.28	13.48%	34,415.56	10.68%
Non-convertible debentures	16,500.00	3.84%	18,000.00	5.59%
Securitisation	8,805.55	2.05%	4,213.18	1.31%
	2,97,012.36		**2,06,123.85**	

*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

	As at 31 March, 2023		As at 31 March, 2022	
Particulars	Amount	% of total borrowings	Amount	% of total borrowings
Term Loan/NCD/Securitisation	1,79,679.90	60.50%	1,20,527.77	58.47%

#All the above mentioned outstanding borrowings are disclosed at gross carrying value.

Stock Ratios:

Particulars	As at 31 March, 2023	As at 31 March, 2022
Commercial papers issued to publlic funds	Nil	Nil
Commercial papers issued to total liabilities	Nil	Nil
Commercial papers issued to total assets	Nil	Nil
NCD (original maturity < one year) to public funds	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 public funds	2.05%	3.18%
Other short-term liabilities to total liabilities	1.99%	3.06%
Other short-term liabilities to total assets	1.42%	2.04%

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

c) Market risk

Interest rate risk

Liabilities

The policy of the Group is to minimise interest rate cash flow risk exposures on long-term loans and borrowings. As at 31 March, 2023, the Group 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 Group to interest rate risk:

Particulars	As at 31 March, 2023	As at 31 March, 2022
Variable rate borrowing	2,37,326.5	1,76,614.83
Fixed rate borrowing	59,685.86	29,509.02
Total borrowings	2,97,012.36	2,06,123.85

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, 2023	Year ended 31 March, 2022
Interest rate - Increase by 100 basis points*	1,925.33	1,368.45
Interest rate - Decrease by 100 basis points*	(1,925.33)	(1,368.45)

*Holding all other variables constant

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to External Commercial Borrowings (ECB).

(i) The Group has hedged its foreign currency exposure through Cross Currency Swaps in such a manner that it has fixed determinate outflows in its functional currency and as such there would be no significant impact of movement in foreign currency rates on the Group's profit before tax (PBT).

Foreign Currency Exposure

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
External Commercial Borrowing (USD in lakh)	100.00	-

Sensitivity

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

Particulars	Impact on profit before tax		Impact on OCI before tax	
	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022
USD rate - Increase by 5%*	-	-	(411.08)	-
USD rate - Decrease by 5%*	-	-	411.08	-

*Holding all other variables constant

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

40. Related party transactions

List of related parties:	
i. Holding Company	WestBridge Crossover Fund, LLC Aravali Investment Holdings (wholly-owned subsidiary of Westbridge Crossover Fund, LLC) (collectively holding more than one-half of the total voting power)
ii. 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*
	c. Ashish Gupta - Chief Financial Officer
	d. Mukti Chaplot - Company Secretary
	e. GV Ravishankar - Nominee Director (till 26 October, 2021)
	f Anup Gupta - Nominee Director
	g. Sumir Chadha - Nominee Director
	h. Shailesh J Mehta - Nominee Director (Independent Director till 02 November, 2021)
	i. Rachna Dikshit - Independent Director
	j. Sudhin Choksey- Nominee Director (w.e.f. 03 November, 2021)
	k. Sunil Bhumralkar- Additional Independent Director (till 30 November, 2022)
	l. Thomson Kadantot Thomas- Independent Director (w.e.f 02 August, 2022)
iii. Entities having significance influence	a. WestBridge Crossover Fund, LLC (Holder of Equity Shares)
	b. Nexus Ventures III Limited, Mauritius (Holder of Equity Shares)
	c. Aravali Investment Holdings (Holder of Equity Shares)
iv. Relative of key management personnel (KMP) - (where there are transactions)	Gaj Singh Mehta - Father of Anil Mehta
	Ankit Aggarwal - Husband of Mukti Chaplot
	Adit Mehta- Son of Anil Mehta

*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 significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

Transactions with related parties

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Rent paid to relative of KMP	2.74	3.41

Transaction with key management personnel

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Short- term benefits	763.28	942.51
Contribution to pension funds and gratuity payment	59.94	178.81
Fees paid to non-executive director	186.67	-
Sitting fees paid to independent directors	29.45	26.25
Proceeds from issue of equity shares	2.70	8.00
Proceeds for security premium	115.29	2.66
Sale of Assets	-	8.63

Amount payable to key management personnel

Particulars	As at 31 March, 2023	As at 31 March, 2022
Short-term benefits	413.39	379.56

Note 1: The KMPs are covered under the Group's gratuity policy, compensated absences policy and ESOP scheme along with other eligible employees of the Group. 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 prevoius year, the Board of Directors of the Company vide circular resolution dated 06 January, 2022 allotted 75,000 equity shares to Mr. Anil Mehta and 5,000 equity shares to Mrs. Mukti Chaplot pursuant to exercise of Employee Share Option Plan (ESOP) as per the ESOP schemes.

Note 3: During the year ended 31 March, 2023, the Company has allotted 1,35,000 partly paid-up equity shares of face value of Rs. 10/- per share at a premium of Rs. 427 per share on preferential basis to Mr. Anil Mehta (Promotor). Shares are paid-up to the extent of Rs. 2 towards face value and Rs. 85.4 towards premium. The said allotment has been approved by the Board of Directors vide circular resolution dated 19 November, 2022. Balance amount on partly paid shares to be called as per the terms of the agreement.

Note 4: The Group 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, 2023	As at 31 March, 2022
Share capital		
WestBridge Crossover Fund, LLC	1,085.42	1,085.42
Aravali Investment Holdings	1,421.14	1,421.14
Nexus Opportunity Fund II, Limited	291.00	291.00
Nexus Ventures III Limited	996.18	996.18
Relative of KMP	0.75	0.75
Key Managerial Personnel	35.19	84.39

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

41. Earnings per share

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Profits for the year	15,534.21	12,844.71
Weighted average number of equity shares for calculating basic earnings per share	43,764,652	4,33,99,740
Effect of potential ordinary shares on Employee Stock Options and right to subscribe outstanding	7,05,731	4,88,921
Total weighted average number of equity shares for calculating diluted earnings per share	4,44,70,383	4,38,88,661
Earnings per share on profit for the year (Face value of Rs. 10 per share)		
a) Basic earnings per share (Rs.)	35.49	29.60
b) Diluted earnings per share (Rs.)	34.93	29.27

42. Lease related disclosures

The Group 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 Group 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 Group to sublease the asset to another party, the right-of-use asset can only be used by the Group. 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, 2023	31 March, 2022
Short-term leases	152.95	84.53
Leases of low value assets	-	-
Variable lease payments	-	-

B. Total cash outflow for leases for the year ended 31 March, 2023 was Rs. 584.59 lakhs (31 March, 2022: 446.22 lakhs).

C. The Group has total commitment for short-term leases as at 31 March, 2023 Rs. Nil (31 March, 2022: 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, 2023	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	530.22	420.50	369.09	240.66	119.28	171.40	**1,851.14**
Interest expense	110.96	77.59	51.18	30.80	16.26	20.28	**307.07**
Net present values	419.26	342.91	317.91	209.86	103.02	151.11	**1,544.07**

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**

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

E. There are no variable lease agreements.

F. Information about extension and termination options

As at 31 March, 2023

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	145	1 to 7 years	2.60 years	145	-	145
Car lease	6	2-5 years	1.5 years	-	6	6

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	-	2	2

G. The total future cash outflows as at 31 March, 2023 for leases that had not yet commenced is of Rs. Nil (31 March, 2022: Nil).

43. Employee Stock Option Scheme

The Group provides Employee Stock option schemes to its employees. For the year ended 31 March, 2023 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 significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

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 August, 2022	02 November, 2022	01 February, 2023	31 March, 2023
Tranche II (20% of the options granted)	31 August, 2023	02 November, 2023	01 February, 2024	31 March, 2024
Tranche III (20% of the options granted)	30 August, 2024	01 November, 2024	01 February, 2025	31 March, 2025
Tranche IV (20% of the options granted)	30 August, 2025	01 November, 2025	01 February, 2026	31 March, 2026
Tranche V (20% of the options granted)	30 August, 2026	01 November, 2026	01 February, 2027	31 March, 2027

Particulars	ESOP 2021						
Date of grant	12 May, 2022	31 May, 2022	01 July, 2022	30 July, 2022	01 August, 2022	03 November, 2022	10 February, 2023
Exercise price	Rs.340.71 per option	Rs.340.71 per option	Rs.340.71 per option	Rs.340.71 per option	Rs.340.71 per option	Rs.394.00 per option	Rs.394.00 per option
Vesting dates:							
Tranche I (20% of the options granted)	12 May, 2023	31 May, 2023	01 July, 2023	30 July, 2023	01 August, 2023	03 November, 2023	10 February, 2023
Tranche II (20% of the options granted)	12 May, 2024	31 May, 2024	01 July, 2024	30 July, 2024	01 August, 2024	03 November, 2024	10 February, 2024
Tranche III (20% of the options granted)	12 May, 2025	31 May, 2025	01 July, 2025	30 July, 2025	01 August, 2025	03 November, 2025	10 February, 2025
Tranche IV (20% of the options granted)	12 May, 2026	31 May, 2026	01 July, 2026	30 July, 2026	01 August, 2026	03 November, 2026	10 February, 2026
Tranche V (20% of the options granted)	12 May, 2027	31 May, 2027	01 July, 2027	30 July, 2027	01 August, 2027	03 November, 2027	10 February, 2027

Reconciliation of options under each plan	ESOP 2012		ESOP 2017		ESOP 2021	
Particulars	Number of options	Amount	Number of options	Amount	Number of options	Amount
Outstanding as at 31 March, 2022	1,00,000	20.32	5,22,500	943.61	18,82,095	5,903.67
Granted during the year	-	-	-	-	7,78,098	2,882.87
Forfeited during the year	-	-	26,000.00	46.95	2,99,636	940.86
Exercised during the year	25,000.00	5.08	3,000.00	5.40	2,997.00	9.28
Expired during the year	-	-	-	-	-	-
Outstanding as at 31 March, 2023	75,000.00	15.24	4,93,500	895.45	23,57,560	7,836.40
Exercisable at the end of the year	75,000.00	15.24	2,78,200	493.44	3,37,719	1,060.40

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	7.20% to 7.50%
Expected life of option	3.6 yrs to 5.6 yrs
Expected Volatility	20% to 22%
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 relvant 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.

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

44. Additional Information as required by Paragraph 2 of the general instruction of preparation of Consolidated financial statement to Schedule III to the companies Act 2013 for the period ended 31 March, 2023

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent India Shelter Finance Corporation Limited	99.00%	1,22,814.80	99.76%	15,496.86	100.00%	(62.27)	99.76%	15,434.59
Subsidiary India Shelter Capital Finance Limited	1.00%	1,237.87	0.24%	37.35	0.00%	-	0.24%	37.35
Non-controlling interests in subsidiary	0.00%	-	0.00%	-	0.00%	-	0.00%	-
TOTAL	100.00%	1,24,052.67	100.00%	15,534.21	100.00%	(62.27)	100.00%	15,471.94

Additional Information as required by Paragraph 2 of the general instruction of preparation of Consolidated financial statement to Schedule III to the companies Act 2013 for the period ended 31 March, 2022

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent India Shelter Finance Corporation Limited	100.00%	1,07,612.64	100.00%	12,844.71	100.00%	(68.94)	100.00%	12,775.77
Subsidiary India Shelter Capital Finance Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Non-controlling interests in subsidiary	0.00%	-	0.00%	-	0.00%	-	0.00%	-
TOTAL	100.00%	1,07,612.64	100.00%	12,844.71	100.00%	(68.94)	100.00%	12,775.77

45. Disclosure pursuant to the Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 ("RBI Securitisation Directions").

A) Disclosure as per the RBI Securitisation Directions for securitisation transactions as an originator:

	Particulars	As at 31 March, 2023	As at 31 March, 2022
1	No. of special purpose vehicle's (SPV's) sponsored by HFC for securitisation transaction	3	4
2	Total amount of securitised assets as per books of SPVs sponsored by the HFC	8,805.55	4,273.68
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	803.94	603.12
	b) Others- Over collateral	947.70	1,118.82

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

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	89.83	638.05
	Others	206.07	205.17
	b) Exposure to third party securitisation transaction		
	First loss	-	-
	Others		
5	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	7,905.98	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	417.00	237.23
	(b) Repayment received	164.18	26.12
	(c) Outstanding amount	803.94	603.12
8	Average default rate of portfolios observed in the past- Mortgage backed securities	0.46%	1.85%
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 Group has not sold any financial assets to Securitisation / Reconstruction Company for Asset Reconstruction (31 March, 2022: Nil)

46. Disclosure pursuant to the Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 ("RBI TLE Directions").

(a) Details of loans not in default transferred through assignment.

Particulars	As at 31 March, 2023	As at 31 March, 2022
Entity	Bank/ Financial Institutions	Bank/ Financial Institutions
Count of loan accounts assigned	4,833	3,714
Amount of loan account assigned	44,091.16 lakhs	27,326.80 lakhs
Retention of beneficial economic interest (MRR)	10%	10%
Weighted average maturity (Residual Maturity)	9.16 Years	8.93 years
Weighted average holding period	0.89 Years	1.55 years
Coverage of tangible security coverage (LTV)	40.63%	40.32%
Number of transactions	7	7
Rating wise distribution of rated loans	Unrated	Unrated

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

(b) Details of loans not in default transferred through Co-Lending

	As at 31 March, 2023	As at 31 March, 2022
Entity	Bank	-
Count of loan accounts assigned	7	-
Amount of loan account assigned	59.75 lakhs	-
Retention of beneficial economic interest (MRR)	20%	-
Weighted average Residual Tenure of the loans transferred	10.66 Years	-
Weighted average holding period	0.25 Years	-
Coverage of tangible security coverage (LTV)	44.00%	-
Number of transactions	1	-
Rating wise distribution of rated loans	Unrated	-

(c) The Group has not acquired any loan assets during the year ended 31 March, 2023 and 31 March, 2022 in terms with the RBI TLE Directions.

(d) The Group has not transferred/acquired any stressed loan during the year ended 31 March, 2023 and 31 March, 2022.

47. Key Analytical Ratios

Particulars	As at 31 March, 2023	As at 31 March. 2022
Debt -Equity Ratio	2.41 times	1.92 times
Total Debts to Total Assets *(Debt securities+ Borrowings {Other than Debt Securities}/Total Assets)*	0.70	0.64
Net Profit Margin (%) *(PAT/Revenue from operation)*	26.58%	28.67%
Gross NPA ratio (DPD> 90 days) *(Gross DPD 90+ loans/Gross Loan Assets)*	1.03%	1.63%
Gross NPA ratio *(Gross Stage 3 loans/Gross Loan Assets)*	1.13%	2.12%
Net NPA ratio *(Net Stage 3 loans/Net Loan Assets)*	0.85%	1.60%
Provision Coverage ratio *(Stage 3 Provision/Gross Stage 3 loans)*	25.99%	25.43%

48. Disclosure as per RBI notification no.DOR.No.BP.BC/3/21.04.048/2020-21 dated 21 August, 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 halfYear	Exposure (#) to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loan**	1,893.82	80.68	0.06	107.73	2,090.80
Corporate Persons*	-	-	-	-	-
of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**1,893.82**	**80.68**	**0.06**	**107.73**	**2,090.80**

Summary of significant accounting policies and other explanatory information consolidated financial statements for the year ended 31 March, 2023

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

*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 30 September, 2022.

(#) Principal outstanding (including capitalised interest) is for live restructured accounts (including sub-standard accounts as on 30 September, 2022) classified as standard as on 31 March, 2023

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

49. The Group does not hold any immovable property other than disclosed in Note 11 as on 31 March, 2023 and 31 March, 2022. All the lease agreements are duly executed in favour of the Group for properties where the Group is the lessee.

50. The Group 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, 2023 are held by the Group in the form of short term deposits/investments till the time the utilisation is made subsequently.

51. There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended 31 March, 2023 and 31 March, 2022, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended 31 March, 2023 and 31 March, 2022.

52. (i) The Group has not traded or invested in Crypto currency or Virtual Currency during the year ended 31 March, 2023 and 31 March, 2022.

(ii) The Group has not entered into any scheme of arrangement.

(iii) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of layers) Rules, 2017 for the financial years ended 31 March, 2023 and 31 March, 2022.

(iv) No proceedings have been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at 31 March, 2023 and 31 March, 2022.

(v) The Group does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March, 2023 and 31 March, 2022.

53. The Group, 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 Group'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 Group 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 Group (Ultimate beneficiaries). The Group has also not received any fund from any parties (Funding party) with the understanding that the Group 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.

54. All charges or satisfaction are registered with ROC within the statutory period for the financial years ended 31 March, 2023 and 31 March, 2022. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

55. 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: 09 May, 2023

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

Anil Mehta
Chairman and Non-Executive Director
DIN: 02132315
Place: Gurugram

Ashish Gupta
Chief Financial Officer
Place: Jaipur

Rupinder Singh
Managing Director and Chief Executive Officer
DIN: 09153382
Place: Jaipur

Mukti Chaplot
Company Secretary
Membership No. 38326
Place: Gurugram