



NOTICE

Shorter Notice is hereby given that the **12th Annual General Meeting (AGM)** of Shubham Housing Development Finance Company Limited will be held on Tuesday the 8th day of June 2021 at 03.00 p.m. IST at its Registered Office at D-305, Ground Floor, Sarvodaya Enclave, New Delhi – 110017 to transact the following business:

ORDINARY BUSINESS:

Item No. 1 – Adoption of Audited Financial Statements

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March 2021, together with the Directors' and Auditors' Reports thereon.

Item No. 2 – Re-appointment of Mr. Rahul Garg, Director

To consider re-appointment of Mr. Rahul Garg, DIN: 06939695, Nominee Director of PI Opportunities Fund I, an Investor in the Company, who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment. He shall be liable to retire by rotation.

Item No. 3 – Re-appointment of Mr. Vishal Tulsyan, Director

To consider re-appointment of Mr. Vishal Tulsyan, DIN: 000139754, Nominee Director of Motilal Group, an Investor in the Company, who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment. He shall be liable to retire by rotation.

SPECIAL BUSINESS:

Item No. 4 – Re-appointment of Mr. Sanjay Chaturvedi as Whole Time Director

To consider, and if thought fit, to pass with or without modification, the following resolution as a special resolution:

“RESOLVED THAT pursuant to Section 196, 197 and 203 read with Schedule V of the Companies Act, 2013 and other applicable provisions, if any, (including any statutory modification(s) or re-enactment thereof) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, approval of the shareholders of the Company be and is hereby accorded for the re-appointment of Mr. Sanjay Chaturvedi, Director (holding DIN 01636432) as a Whole-Time Director of the Company for a period of 5 years commencing from July 27, 2021 till July 26, 2026, not liable to retire by rotation, at a remuneration and other terms and conditions as may be fixed by Board or Recruitment, Compensation and Nomination Committee of Board or any other appropriate Committee, called by whatsoever name, subject to the consolidated remuneration not exceeding Rs. 5,00,00,000/- (Rupees five crores) per annum inclusive of remuneration(s) payable directly or otherwise or by way of salary and perquisites, performance based rewards/ incentives.

RESOLVED FURTHER THAT the Board and Committee be and is severally authorized to settle all questions, difficulties or doubts that may arise in this regard, at any stage, alter and vary the terms and conditions of re-appointment without seeking any further consent or approval of the shareholders.

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FURTHER RESOLVED THAT over and above such remuneration, Mr. Sanjay Chaturvedi will be eligible to receive –

1. Such other benefits as available to him being an employee and/or a Director of the Company, such as insurance cover, gratuity, PF, leave encashment, etc.
2. Reimbursements towards expenses incurred for Company work including travel, conveyance, telephone, etc., and other expenses incurred in the course of discharging his duties at actuals, and
3. Reimbursements towards entertainment and other expenses incurred for business promotion/development, not exceeding Rs 6,00,000/- per annum.

RESOLVED FURTHER THAT Ms. Rupa Basu, Director and/or Mr. Shashank Jain, Chief Financial Officer and/or Ms. Neeta Kamra, Company Secretary of the Company, be and are hereby severally authorized to do and perform all such acts, deeds, matters and things, as may be considered necessary, desirable or expedient to give effect to this resolution, including to delegate this power.”

Item No. 5- Increasing in the Borrowing Power of the Company

To consider, and if thought fit, to pass, with or without modification(s) the following resolution as special resolution:

“**RESOLVED THAT** pursuant to section 180(1)(c) and other applicable provisions if any, of the Companies Act, 2013, consent of the Members be and is hereby accorded to raise or borrow such sum(s) as the Board or Committee thereof may deem appropriate, from time to time, for the purposes of the Company notwithstanding that the monies already borrowed and the monies to be borrowed (apart from temporary loans obtained from Company’s bankers in the ordinary course of business) taken together may exceed the paid-up capital of the Company and free reserves (not set apart for any specific purpose), provided that the total amount upto which monies may be so borrowed and outstanding at any time, shall not exceed Rs. 3,000/- crores (Rupees three thousand crores).

RESOLVED FURTHER THAT Mr. Sanjay Chaturvedi, Director and/or Ms. Rupa Basu, Director and/or Mr. Shashank Jain, CFO and/or Ms. Neeta Kamra, Company Secretary of the Company be and are hereby severally authorized to do such acts, deeds, things and execute all such documents, undertakings as may be necessary for giving effect to the above resolution(s) from time to time.”

Item No. 6- Creation of charge over assets of the Company

To consider, and if thought fit, to pass, with or without modification(s) the following resolution as special resolution:

“**RESOLVED THAT** pursuant to section 180(1)(a) and other applicable provisions if any, of the Companies Act, 2013, consent of the Members be and is hereby accorded to Board or Committee thereof pledge and/or mortgage and/or charge all or any part of the moveable and/or immovable properties of the Company and/or the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or creating a floating/fixed charge in all or any movable or immovable properties of the Company and the whole of the undertaking of the Company to or in favour of Banks and/or Financial Institutions and/or any other lenders and/or trustees including debenture trustees to secure the amount borrowed by the Company or any third party from time to time for the due payment of the Principal together with interest, charges, costs, expenses and all other monies payable by the Company to any party in respect of such borrowings provided that the

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maximum extent of the indebtedness secured by the properties of the Company and outstanding at any time, does not exceed Rs. 3,000/- crores (Rupees three thousand crores).

RESOLVED FURTHER THAT Mr. Sanjay Chaturvedi, Director and/or Ms. Rupa Basu, Director and/or Mr. Shashank Jain, CFO and/or Ms. Neeta Kamra, Company Secretary of the Company be and are hereby severally authorized to do such acts, deeds, things and execute all such documents, undertakings as may be necessary for giving effect to the above resolution, from time to time."

Item No. 7 - Appointment of Mr. Manoj Dattatraya Rane (DIN: 02653448) as an Independent Director

To consider and, if thought fit, to pass with or without modification(s) the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Sections 149 and 152 read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Manoj Dattatraya Rane (DIN 02653448) who was appointed as Additional Director and designated as Independent Director by the Board of Directors of the Company ("Board") in its meeting dated 11th November, 2020 in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director, and who has signified his consent to act as an Independent Director of the Company and submitted a declaration that he meets the criteria for appointment of an Independent Director and the Independent Director data bank registration under the Companies Act, 2013, be and is hereby approved to hold the office of an Independent Director of the Company for a period of five (5) consecutive years commencing from 11th November 2020 through 10th November 2025 on such terms and conditions as may be approved by Board and whose office shall not be liable to retirement by rotation.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforementioned resolutions, Mr. Sanjay Chaturvedi, Director and/or Ms. Rupa Basu, Director and/or Mr. Shashank Jain, CFO and/or Ms. Neeta Kamra, Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters and things and to take all such steps and do all such things and give all such directions as may be necessary or expedient including filing of necessary documents, intimations including e-forms with regulatory authorities in accordance with applicable laws."

**By Order of the Board
For Shubham Housing Development Finance Company Limited**

**(Neeta Kamra)
Company Secretary
Membership No.: ACS 22892**



**Place: Delhi
Date: 28.05.2021**

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NOTES:

1. Pursuant to Secretarial Standards on General Meetings, in respect of Directors seeking re-appointment at the AGM, details of Directors are furnished as annexure to the Notice.
2. **EVERY MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
3. Members are requested to note that a person can act as a proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
4. The instrument of proxy in order to be effective should be received by the company not less than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Notice.
5. Relevant documents, if any, referred to in the Notice and the accompanying Statements are open for inspection by the Members at the Registered Office of the Company during working hours on all working days, up to the date of the Annual General Meeting and at the Meeting also.
6. The Register of Members, Register of Directors and Key Managerial Personnel and their shareholding and the Register of Contracts or Arrangements in which the directors are interested, maintained under Sections 88, 170 and 189 respectively of the Companies Act, 2013, shall be available for inspection by the Members at the AGM.
7. The road map to the venue of the annual general meeting is enclosed to this Notice.

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EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

Mr. Sanjay Chaturvedi is one of the founding member of this Company. He has been steering the Company since inception, i.e., 23.02.2010. His valuable guidance and continued association in the Company shall be highly beneficial for the success of the Company.

The present terms of appointment of Mr. Chaturvedi as Whole Time Director are expiring on July 26, 2021 and it would be appropriate to re-appoint him as a Whole Time Director of the Company for a period of 5 years with effect from July 27, 2021 to July 26, 2026. Subject to the approval of members, the Board of Director of the Company at its meeting held on 28.05.2021, on the recommendation of the "Remuneration, Compensation and Nomination Committee" in its meeting held on 27.05.2021, approved the re-appointment of Mr. Chaturvedi as Whole Time Director of the Company for next 5 years from 27.07.2021 to 26.07.2026.

Remuneration proposed: It is proposed to pay to Mr. Chaturvedi such remuneration as may be fixed by the Board or "Recruitment, Compensation and Nomination Committee" of the Board or any other appropriate Committee, called by whatsoever name, subject to

- a) Consolidated remuneration not exceeding Rs. 5,00,00,000/- (Rupees five crores) per annum inclusive of remuneration(s) payable directly or otherwise or by way of salary and perquisites, performance-based rewards/ incentives.
- b) Over and above remuneration mentioned above in point no. (a), following additional benefits shall be available:-
 - Such other benefits as available to him being an employee and/or a Director of the Company, such as insurance cover, gratuity, PF, leave encashment, etc.
 - Reimbursements towards expenses incurred for Company work including travel, conveyance, telephone, etc., and other expenses incurred in the course of discharging his duties at actuals, and
 - Reimbursements towards entertainment expenses incurred for business development, not exceeding Rs 6,00,000/- per annum.

Taking into consideration the size of the Company, the profile of Mr. Chaturvedi, the responsibilities shouldered by him and the industry benchmarks, proposed remuneration is commensurate with Industry standards and Board level positions held in similar sized and similarly positioned businesses.

Except Mr. Sanjay Chaturvedi himself, being an appointee, none of the Directors or Key Managerial Personnel of the Company (including their relatives), except to the extent of their shareholding in the Company, are interested or concerned in the resolution set out in Item No. 4.

The Board of Directors of the Company recommends the passing of the resolution in Item No. 4 of the notice as special resolution.

Item No. 5 & 6

The total amount of loans drawn and tied up to be drawn along with those to be tied up in near future to meet the business requirements of the Company, will exceed the existing paid up capital and free reserves of the company.

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Company, vide members' resolution passed in Extra-Ordinary General Meeting held on 21.12.2018, had approved that the limit of total borrowings outstanding at any time may exceed the paid up capital of the Company and free reserves not set apart for any specific purpose but shall not exceed Rs. 2000,00,00,000/- (Rupees two thousand crores).

Now, the Company expects to borrow a sum which may exceed Rs. 2000,00,00,000/- (Rupees two thousand crores) from banks / financial institutions / others as term loans/cash credit facilities/other facilities for the purpose of working capital and other business requirements which includes NCDs/ECBs/CPs etc. of the Company. For this, Company proposes to increase its borrowing limits from existing Rs. 2000,00,00,000/- (Rupees two thousand crores) to Rs. 3000,00,00,000/- (Rupees Three thousand crores).

Therefore, Company needs to obtain approval of shareholders to increase its borrowing limits exceeding paid up capital and free reserves and to create security against money borrowed by way of creating mortgage and/or charge on movable/immovable properties of the Company in pursuance of Section 180 (1) (c) of the Companies Act, 2013 and Section 180 (1) (a) of the Companies Act, 2013 respectively.

None of the Directors or Key Managerial Personnel of the Company (including their relatives), except to the extent of their shareholding in the Company, is concerned or interested in the resolutions set out in Item No. 5 & 6.

The Board of Directors of the Company recommends the passing of the resolutions in Item No. 5 & 6 of the notice as special resolution.

Item No. 7

Based on recommendation by the "Recruitment, Compensation and Nomination Committee", Board of Directors in their meeting held on 11th November, 2020 appointed Mr. Manoj Dattatraya Rane as an Additional Director designated as Independent Director in the Board to hold the office till the conclusion of next Annual General Meeting. The Board is of the view that it would be beneficial for the Company, with the approval of shareholders to appoint Mr. Manoj Dattatraya Rane as Independent Director for a term of five (5) years from the date of initial appointment, i.e., 11th November 2020.

Mr. Rane has given a declaration to the Board that he meets criteria of independence as provided under Section 149(6) of the Companies Act, 2013. Keeping in view his rich knowledge and experience, which could be utilized to put appropriate strategies for growth of business activities of the Company, it was thought fit to appoint Mr. Manoj Dattatraya Rane as an Independent Director on the Board.

Copy of the draft letter of appointment which includes terms and conditions of appointment of Mr. Rane will be available for inspection without any fee by the shareholders at the registered office of the Company during normal business hours on any working day upto the date of AGM.

The appointment of Mr. Rane fulfills the conditions specified under the Companies Act 2013 and the rules made thereunder, and the appointment of Mr. Rane is independent to the management.

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In view of above, approval of shareholders is being sought for the ratification of appointment of Mr. Manoj Dattatraya Rane as an Independent Director by the Board and the approval to hold the office for the period of five (5) years commencing from 11th November 2020 through 10th November 2025 during which the office shall not be liable to retirement by rotation.

The Board of Directors of the Company recommends the passing of the resolution in Item No. 7 of the notice as ordinary resolution

None of the directors except Mr. Manoj Dattatraya Rane, managers or key managerial personnel of the Company or the relatives thereof, is interested in this resolution, financially or otherwise.

For **SHUBHAM HOUSING DEVELOPMENT FINANCE COMPANY LIMITED**



(Neeta Kamra)
Company Secretary
Membership No.: ACS 22892

Place: Delhi
Date: 28.05.2021

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ANNEXURE TO THE NOTICE
Details of the Directors seeking re-appointment at the forthcoming Annual General Meeting
[Pursuant to Secretarial Standards on General Meetings]

DETAILS OF MR. RAHUL GARG

- **Date of first appointment on the Board of Company**
Mr. Rahul Garg was appointed as a Member of Board of Shubham Housing Development Finance Company Ltd. with effect from January 24, 2018.
- **Age, experience and qualification that qualify him for Board membership**
He aged 46 and he holds a B.E. (Mechanical) degree from Delhi College of Engineering (1993-1997) and a Management degree from MDI, Gurgaon (1997-1999). Mr. Garg is the Partner and Co-Head India Private Equity strategy of Premji Invest. He leads investments in BFSI and Consumer/Retail sectors.

Prior to Premji Invest, He was associated with ICICI Bank Ltd and worked across the entire financial services spectrum covering private equity, convertibles, investment banking, corporate banking, structured finance, forex and project finance.
- **Shareholding in the Company**
He does not hold any share of the Company in individual capacity.
- **Disclosure of Relationship inter-se between Directors, Manager and other Key Managerial Personnel**
There is no inter-se relationship between him and other members of the Board and Key Managerial Personnel of the Company.
- **Board Meeting Attendance and Remuneration during the FY 2019-20**
He attended 10 (Ten) out of 12(Twelve) Board Meetings he was entitled to attend during the year. He was not paid any remuneration during his term with the Company.
- **Companies in which he holds Directorships and Committee memberships as on 31st March 2021. (other than Shubham Housing Development Finance Company Ltd.)**

Directorships

1. Future Retail Limited
2. Future Lifestyle Fashions Limited
3. ID Fresh Food (India) Private Limited
4. Hygienic Research Institute Private Limited
5. Financial Software and Systems Private Limited
6. Fabindia Overseas Private Limited.

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- **Terms and conditions of re-appointment**

Being a Director liable to retire by rotation, he is retiring in the ensuing AGM. Being eligible, he seeks re-appointment as a Director on the Board of Directors of the Company as a nominee of an Investor-Shareholder of the Company (i.e., PI Opportunities Fund I). He shall hold his office in the Company at the pleasure of the Investor-Shareholder who nominated him and shall be liable to retire by rotation. His re-appointment in the Board is sought at nil remuneration. During his tenure, Company may request him to be a member/Chairman of any one or more Committees of the Board, which may be constituted from time to time.

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DETAILS OF MR. VISHAL TULSYAN

- **Date of first appointment on the Board of Company**

Mr. Vishal Tulsyan was appointed as a Member of Board of Shubham Housing Development Finance Company Limited with effect from November 13, 2018.

- **Age, experience and qualification that qualify him for Board membership**

Mr. Vishal Tulsyan aged about 46 years and a founder of MOPE Investment Advisors Private Limited ("MOPE") in 2006 with Motilal Oswal Financial Services Limited ("MOFSL") being the sponsor. At MOPE, Mr. Tulsyan looks to build a platform to channelize long-term capital to create valuable enterprises and successful entrepreneurs. Prior to founding MOPE, Mr. Vishal was with Rabobank during its formative years in India, helping build its corporate finance and investment banking franchise. During his Rabobank tenure, he executed ~50 transactions aggregating more than Rs 900 bn & helped build the life sciences practice in India into a key business driver.

Mr. Tulsyan holds a Bachelor's Degree in Commerce from the prestigious St. Xaviers' College, Kolkata and is a member of the Institute of Chartered Accountants of India.

- **Shareholding in the Company**

He does not hold any share of the Company in individual capacity.

- **Disclosure of Relationship inter-se between Directors, Manager and other Key Managerial Personnel**

There is no inter-se relationship between him and other members of the Board and Key Managerial Personnel of the Company.

- **Board Meeting Attendance and Remuneration during the FY 2020-21**

He attended 5 (Five) out of 12 (Twelve) Board Meetings he was entitled to attend during the year. He was not paid any remuneration during his term with the Company.

- **Companies in which he holds Directorships as on 31st March 2021
(other than Shubham Housing Development Finance Company Ltd.)**

Directorships

1. Moksh Realty Advisors LLP
2. India Realty Excellence Fund II LLP
3. Ganpati Realinvest LLP
4. Kurlon Enterprise Limited
5. MO Alternate Investment Advisors Private Limited
6. Mope Investment Advisors Private Limited
7. Motilal Oswal Real Estate Investment Advisors II Private Limited
8. N. Ranga Rao & Sons Private Limited
9. Motilal Oswal Real Estate Investment Advisors Private Limited
10. Sahsarathi Collective Foundation
11. Motilal Oswal Trustee Company Limited

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- **Terms and conditions of re-appointment**

Being director liable to retire by rotation, he is retiring in the ensuing AGM. He seeks his re-appointment as nominee of an Investor-Shareholder of the Company (i.e., Motilal Group), on the Board. He shall hold his office in the Company at the pleasure of the Investor-Shareholder who nominated him and shall be liable to retire by rotation. His re-appointment in the Board is sought at nil remuneration. During his tenure, Company may request him to be a member/Chairman of any one or more Committees of the Board, which may be constituted from time to time.

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DETAILS OF MR. SANJAY CHATURVEDI

- **Date of first appointment on the Board of Company**

Mr. Sanjay Chaturvedi, being first director of the Company, has been holding office since incorporation of the Company i.e. 23.02.2010.

- **Age, experience and qualification that qualify him for Board membership**

Mr. Sanjay Chaturvedi aged about 56 years has more than 33 years of proven expertise in general management, sales & distribution, new category development, brand management and backend operations including collections across large, blue chip financial services organisations.

Prior to Shubham Housing, Mr. Chaturvedi has successfully launched and led new business lines for the consumer business of Citibank, HSBC and GE Consumer Finance in India and First Gulf Bank in the UAE. Prior to this, his role was to set up and manage the Lending and Payments business for Reliance Retail.

Mr. Chaturvedi holds Master's in Business Administration from Lucknow University.

- **Shareholding in the Company**

He holds 250,000 equity shares in the Company.

- **Disclosure of Relationship inter-se between Directors, Manager and other Key Managerial Personnel**

There is no inter-se relationship between him and other members of the Board and Key Managerial Personnel of the Company.

- **Board Meeting Attendance and Remuneration during the FY 2020-21**

He attended 12 (Twelve) out of 12 (Twelve) Board Meetings he was entitled to attend during the year. He was paid the remuneration of Rs. 1,41,83,021/- during the year.

- **Companies in which he holds Directorships as on 31st March 2021 (other than Shubham Housing Development Finance Company Ltd.)**

None

- **Terms and conditions of re-appointment**

His current term as WTD is expiring on 26.07.2021. Being eligible, he has offered himself for re-appointment as WTD. His re-appointment is proposed for five years with effect from 27.07.2021 to 26.07.2026. During his tenure, Company may request him to be a member/Chairman of any one or more Committees of the Board, which may be constituted from time to time.

Being WTD, his office shall not be liable to retire by rotation. He would be employed on a whole-time basis and will not be permitted to undertake any other business, work or public office, honorary or remunerative, except with the written permission of the Competent Authority in each case. He shall be entitled to such other privileges, allowance, facilities and amenities in accordance with rules and regulations as may be applicable to other employees of the Company and as may be decided by the Board, within the overall limits prescribed under the Act. His appointment shall be governed by Section 196, 197, 203 read with Schedule V of the Companies Act, 2013 and rules made thereunder.

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DETAILS OF MR. MANOJ DATTATRAYA RANE

- **Date of first appointment on the Board of Company**

Mr. Manoj Dattatraya Rane was first appointed on Board on 11.11.2020 as Additional Director and designated as Independent Director.

- **Age, experience and qualification that qualify him for Board membership**

Mr. Manoj Dattatraya Rane aged about 55 years has more than 31 years of extensive experience in financial markets. He has held various senior positions at IndusInd Bank Ltd, Bank of America & BNP Paribas. He has been Vice-Chairman of FIMMDA and FEDAI and was a member of RBI's prestigious Technical Advisory Committee for Govt. Securities.

Mr. Rane holds a Bachelor's Degree in Commerce and is a member of the Institute of Chartered Accountants of India.

- **Shareholding in the Company : Nil**

- **Disclosure of Relationship inter-se between Directors, Manager and other Key Managerial Personnel**

There is no inter-se relationship between him and other members of the Board and Key Managerial Personnel of the Company.

- **Board Meeting Attendance and Remuneration during the FY 2020-21**

He attended 1 (One) out of 2 (Two) Board Meetings he was entitled to attend during the year. He was not paid any remuneration during FY 2020-21 except sitting fees amounting Rs. 75,000/- for attending meetings of Board and committees of which he was member.

- **Companies in which he holds Directorships as on 31st March 2021 (other than Shubham Housing Development Finance Company Ltd.) : None**

- **Terms and conditions of appointment**

He was appointed on 11.11.2020 as additional director and designated as Independent Director to hold the office upto the date of next AGM.

Since the appointment of Independent Director requires to be confirmed in the meeting of shareholders. Therefore, his appointment is proposed for confirmation from members in the ensuing AGM. His appointment, if confirmed, shall be for a term of 5 years effective from 11.11.2020 to 10.11.2025

During his tenure, Company may request him to be a member/Chairman of any one or more Committees of the Board, which may be constituted from time to time.

Being Independent Director, his office shall not be liable to retire by rotation.

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Form No. MGT-11
Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

CIN: U65921DL2010PLC199469

Name of the company: Shubham Housing Development Finance Company Ltd.

Registered office: D-305, Ground Floor, Sarvodaya Enclave, New Delhi-110017

Name of the member (s)	:	
Registered address	:	
E-mail Id	:	
Folio No/ Client Id	:	
DP ID	:	

I/We, being the member(s) of _____ Equity shares and _____ Compulsory Convertible
Preference Shares of the above named company, hereby appoint:

1. Name:

Address:

E-mail Id:

Signature :,

or failing him/her

2. Name:

Address:

E-mail Id:

Signature :,

or failing him/her

3. Name:

Address:

E-mail Id:

Signature :

Shubham Housing Development Finance Company Limited

Corporate and Communication Address: Shubham House, 425, Udyog Vihar, Phase - IV, Gurgaon - 122015

Ph.: +91 124 4212531 • Website: www.shubham.co

Registered Office: D-305, Ground Floor, Sarvodaya Enclave, New Delhi - 110017

Corporate Identity Number (CIN) - U65921DL2010PLC199469



as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 12th Annual General Meeting of the company, to be held on Tuesday the 08th day of June 2021 at 03:00 p.m. IST at Registered Office of the company at D-305, Ground Floor, Sarvodaya Enclave, New Delhi – 110017 and at any adjournment thereof in respect of resolutions as indicated below:

Resolution No: 1

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March 2021, together with the Directors' and Auditors' Reports thereon.

Resolution No.2

To re-appoint Mr. Rahul Garg as a Director, who retires by rotation and being eligible, offers himself, for re-appointment.

Resolution No.3

To re-appoint Mr. Vishal Tulsyan as a Director, who retires by rotation and being eligible, offers himself, for re-appointment.

Resolution No. 4

To re-appoint Mr. Sanjay Chaturvedi as Whole Time Director.

Resolution No. 5

Increasing in the Borrowing Power of the Company

Resolution No. 6

Creation of charge over asset of the Company

Resolution No. 7

Appointment of Mr. Manoj Dattatraya Rane (DIN: 02653448) as an Independent Director

Signed this 2021

Affix
Revenue
Stamp

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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DIRECTORS' REPORT

To,
The Members,
Shubham Housing Development Finance Co. Ltd.,
D-305, Ground Floor, Sarvodaya Enclave,
New Delhi – 110017.

The Board of Directors of your Company takes pleasure in presenting the Directors' Report of the Company for the financial year ended 31.03.2021.

1. FINANCIAL RESULTS:

Brief summary of the audited financials of the Company for the year ended 31.03.2021:

(Figures in Rs. Crores)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Revenue from Operations	336.55	279.54
Other Income	4.23	4.88
Total Income	340.78	284.42
Profit before Depreciation	83.44	50.46
Less: Depreciation	5.33	4.82
Profit after depreciation	78.11	45.65
Provision for Tax including Deferred Tax	17.33	11.03
Total Tax Expense	17.33	11.03
Profit after Tax	60.77	34.61

2. STATE OF COMPANY'S AFFAIRS:

Despite the challenging business environment throughout the year due to Coronavirus (Covid19) pandemic, during FY 21, your Company (Company) delivered a much improved performance as compared to the previous year the year. The rapid pace of the unprecedented Covid19 outbreak globally including in India, adversely impacted the run rate of the disbursement of loans in the first quarter, besides other business parameters. Despite of high level of uncertainties, you will be pleased to note that the Company has reported excellent profits for the said FY21 with PAT increasing to Rs. 60.77 crores, after providing Rs.17.33 crores for tax (FY20 PAT of Rs. 34.61 Crores after providing Rs. 11.03 Crores for tax).

Reserves and Surplus stood at Rs. 519.37 crores (previous year Rs. 455.97 Crores).

3. CHANGE IN NATURE OF BUSINESS, IF ANY:

The Company operates in housing finance segment. Company gives loans for purchase or renovation or improvement or construction of residential houses and certain other purposes in India. All other activities of the Company revolve around the main business. During the year under review, there was no change in the nature of business.

4. COVID-19 PANDEMIC:

The "Severe Acute Respiratory Syndrome Coronavirus 2" (SARS-CoV-2), generally known as COVID-19, which was declared as a pandemic by the WHO on 11.03.2020, caused an unprecedented level of disruption on socio-economic front Globally including in India. In April 2020, the International Monetary Fund (IMF) predicted that the global GDP will contract by 3%



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in 2020. In India, Government announced a complete lockdown of the Country from 25.03.2020 to contain the spread of virus.

Further, in accordance with the RBI Circulars dated 27.03.2020, 17.04.2020 (Moratorium-1) and 23.05.2020 (Moratorium-2) with regard to providing relief to borrowers, Company has offered a moratorium to eligible borrowers in accordance with the Board approved policy.

5. DIVIDEND:

Your Directors do not recommend any dividend for the year ended 31.03.2021.

6. MATERIAL CHANGES AND COMMITMENTS:

No material changes and commitments occurred between the end of financial year of the Company to which the financial statements relate and the date of this report, which may have any adverse effect on the financial position of your Company.

7. TRANSFER TO RESERVES:

During the year under review, your Company has transferred an amount of Rs. 12.15 Crores to special reserve in accordance with the regulations as prescribed by National Housing Bank (NHB) in this regard.

8. DEBENTURES:

a) Non-Convertible Debentures:

Secured Non-Convertible Redeemable debentures amounting Rs. 30 Crores were issued by the Company on Private Placement basis during the year under review.

The Company's principal outstanding from Non-Convertible Debentures ("NCDs") stood at Rs. 1,12.5 Crores of which NCDs amounting to Rs. 92.5 Crores are listed on Debt Segment of Bombay Stock Exchange as on 31.03.2021. The detailed break-up of NCDs as on 31.03.2021 and the ratings assigned by the rating agencies are as under:

S. No.	ISIN	Amount (in Lakhs)	Ratings	Listed/ Unlisted
1	INE967Q08021	6,250	[ICRA]A- (Stable)	Listed
2	INE967Q08013	2,000	[ICRA]A- (Stable)	Unlisted
3	INE967Q07023	1,000	[CRISIL]A- (Stable)	Listed
4	INE967Q07031	2,000	[CRISIL]A- (Stable)	Listed
Total		11,250		

The instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

The Company is regular in making payment of principal and interest on the NCDs and there had been no instance of default(s) during the year under review. As on date, none of non-convertible debentures is lying with the Company in respect of which interest/principal has not been claimed by the investors or not paid by the Company.

b) Optionally Convertible Debentures (OCDs)

During the year under review, the company raised funds amounting to Rs. 0.14 Crores through the issue of 24,128 Unsecured Optionally Convertible 8% Debentures (OCDs) issued at Rs. 1,175/-



each, partly paid up at Rs. 60/- each on private placement basis pursuant to the special resolution passed by shareholders in their extra-ordinary general meeting held on 21.09.2020.

9. DEPOSITS:

Your Company is registered as a non-deposit taking Housing Finance Company with NHB and hence does not accept deposits. No deposits were accepted from the public in the financial year ended 31.03.2021.

10. SHARE CAPITAL:

Authorized Share Capital

During the financial year under review, there has been no change in the authorized share capital of the Company.

As at 31.03.2021, it stands at Rs. 7,50,00,000/- divided into -

- (i) 25,00,000 Equity Shares of Rs. 10/- each aggregating to Rs. 2,50,00,000; and
- (ii) 50,00,000 Compulsory Convertible Preference Shares of Rs. 10/- each aggregating to Rs. 5,00,00,000/-.

Issued and Paid up Share Capital

Equity Shares

The issued and paid up equity share capital of the Company as at 31.03.2021 was Rs. 94,36,900/- divided into 943,690 equity shares of Rs. 10/- each. No equity shares were issued by the Company, during the FY 21.

Compulsorily Convertible Preference Shares

The issued and paid up preference share capital of the company as at 31.03.2021 was Rs. 450,03,690/- divided into 45,00,369 preference shares of Rs. 10/- each. No preference shares were issued by the Company, during the FY 21.

11. REFINANCE FROM NHB

During the financial year under review, NHB sanctioned the Company Rs. 224 crores under NHB's regular refinance scheme out of which company has raised Rs. 100 Crores till 31.03.2021. Remaining sanctioned amount can be raised till 30.06.2021.

Further, in wake of the COVID-19 pandemic, Reserve Bank of India has provided a Special Liquidity Facility (SLF) of Rs.10,000 crore to National Housing Bank (NHB) to enable it to infuse liquidity into the housing sector through Housing Finance companies (HFCs) and other PLIs at affordable rates and to meet the credit needs of the sector.

Accordingly, NHB launched Special Refinance Facility (SRF) to provide short term refinance support. Under this Scheme, NHB sanctioned Rs. 52 Crores to the Company during the period under review

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the year under review, there are some changes in the composition of Board of the Company elaborated hereinafter. However, Corporate Governance Report discusses in detail matters like composition of the Board, Board meetings held during the year, Directors' attendance in meetings, etc.

Your Company had appointed Mr. Shashank Jain as Chief Financial Officer (CFO) since 16.11.2015 and Ms. Neeta Kamra as Company Secretary (CS) since 03.09.2012.



Directors whose appointment/re-appointment proposed in ensuing AGM

(i) Retiring Directors proposed for re-appointment in ensuing AGM

In pursuance to provisions of Section 152 of the Act, Mr. Rahul Garg and Mr. Vishal Tulsyan, Directors, shall retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offer themselves for re-appointment. Being Investor Nominee Directors, suitable nomination for such re-appointment has been received from respective Investors. Their brief resumes have been given in Corporate Governance Report. The Board recommends their re-appointment.

(ii) Mr. Sanjay Chaturvedi, Whole time director proposed for re-appointment in ensuing AGM

Mr. Chaturvedi's current term as WTD is expiring on 26.07.2021. Being eligible, he has offered himself for re-appointment as WTD. His re-appointment for five years with effect from 27.07.2021 to 26.07.2026 is proposed in ensuing AGM.

Directors appointed during the FY21

(i) Appointment of Mr. Manoj Dattatraya Rane as an Additional Director (Independent)

Based on the Recruitment, Compensation and Nomination Committee (RCNC), the Board appointed Mr. Manoj Dattatraya Rane as an Additional Director (designated as Independent Director) on 11.11.2020. Since the appointment of Independent Director is required to be confirmed in the meeting of shareholders. Therefore, his appointment is proposed for confirmation from members in the ensuing AGM. His appointment, if confirmed, shall be for a term of 5 years effective from 11.11.2020 to 10.11.2025

(ii) Appointment of Mr. Manoj Jaiswal as an Nominee Director

The Board appointed Mr. Manoj Jaiswal as an Additional Director (Nominee) on 14.09.2020. This was based on the nomination request received from POF-1, an Investor of the Company. The appointment of Mr. Jaiswal was approved by members of the Company in their Extra Ordinary General Meeting held on 21.09.2020 as a Nominee Director.

(iii) Re-appointment of Mr. Vinod Rai and Mr. Rakesh Rewari as Independent Directors for second term

Mr. Vinod Rai and Mr. Rakesh Rewari were appointed as Independent Directors of the Company up till 05.11.2020 (First Term). Being eligible, they offered themselves for re-appointment. Based on the recommendation of RCNC and Board, the Shareholders of the Company at their meeting held on 21.09.2020 approved their re-appointment as independent directors for a further period of 5 years from 06.11.2020 to 05.11.2025 (Second Term).

Annual Declaration from Independent Directors:

Your Company has received the Declaration of Independence, as required pursuant to Section 149(7) of the Act, from its Independent Directors stating that they meet the criteria of Independence as laid down in Section 149(6).

13. DIRECTORS' RESPONSIBILITY STATEMENT:

In compliance to the provisions of Section 134 (3)(c) of the Companies Act, 2013, your Directors confirm that:-

- (a) in the preparation of the annual accounts, the applicable accounting standards were followed along with proper explanation relating to material departures, if any;
- (b) 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;

- (c) the Directors took proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (“the RBI HFC Master Directions 2021”), a detailed Note on the Company’s operational and financial performance is given in the “Management Discussion and Analysis Report” which is annexed to this Report.

15. AUDITORS:

Statutory Auditors

M/s. S.R. Batliboi & Associates, LLP, Chartered Accountants, (Firm Registration No. 101049W/E300004), were appointed as Statutory Auditors of the Company at the 11th Annual General Meeting held on 26.06.2020, to hold office till the conclusion of the 16th Annual General Meeting.

M/s. S.R. Batliboi & Associates, LLP, Chartered Accountants, (Firm Registration No. 101049W/E300004) has confirmed that they are not disqualified from continuing as Auditors of the Company.

Further, in pursuance of the RBI HFC Master Directions 2021, your Company has in place the policy/guidelines regarding rotation of partner of firm of Statutory Auditors conducting audit of the Company to ensure that same partner does not conduct audit of the Company for a period of more than three (3) years consecutively.

The Report of Statutory Auditor on accounts and financial statements for Financial Year 2020-21, is shared separately.

Secretarial Auditors

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company appointed M/s Naveen Narang & Associates, Practicing Company Secretaries, as the Secretarial Auditor of the Company to conduct Secretarial Audit of the Company for FY 21. Being eligible, they have been re-appointed for the FY 22.

The Report of Secretarial Auditor for FY 21 is annexed to this Report.



Internal Auditors

Your Directors have appointed M/s S.S. Kothari Mehta & Co., Chartered Accountants, (Firm Registration No. 000756N), as Internal Auditors of the Company to conduct Internal Audit of the Company for FY 21. Being eligible, they have been re-appointed for the FY 22.

Auditor's qualification/reservation/adverse remark

Except as expressly stated herein, neither of the aforesaid auditors have expressed any adverse qualification/reservation/adverse remark in their Report for FY 21 which requires any explanation or comments from the Board. The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments and explanations.

Remarks:- Statutory auditors' report express that statutory dues have generally been regularly deposited though there has been a slight delay in some cases.

Management's reply:- The mentioned delays were due to disruption caused by Covid pandemic.

16. LOAN / GUARANTEE / INVESTMENTS:

Your Company, being a housing finance company, the disclosures regarding particulars of loans made, guarantees given and securities provided in the ordinary course of its business, are exempted as per the provisions of section 186(11) of the Companies Act, 2013.

17. CONTRACTS / ARRANGEMENT WITH RELATED PARTIES:

In line with the requirements of the Act and the directions issued by the RBI, your Company has formulated a policy on Related Party Transactions, which describes the transactions requiring requisite approvals, reporting and disclosures of transaction between the Company and its related parties. The said policy has also been uploaded on the Company's website www.shubham.co

All the related party transactions entered into by the Company, during the financial year, were in its ordinary course of business and on an arm's length basis. There are no materially significant related party transactions entered by the Company with its Promoters, Key Management Personnel or other designated persons which may have potential conflict with the interest of the Company at large. None of the transactions with related parties fall under the scope of Section 188(1) of the Act and hence the Information on transactions with related parties pursuant to Section 134(3) (h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 required to be given in the prescribed form AOC-2 are not applicable.

Pursuant to the RBI HFC Master Directions 2021, the Related Party Transaction Policy of the Company forms part of this Board's Report.

18. PARTICULARS OF EMPLOYEES:

Your Company is complying with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Only 3 employees of the Company were in receipt of remuneration in excess of Rs. 1.02 crores per annum during the year under review.

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1), 5(2) and Rule 5(3) of the amended Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are annexed to the Board's report.



19. EMPLOYEE STOCK OPTION SCHEME

The Company grants share-based benefits to eligible employees with a view to attracting and retaining the best talent, encouraging employees to align individual performances with Company objectives and promoting increased participation by them in the growth of the Company.

Employee Stock Option Plan 2013 (ESOP 2013)

During the FY 12, the Company issued 119,047 equity shares to the Shubham Employees Welfare Trust (Trust) which was for granting Employee Stock Options (Options) to the Company's employees/eligible persons. A resolution was passed in the Board Meeting of the Company dated 31.10.2013 authorizing the Board/"Recruitment, Compensation and Nomination Committee" (RCNC) to issue such Options to employees. Each Option, upon satisfying all such conditions as may be prescribed in accordance with the ESOP 2013, is exercisable for one equity share of face value of Rs. 10/- each fully paid up on payment to the Trust such price as may be determined in accordance with ESOP 2013. If an Option expires or becomes un-exercisable without having been exercised in full, such options, would be available to the RCNC for granting to other employees/eligible persons.

The Options granted under ESOP 2013 shall vest after a minimum period of one (1) year and a maximum of four (4) years from the date of grant of the Option. The exact period after which the Options would vest, shall be determined by the RCNC, subject to the aforesaid limits regarding the minimum and maximum vesting period. There shall be a minimum period of one year between the grant of an Option and vesting of the Option.

Employee Stock Option Scheme 2020 (ESOP Scheme 2020)

During the FY 20, the shareholders of the Company passed special resolution in the extra-ordinary general meeting of the Company held on 30.03.2020 authorizing Board/ "Recruitment, Compensation and Nomination Committee" (RCNC) to create, offer, issue and allot from time to time such Employee Stock Options (Options) not exceeding 1,27,889 Options to employees/eligible persons under the "Employee Stock Option Scheme 2020" (ESOP Scheme 2020). Each such Option, upon satisfying all such conditions as may be prescribed in accordance with the ESOP Scheme 2020, is exercisable for one equity share of face value of Rs. 10/- fully paid up on payment to the Company such price as may be determined in accordance with ESOP Scheme 2020. However, if an Option expires or becomes un-exercisable without having been exercised in full, such Option would be available to the RCNC for granting to other employees/eligible persons.

The Options granted under ESOP Scheme 2020, shall vest after a minimum period of one year and a maximum period of four (4) years from the date of grant of the Option. The exact period for which the Option would vest shall be determined by the RCNC, subject to the aforesaid limits regarding the minimum and maximum vesting period. There shall be a minimum period of one year between the grant of an Option and vesting of the Option.

20. EMPLOYEE STOCK OPTIONS (ESOPs):

In pursuance of Rule 12 of Companies (Share Capital and Debentures) Rules, 2014, ESOPs disclosures is as under:

Particulars	Employee Stock Options
Options Granted during the year	25,000
Options Vested during the year	18,598
Options Exercised during the year	0
Total number of shares arising out of exercise of options	0
Options lapsed during the year	400



Exercise Price	Rs. 10/-
Variation of Terms of Options	No
Money realized by exercise of Options	Nil
Total number of Options in force	1,21,954
Employee-wise Details of Options Granted During the Year:-	
(i) Key Managerial Person:	Nil
(ii) Any other employee receiving grant in any one year of option amounting to five percent or more of options granted during that year:	25,000
(iii) 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.	Nil

21. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO:

Information in accordance with the provision of Section 134 (3) (m) of the Companies Act, 2013, read with Rule 8 of Companies (Account) Rules 2014 regarding conservation of energy technology absorption and foreign exchange earnings and outgo is as under:

a. Conservation of Energy

Your Company is engaged in mainly providing loans for affordable housing. As the Company has not undertaken manufacturing activity, the disclosure under the applicable rules is not required to be provided. However, your Company has generally taken reasonable efforts to conserve energy.

b. Technology Absorption

The Company has not imported any technology. Hence, the requirement of technology absorption is not applicable.

c. Foreign Exchange Earnings and Outgo

The Foreign Exchange earnings and outgo of the company during the period under review are as follows:

(i)	Foreign Exchange Earnings	:	Rs. Nil
(ii)	Foreign Exchange Outgo	:	Rs. 0.67 crores/-

22. COST RECORDS AND COST AUDIT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

23. CORPORATE SOCIAL RESPONSIBILITY (CSR):

Your Company has in place Corporate Social Responsibility Policy (CSR Policy), in compliance with the provisions of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, which, inter-alia, lay down the guidelines and mechanism for undertaking socially useful projects for welfare and sustainable development of the community at large. As per the requirement of Section 135 of the Companies Act, 2013, the Company constituted a CSR Committee to monitor CSR activities of the Company. The CSR Policy of the Company may be accessed on the Company's website www.shubham.co.



The Corporate Social Responsibility Committee assists the Board in fulfilling its duty towards the community and society at large by identifying the activities and programs that can be undertaken by the Company, in terms of the CSR Policy of the Company. The composition of the CSR Committee and its terms of reference are given in the Report on Corporate Governance forming part of this Annual Report. Annual Report on CSR activities forms part of this Directors' report.

24. VIGIL MECHANISM:

Pursuant to the provisions of Section 177 (9) & (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014, the Company has in place a Whistle Blower Policy, which provides for a vigil mechanism that encourages and supports its Directors and employees to report instances of illegal activities, unethical behavior, actual or suspected, fraud or violation of the Company's Code of Conduct and Code of Business Ethics. It also provides for adequate safeguards against victimization of persons who use this mechanism and direct access to the Chairperson of the Audit Committee in exceptional cases. Email id addresses along with other contact details of Vigilance Officer/Chairperson of the Audit Committee are disclosed in Vigil Mechanism Policy available on Company's website www.shubham.co.

During the year under review, your Company did not receive any complaints under Vigil Mechanism Policy.

25. PREVENTION, PROHIBITION & REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

As per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company has in place a Policy on Prevention, Prohibition & Redressal of Sexual Harassment of Women at Workplace and has a robust mechanism to redress the complaints reported thereunder. An Anti-Sexual Harassment Committee has been constituted, which comprises of internal and external members who have experience in the subject field (Composition details and number of meetings held during FY21 are set forth in Corporate Governance Report annexed hereto)

Pursuant to the provisions of Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the complaints received thereunder and the details relating thereto are as follows:

- | | |
|---|-------|
| a) Number of complaints received in the year | : 01 |
| b) Number of complaints disposed of during the year | : 01 |
| c) Number of cases pending more than ninety days | : Nil |
| d) Number of workshops or awareness program against sexual harassment carried out: | |
| Your Company regularly sensitizes its employees on prevention of sexual harassment through various workshops, awareness programs. | |
| e) Nature of action taken by the employer or district officer | : Nil |

It may be mentioned here that the Company has zero tolerance towards any action on the part of any executive / staff which may fall under the ambit of 'Sexual Harassment' at workplace, and is fully committed to upholding and maintaining the dignity of every women executive / staff working in the Company.

26. MARKETING AND BRANDING

Your Company continuously works towards fulfilling the vision of the Company to enable home ownership to every Indian through its focused branding and marketing effort. Company has also strengthened its reach and services, especially among the Lower and Middle Income (LMI)



customer segment. Company believes in handholding the consumer in his journey of owning a home of his own.

27. EVALUATION

Pursuant to the provisions of the Act and Rules made thereunder, the Board has carried out an annual evaluation of the performance of the Board, its Committees and of individual directors. The evaluation of performance of Non-Independent Directors and Board as a whole and that of Chairman, was carried out in Independent Directors' Meeting and evaluation of performance of Independent Directors and Committees of Board was carried out in the Board Meeting. The Performance Evaluation Process was a questionnaire-based assessment, which set broad parameters for evaluation of the performance of the Board, its Committees and of individual directors. Its main objectives are to ensure effective and efficient Board operations towards corporate goals and objectives, to identify ways to improve Board member's functioning and to assess the balance of skills, knowledge and experience on the Board.

28. NHB GUIDELINES

Your Company is having a valid NHB License for carrying on business of Housing Finance Company. Company endeavors to ensure full compliance with NHB Directions, Notifications, Circulars and guidelines issued from time to time. The Compliance status is periodically reviewed by the Board in its meetings. Company submits all the required monthly/ quarterly/ half yearly or other periodical NHB reports/ returns, intimation of opening/ closing (shifting/relocation) within prescribed time limit. Company diligently resolves and complies with observations/recommendations issued by NHB during its routine periodical inspection. There has not been any adverse observations by regulator which may impact the continuity of business by the Company.

Penalties imposed by NHB

- (i) Penalty of Rs. 0.35 crores was imposed by National Housing Bank vide letter dated October 06, 2020 for instances of non-compliance in operational matter with policy circular number 55. The said amount was paid by the company under protest.
- (ii) Penalty of Rs. 0.07 crores was imposed by National Housing Bank vide letter dated May 26, 2020 for instances of non-compliance in operational matter under contravention of Paragraph 27-A and Paragraph 30-(2-B) of the HFCs (NHB) Direction 2010. The Company has submitted its representation to the NHB on June 16, 2020 that there was no violation of the prescribed guidelines.

Company, being a financial institution, is also registered for taking SARFAESI Action under SARFAESI Act and the same has been notified by NHB.

29. RESERVE BANK OF INDIA COMPLIANCES

During the FY 2021, the transition of supervision of HFCs from NHB to RBI was announced. With this change, all players in the housing finance sector are now governed by a single regulator, i.e., RBI. To this end, RBI issued consolidated Master Directions for HFCs on 17.02.2021, namely, the RBI HFC Master Directions 2021. Company endeavors to ensure full compliance with RBI Directions, Notifications, Circulars and guidelines issued from time to time. The Compliance status is periodically reviewed by the Board in its meetings. There have been no significant delays in filing the necessary disclosures, returns and necessary forms in this regard for the year under review.

No Fines/Penalties have been levied by the RBI during the period under review.



30. SECRETARIAL STANDARDS

Company complies with all the applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.

31. COMMITTEES

Details on composition of various Committees of the Board and number of meetings of the Board and Committees, are given in the Corporate Governance Report annexed hereto.

32. RISK MANAGEMENT

The Company has to manage various risks such as credit risk, liquidity risk, interest rate risk and operational risk. Your Company has a comprehensive Risk Management Policy in place and has laid down a well-defined risk management framework to identify, assess and monitor various elements of risk involved in the business and strengthen controls to mitigate risks. As mandated under the Master Directions on HFC issued by the Reserve Bank of India on 17.02.2021, the Company has a Risk Management Committee which is responsible for putting in place a progressive risk management system, risk management policy and strategy to be followed by the Company. The Risk Management Committee periodically reviews the robustness the Risk Management Policy.

At present the Company has not identified any element of risk which may threaten the existence of the Company.

33. CODE AND POLICIES & COMPLIANCES

Your Company has formulated various Policies and Codes in compliance with provisions of Directions and Guidelines issued by the Reserve Bank of India (RBI) to ensure high ethical standards in the overall functioning of the organization. The said Policies and Codes are periodically reviewed by the Board of Directors. The key Policies and Codes as approved by the Board of Directors and the respective compliance thereunder are detailed herein below:

Policy on Know Your Customer & Anti Money Laundering Measures

Your Company has a Board approved policy on Know Your Customer (KYC) & Anti Money Laundering Measures (AML) in place and adheres to the said Policy. The said Policy is in line with the Master Direction - Know Your Customer (KYC) Direction, 2016 issued by RBI.

Your Company has adhered to the compliance requirements in terms of the said policy including the monitoring and reporting of cash and suspicious transactions. The Company furnishes to Financial Intelligence Unit, India (FIU), in the electronic mode, information of all cash transactions of the value of more than Rupees ten lakh or its equivalent in foreign currency and suspicious transactions whether or not made in cash identified in terms of the said Policy. Your Company is registered with FIU. During the year under review, KYC & AML Policy was revised from time to time to align the same with the amendments in Master Direction - Know Your Customer (KYC) Direction, 2016.

Fair Practice Code

Your Company has in place a Fair Practice Code (FPC), which includes practices to be followed by staff while dealing with the customers approaching for obtaining a loan and for transactions with customers after the loan has been granted/dispensed. The FPC captures the spirit of the guidelines provided in the RBI HFC Master Directions 2021. Your Company places compliance report on FPC periodically before Board.



Policy on Fit and Proper Criteria for the Directors

Your Company has a Policy on Fit and Proper Criteria for the Directors, in accordance with the RBI HFC Master Directions 2021 which inter-alia, lays down the fit and proper criteria of the Directors at the time for their appointment/ reappointment and on a continuing basis.

Internal Guidelines on Corporate Governance

Your Company has the Internal Guidelines on Corporate Governance in accordance with the RBI HFC Master Directions 2021, which inter-alia, defines the responsibilities of the Company towards its various stakeholders and lays down the Corporate Governance practices of the Company.

Related Party Transaction Policy

Your Company has in place Related Party Transaction Policy which describes the related party transactions requiring requisite approvals and requirements of appropriate reporting and disclosure of transactions between the Company and its related parties. The said policy also defines the materiality of related party transactions and lays down the procedures of dealing with such transactions.

Pursuant to the RBI HFC Master Directions 2021, the Related Party Transaction Policy of the Company forms part of this Board's report under the Corporate Governance Section.

34. NOMINATION AND REMUNERATION POLICY:

The "Recruitment, Compensation and Nomination Committee" has put in a place a policy, namely, Nomination and Remuneration Policy, to identify persons who are qualified to become directors, key managerial personnel and senior management personnel and recommend to the Board their appointment/re-appointment and removal and to formulate criteria for determining qualifications, positive attributes and independence of a director. The Policy also lays down remuneration criteria for the Directors. The Policy is placed in the Corporate Governance Report annexed to this Report. Full contents of Policy are available on Company's website www.shubham.co.

35. CUSTOMER COMPLAINTS:

In accordance with the RBI HFC Master Directions 2021, the details of the customer complaints are stated hereunder:

Sr. No.	Particulars	Current Year ended 31.03.2021	Previous Year ended 31.03.2020
1	No. of complaints pending at beginning of the year.	1	1
2	No. of Complaints received during the year.	37	42
3	No. of Complaints redressed during the year	38	42
4	No. of complaints pending at end of the year.	0	1

36. ANNUAL RETURN:

The Annual Return of the Company for the financial year ended 31.03.2021 is placed on website of the Company www.shubham.co.

37. REPORTING OF FRAUDS BY AUDITORS:

During the year under review, neither the statutory auditors nor the secretarial auditors has reported any instances of material frauds against the Company by its officers or employees under Section 143(12) of the Act, details of which would need to be mentioned in the Directors' Report.



38. CORPORATE GOVERNANCE

A detailed Corporate Governance Report has been annexed to this Report.

39. GENERAL:

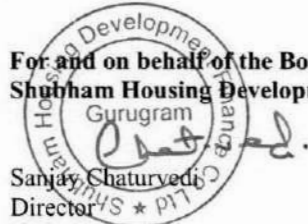
- a) Company has established connectivity with both the depositories, i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the Depository system, Members are requested to avail the facility of dematerialization of shares with either of the Depositories as aforesaid.
- b) Company does not have any Subsidiary, Joint Venture or Associate Companies as on March 31, 2021.
- c) There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.
- d) There is no application made or any proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016 during the year.
- e) The Government of India has set up the Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI) under section 21 of the SARFAESI Act, 2002 to have a central database of all mortgages created by lending institutions. The object of this registry is to compile and maintain data relating to all transactions secured by mortgages. Accordingly, your Company is registered with CERSAI and has been submitting data in respect of its loans.
- f) Company has taken "Green Initiative" and accordingly has been sending Annual Report/Notice of AGM in electronic mode to those Shareholders whose email ids are registered with the Company and /or the Depository Participants.
- g) As mandated in RBI Circular, Company has obtained Legal Entity Identifier Registration Number which is valid till September 2021 and shall be renewed accordingly.

40. APPRECIATION:

Board takes this opportunity to place on record its appreciation to all employees for their hard work, spirited efforts, dedication and loyalty to Shubham. The employees have worked based on principles of honesty, integrity and fair play and this has helped Shubham in maintaining its growth.

The Board also wishes to place on record its appreciation to shareholders, referral associates, NHB, rating agencies, auditors, financial institutions and banks for their continued support.

**For and on behalf of the Board of
Shubham Housing Development Finance Company Limited**


Sanjay Chaturvedi
Director
DIN: 01636432
D-305, Ground Floor,
Sarvodaya Enclave,
New Delhi


Rupa Basu
Director
DIN: 08068918
S-10A, Windsor Court,
DLF, Phase-IV,
Gurugram-122009

Place: New Delhi
Date: 28.05.2021

**ANNEXURE TO THE DIRECTORS' REPORT
MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

1. ECONOMY AND INDUSTRY OVERVIEW

The COVID-19 pandemic has also affected the fastest growing economy in the world - the Indian economy - and has derailed its growth trajectory. Starting the 25.03.2020, a series of stringent lockdowns were announced by the government of India in a bid to prevent the spread of respiratory disease. As a result, the Indian economy witnessed de-growth, demand depression, supply side stress, lowering of industrial output & profits and high unemployment in first quarter of FY 21. Thereafter, with the gradual lifting of restrictions placed due to Covid, the Indian economy started to recover from the lows of April- May 2020. Starting July 2020, a resilient Indian economy saw V-shaped recovery propelled by robust stimulus packages, liquidity infusion and long-term structural reforms by the government of India & RBI.

¹The housing finance companies (HFCs), which were already facing growth moderation and asset quality woes in the wholesale segment, witnessed an even more challenging operating environment in FY21 due to the Covid19 induced disruptions. These HFCs not only witnessed slowdown in disbursements and hence moderation in portfolio growth, but also witnessed increased pressure on asset quality in FY21. However, the affordable housing finance companies (AHFCs) seems to have grown at a pace of 8-10% in FY 2021 as compared to sector's overall negative growth. The long-term growth outlook for the affordable housing finance sector remains positive given the large underserved market, favourable demographic profile, housing shortage and Government support in the form of tax sops and subsidies and the sector is expected to grow around 12-15% in FY2022.

In order to provide a growth impetus to the housing finance sector multiple policy measures were announced, some of which were:

- a) reduced GST on certain category of housing;
- b) income tax relief for home loan customers and developers of affordable housing;
- c) liquidity infusion measures through Emergency Credit Linked Guarantee Scheme (ECLGS), Special liquidity Schemes, TLTRO & Partial Credit Guarantee Scheme.
- d) Moratorium facility to provide temporary relief to the borrowers whose businesses/cash inflows were severely impacted by Covid.
- e) One-time restructuring for re-scheduling EMIs of borrowers impacted by Covid.
- f) time line extensions or other relaxations in the regulatory compliances of the HFCs
- g) Scheme for grant of ex-gratia payment of difference between compound interest and simple interest (Interest on Interest waiver)

INITIATIVES BY THE GOVERNMENT TO BOOST UP DEMAND

There has been a steady offtake in the affordable housing segment due to government's various incentives and efforts to stimulate the industry, some of which are listed below:

- Extension of the income tax rebate of Rs 1.5 lakh for affordable home loans till March 2022
- Extension of PMAY CLSS for MIG-I & MIG-II categories till March 2021 and for other categories till March 2022.
- An additional outlay of ₹ 18000 crores was announced for Pradhan Mantri Awaas Yojana Urban ("PMAY-U")
- Historically low repo rate by RBI has lead to lower cost of funds for Banks/NBFCs/HFCs which has lead to lower interest rates to borrowers.

¹ Source: ICRA press release 17.02.2021 on affordable housing finance



- Aatmanirbhar stimulus packages were announced by Government of India from time to time during FY 2021 to boost employment, help housing infrastructure and enhance ease of doing business, among others

With all these developments in FY21, outlook of affordable housing finance segment looks promising.

2. INDUSTRY STRUCTURE AND DEVELOPMENTS

Housing finance market in India has had a sound, stable and sustainable growth. Housing finance industry is highly competitive and HFCs, like ours, compete against Banks/NBFCs. Housing finance sector of late is seeing a renewed competition from Banks and NBFCs who have shifted their focus from wholesale loans to retail individual loans. The ability of Banks and large NBFCs to tap cheaper funds has affected ability of HFCs to offer competitive interest rates to customers. The continuous pressure on interest rates from Banks can affect the HFCs' ability to expand drastically by maintaining or increasing their margins.

However, your Company is better placed in terms of brand, management, quality portfolio and track record to tap cheaper funds.

The demand for housing in India shall continue to grow due to rapid urbanisation, increasing income levels, per capita income, emergence of nuclear families and moderation in housing prices. This growth has been given a further impetus by the Pradhan Mantri Awas Yojana [PMAY] for affordable housing.

Risk Factors for Housing Finance Companies (HFCs):

- Significant delays in construction by developers
- Treatment of homebuyers as financial creditors under the Insolvency and Bankruptcy Code (IBC). Any delay in handover of the property can be grounds for initiating corporate insolvency resolution proceeding under the IBC
- As liquidity remains tight for self-employed segment, they could face pressure on their borrowing costs

Regulatory Developments

During the FY 2021, the transition of supervision of HFCs from NHB to RBI was announced. With this change, all players in the housing finance sector are now governed by a single regulator. Subsequently, RBI issued consolidated Master Directions for HFCs on 17.02.2021, namely, the RBI HFC Master Directions 2021. However, responsibility of enforcement of RBI regulations still lies with the NHB. Hence, it can be said that for HFCs, there is two-fold regulatory structure, i.e., RBI and NHB.

To strengthen the Housing finance sector, RBI has raised:-

- Capital Adequacy Ratio (CAR) to 13% from March 2020 from 12% and raising it to 15% in a staggered manner by 2022
- Cap on borrowing at 14 times of Net Owned Funds (NOF) by March 2020, 13 times of NOF by March 2021 and 12 times by March 2022

We believe that the growth of housing sector would provide Shubham Housing considerable opportunity to achieve scale and robust growth.



3. OPPORTUNITIES AND THREATS

Opportunities:

After unlock began, Housing Loans witnessed strong growth – pent-up demand, lower interest rates, favourable government incentives and discounts from developers, helped in the sector's growth.² Affordable Housing (loans up to Rs 35 lakhs) contributed to nearly 82 per cent of sourcing volumes with growth driven by Tier II and Tier III cities. There has been increasing share in overall originations across rural, semi-urban and urban segments over the last 4-5 years in the affordable segment, which indicates shifting trends from high ticket sizes. These emerging trends are very encouraging for Shubham Housing since it caters to affordable segment customers who are normally not served by the traditional lending institutions due to the lack of formal income proof. With a healthy share of disbursements qualifying for subsidies under the Credit Linked Subsidy Scheme (CLSS) under the Government of India's Pradhan Mantri Awas Yojana (PMAY), the company operates in a segment with good growth opportunities, given the healthy demand.

Threats:

Since the HFCs caters to the borrower segment which largely includes economically-weaker sections and lower middle-income categories having low income buffers, therefore these borrowers are vulnerable to economic shocks. With the Covid-19-induced disruptions impacting the cash flows of some borrowers, some of the HFCs may see higher vulnerability of their portfolio and higher volatility in delinquencies especially in softer buckets. The higher work force to keep increased diligence on portfolio and stress resolution can increase the operational costs of the HFCs. The extent to which COVID-19 outbreak will impact the business models and portfolio risk is difficult to estimate as the situation is still evolving.

Company expect the losses on delinquencies to be limited considering the secured nature of the portfolio and the company's ability to manage the adverse impact of the Covid-19-induced stress.

4. SEGMENT-WISE OR PRODUCT WISE PERFORMANCE

In terms of lending operations, cumulative loan sanctions aggregated ₹ 4100 Cr. (from ₹ 3250.32 Cr. at end of the previous financial year) – all to middle and lower income urban families who are generally excluded from the mainstream banking sector. The total loans outstanding figure was ₹ 1938.61 (over ₹ 1642.82 Cr. at end of the previous financial year) as per owned book prepared in terms of Ind AS. The Company currently operates in 9 states – Delhi, Gujarat, Haryana, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Uttarakhand and Uttar Pradesh.

In terms of portfolio quality, the Company had 843 loan accounts as on year end - 31.03.2021 - which were classified as non-performing assets ("NPAs") per the prudential guidelines issued by the NHB. The amount of such Gross NPAs was ₹ 42.46 Crores. (PY ₹ 28.79 Crores) which was 2.19% (PY 1.75%) of the total loan portfolio of the Company as at March 31, 2021. The Company has created necessary provisions in accordance with the NHB Directions, after which Net NPAs stood at ₹ 27.59 Crores (PY ₹ 19.34 Crores) and 1.43% (PY 1.18%) of the total loan portfolio as at 31.03.2021. This indicates pressure on slippages over the previous year, which we believe is very much in line with that of all the mainstream HFCs and likely to improve once Covid disruptions would start to recede.

In terms of funding, the Company did not raise any fresh equity during the year, and with retained profits, net worth increased to ₹ 524.82 Crores (PY ₹ 461.41 Crores). Your Company enjoy the

² Source article published in financial express on 20.05.2021



patronage from various lending partners which includes the likes of largest nationalized bank, State Bank of India, and the leading private sector housing finance provider, HDFC Ltd, and commercial banks such as HDFC Bank, Kotak Mahindra Bank, DCB Bank, Yes Bank, etc. The Company's loan portfolio continues to qualify as priority sector as defined by the Reserve Bank of India ("RBI"). Based on our excellent relationships with our current bankers and the company's financial and portfolio performance we are confident of arranging additional debt to cover projected growth plans.

The Company is very well capitalized with capital adequacy ratio at 41.24% of risk weighted assets, as against the minimum requirement of 14%.

**The mentioned figures are as per InDAS financials.*

FUNDING SOURCES

Company has a diversified lender mix, with participation from banks, financial institutions, NBFCs and NHB. As on March 31, 2021 the Company had INR 1,608 crores of debt on its balance sheet. During the year under review, the Company managed to successfully raise INR 662 Crores from leading private banks, public sector banks, financial institutions and NHB through borrowings and INR 96 crores through sale of its loan receivables (direct assignment). The Company's cost of funds also declined from 11.01% in FY20 to 9.93% in FY21.

5. OUTLOOK

The outbreak of COVID-19 pandemic and the resultant lockdown and halt to economic activities, disrupted the Company's business mainly during end March 2020 to May 2020 in terms of fresh loan disbursements. However, with the resilient leadership supported by highly motivated workforce, Company witnessed a V-shaped recovery in its business and came roaring back with the more loan disbursement numbers than the previous year. Company's strong liquidity position helped it to recover quickly once the unlock began. The Company disbursed loans amounting to Rs. 808.55 against Rs. 779.78 during previous year. The Company expects to repeat its strong performance in FY22.

The Company has leveraged technology infrastructure to ensure business continuity during uncertain times of Covid. The Company sees no material impact on its balance sheet in the medium and long term as it has adopted conservative practices and has always provided additional provision over and above the prudential norms as stipulated in regulatory guidelines.

However, the present uncertainties regarding the pandemic remain a concern for the Company as well as the industry. Company will continue its focus on maintaining adequate liquidity, balanced ALM and robust asset quality. Further, its efforts towards enhancing efficiency with digitalization of processes and systems will be a significant support toward streamlining its operations and scaling up the business.

6. RISK AND CONCERNS

The Company has to manage various risks such as credit risk, liquidity risk, interest rate risk and operational risk etc. Company has a comprehensive Risk Management Policy in place and has laid down a well-defined risk management framework to identify, assess and monitor various elements of risk involved in the business and strengthen controls to mitigate risks. As mandated under the RBI HFC Master Directions 2021, the Company has constituted a Risk Management Committee which is responsible for putting in place a progressive risk management system, risk management policy and strategy to be followed by the Company.



The Risk Management Committee and the Asset Liability Management Committee review and monitor these risks at regular intervals. Major risks identified by the businesses and functions and functions are systematically addressed through mitigating actions on a continuing basis.

The Company manages its credit risk through stricter credit norms in line with the business requirements and continues to follow the time-tested practice of personally assessing every borrower, before committing credit exposure. This process ensures that the expertise in lending operations acquired by the Company over the past years is put to best use and acts to mitigate credit risks.

Successful mortgage lending requires/calls for timely identification, careful assessment and effective management of the credit, operational, market (interest-rate and liquidity) and reputation risks. The Company has adopted efficient risk-management policies, systems and processes that seek to strike an appropriate balance between risk and returns. The Company has also introduced appropriate risk management measures, such as accessing the applicant's credit history with credit information bureaus, field investigation of the applicant's credentials, adoption of prudent loan/value ratio and analysis of the borrower's debt-service capacity in addition to in-house scrutiny of the legal documents, lending against legal and marketable properties, risk-based loan pricing and property insurance. The Company has employed qualified personnel to value properties and track property price movements.

The Company monitors its Asset Liability Mismatch on an ongoing basis to mitigate the liquidity risk, while interest rate risks arising out of Maturity Mismatch of assets and liabilities are managed through regular monitoring of the maturity profiles.

Operational risks arising from inadequate internal processes, people and systems or from external events are adequately addressed by the internal control systems and are continuously reviewed and monitored. The Senior Management Team regularly assesses the risks and takes appropriate measures to mitigate them. Process improvements and quality control are ongoing activities and are built into the employees' training modules as well. The Company has well documented systems and procedures to ensure better control over transaction processing and regulatory compliance.

7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a well-placed, proper, adequate and documented internal control system commensurate with the size and nature of its business. The primary objective of the internal control system is to ensure that all its assets are safeguarded and protected and to prevent any revenue leakage and losses to the Company. Such controls also enable reliable financial reporting.

The Company has an Internal Auditor which conducts regular internal audits to examine the adequacy and compliance with policies, plans and statutory requirements. The Internal Audit Team directly reports to the Audit Committee of the Company. Significant audit observations and follow-up actions thereon are reported to the Audit Committee. The Audit Committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

The Audit Committee oversees the functioning of the audit team and reviews the effectiveness of internal control at all levels apart from laying down constructive suggestions for improving the audit function in the Company. The present reporting structure ensures independence of the internal audit function and embodies best corporate governance practices.



8. **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCES –**

Financial Performance during FY21

The financial performance during the period under review is as:

- i. Company earned an income of Rs. 336.55 Crores from its operations (Rs. 279.53 crores during the previous year).
- ii. Company made a profit before tax (PBT) of Rs. 78.11 Crore (Rs. 45.64 Crores during the previous year).
- iii. After providing Rs. 17.34 Crores for tax, net profit (PAT) with the company is Rs. 60.77 Crore during the year under review (Rs. 34.61 Crores (PAT) in the previous year after providing Rs. 11.03 Crores for tax).
- iv. Reserves and Surplus as at 31.03.2021 for Company is Rs. 519.38 Crores (Rs. 455.97 Crores in the previous financial year). Company has transferred Rs. 12.15 Crores to Special Reserve u/s 29C of NHB Act.
- v. Company has availed of Rs. 224 Crores from NHB as refinance under regular refinance scheme of NHB and Rs. 52 Crores under Additional Special Refinance Facility (ASRF).

Business Update/Operational Performance:

Company continues to be one of the fastest growing housing finance companies servicing the low and medium income customers in the informal segment. During FY 2021, the assets under management grew by about 18% over FY20 (as per owned loans prepared in terms of IndAS). The number of active loans grew by over 20%. The business has witnessed a disbursement momentum of more than Rs. 100 crores per month Dec 2020 onwards and achieved high monthly disbursement of Rs. 122.70 crores in the month of March 2021.

Portfolio Quality:

As a HFC, Company is exposed to credit risks along with risks associated with the real estate sector. It has been our endeavor to put in place people, processes and controls to address all the relevant risks to the portfolio..

We have been quick to respond to changes in the external environment and have implemented credit policy restrictions at the onset of the pandemic after our experienced risk & credit policy leaders conducted exhaustive research and impact assessment of COVID-19 and associated lockdown on various industry and portfolio segments. Credit policy advisory has thereafter been published to origination teams on a regular and frequent basis incorporating modifications commensurate with change in external conditions. We have also imparted regular and rigorous training to sourcing and underwriting teams to further strengthen the quality of originations and ensure business numbers exceed previous achievements without any compromise on credit standards. We have additionally built a robust property price trend monitoring framework across the micro-markets in which we operate which has not only helped us monitor the impact of pandemic on affordable housing prices but will also greatly help sharpen the collateral underwriting process going forward.

Company's portfolio originated in the last three years continues to show significantly lower risk as compared to the historical portfolio. While the pandemic is expected to cause increase in portfolio delinquency in the coming financial year, the expertise and strength of our collections, recovery, sales and service teams combined with the superior quality of our recent portfolio is expected to stand us in good stead in future.



Company ended the year with a NNPA of 0.41% and continues to follow a provisioning policy that is more conservative than the norms prescribed by regulations. Company has adopted expected credit loss forecasting model for provisions in accordance with IndAS norms that accounts for credit losses expected to arise over the life of the asset.

Asset Liability Management:

The NBFC/HFC sector has been facing headwinds for nearly two years now, having to negotiate through the liquidity squeeze triggered by the IL&FS default. The COVID-19 pandemic and the resulting worsening macro-economic environment has posed new challenges. Company has always focused on maintaining adequate liquidity, minimizing risk and ensuring that capital is deployed responsibly. Over the review period, the Company planned the treasury activities well to ensure adequate liquidity as required to support its fast-growing business. Accordingly, the Company held INR 304 Crores in cash, bank balances and liquid investments as on March 31, 2021. Due to this planned approach to liquidity management, the Company is well-poised not only to support its growing business fully but also to emerge stronger (as compared with its competitors in the affordable housing finance space), in the post-pandemic period.

Company has historically maintained a prudent approach to liquidity and cash management. The treasury team undertakes daily tracking of the Company's liquidity and cash flow position, which is further complemented by regular stress tests and scenario analysis accounting for idiosyncratic or market-wide stress. The Company regularly makes adjustments and undertakes remedial measures to ensure its liquidity and solvency position is not compromised under any situation.

Company had a total borrowing of Rs. 1608 crores as on 31 March 2021. The Company has a robust Asset Liability Management Committee ('ALCO') which meets every quarter and continuously monitors asset-liability mismatches to ensure that there are no imbalances on either side of the Balance Sheet and review macroeconomic conditions affecting housing finance business, liquidity situation and interest rate environment, and provide direction to treasury on fund planning and business metrics.

The ALM position of Shubham Housing is based on the maturity buckets as per the prescribed guidelines. Company assesses behavioralised maturity pattern of its assets and liabilities and maintains adequate liquidity for its business. Company has maintained its ALM position well within the 15% negative mismatch permissible for 0 to 14 days and 14 days to 30 days individually, and cumulative mismatch up to 1-year bucket under the extant NHB norms. Its liquid investments as on 31 March 2021 were Rs 170 crore.

Technology:

Company has significant dependency on its IT system for operations, controls and reporting. The Application Software and IT System at Shubham Housing are upgraded from time to time. A decline in manual intervention has enhanced information accuracy, reduced rework, eliminated process duplication, rationalized the turnaround time in responding to loan requests and strengthened the MIS with real-time transparency leading to proactive remedial action. Company also takes initiative in maintaining adequate control for data integrity and its confidentiality.

Customer Service:

The Company continues to keep the customer at the center of all its processes and policies. The disintermediation initiative taken by the company enabling faster resolution of customers' queries has been welcomed by at large by our customers. This has also resulted in overall reduction in the number of complaints.



9. MATERIAL DEVELOPMENT IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

Employees' contribution is vital to the Company's performance both qualitative and quantitative. Accordingly, the Company's performance management system & Developmental initiatives are used effectively to improve staff capabilities in areas such as leadership, team building, knowledge accessibility and productivity enhancement. An exclusive Training and Development Department, headed by a senior officer, setup 2-3 years ago is providing additional impetus to the growing training needs of the employees. During the year, all Training & Developmental activities were moved to Virtual Mode. Extensive on-the-job coaching and enhanced virtual training programs in various other functional areas were conducted during the year to upgrade the skills of employees and achieve functional effectiveness.

In addition, executives were seconded to various external training programs and seminars on risk management, regulatory know-your-customer guidelines, anti-money laundering and the fair practices code. These training programs enabled the staff members to sharpen their knowledge in their areas of responsibility. New employees are put through an induction program covering business requirements, Company's processes, regulatory prescriptions and contours of personality development. There are no material developments in the human resources/industrial relations front adversely affecting the Company's business. One on One Development coaching introduced for select senior employees through an external coach.

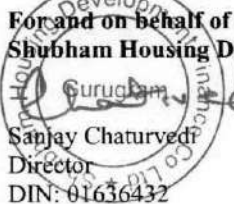
The Human Resource Management System has been migrated to new State of the Art System wherein all Human Resource related Information, Activities & Transactions will be done end to end Online.

The number of permanent employees on the rolls of Company as on 31.03.2021 was 1914.

10. Cautionary Statement

Some of the statements made in the Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws & regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the domestic & overseas markets in which the Company operates, changes in the government regulations, tax laws & other statutes and other incidental factors.

**For and on behalf of the Board of
Shubham Housing Development Finance Company Limited**


Sanjay Chaturvedi
Director
DIN: 01636432
D-305, Ground Floor,
Sarvodaya Enclave,
New Delhi


Rupa Basu
Director
DIN: 08068918
S-10A, Windsor Court,
DLF, Phase-IV,
Gurugram-122009

Place: New Delhi
Date: 28.05.2021

**ANNEXURE TO THE DIRECTORS' REPORT
CORPORATE GOVERNANCE REPORT**

1. COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY:

At Shubham Housing, Corporate Governance is all about maintaining a valuable relationship and trust with all our stakeholders, i.e., regulators, shareholders, creditors, government agencies, bankers, employees, lenders. Company considers stakeholders as partners in our success and therefore remain committed towards maximizing stakeholders' value. The Company firmly believes that corporate governance is a set of principles, systems and practices through which the Board of Directors of the Company ensures integrity, transparency, fairness and accountability in the Company's relationship with all its stakeholders. The code of corporate governance is based on the principle of making all the necessary decisions and disclosures, accountability and responsibility towards various stakeholders, complying with all the applicable laws and a continuous commitment of conducting business in a transparent and ethical manner. These principles are ingrained in the Company's culture and the corporate governance practices of the Company revolve around these principles.

Company has, over the years, built goodwill by nurturing long-term relationships with its stakeholders including bankers, regulators, government agencies, employees, investors, creditors, customers and shareholders. The Company strives to provide all its stakeholders an access to clear, adequate and factual information relating to the Company. The Company endorses timely and balanced disclosure of all material information concerning the Company to all its stakeholders and protection of its rights and interest. It also promotes accountability of its management and the Board of Directors of the Company acknowledges its responsibility towards all the stakeholders for creation and safeguarding their wealth

The Company is also in compliance with the Corporate Governance Guidelines provided in the RBI HFC Master Directions 2021.

2. BOARD OF DIRECTORS

Composition and size of the Board:

The Board of Directors comprises of eleven Directors, all professionals who bring in a wide range of skills and experience to the Board. All the Directors of the Company, except the two Whole Time Directors, are non-executive Directors. Out of the nine non-executive Directors, four are Independent Directors. The Independent Directors have confirmed that they satisfy the criteria prescribed for an Independent Director as stipulated in the provisions of the Section 149(6) of the Companies Act, 2013. None of the Directors have any pecuniary relationships or transactions vis-à-vis the Company. None of the Directors of the Company are related to each other. All Directors are appointed by the members of the Company. Company maintains an appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board and separate its functions of governance and management.

The Composition of Board as at 31.03.2021 is as follow: -

CHAIRMAN (NON EXECUTIVE AND INDEPENDENT DIRECTOR)
1. Mr. Vinod Rai: Chairman, Appointed on 06.11.2015
EXECUTIVE DIRECTORS
1. Mr. Sanjay Chaturvedi : CEO and Promoter Director. Appointed on 23.02.2010.
2. Ms. Rupa Basu : Promoter and Whole Time Director. Appointed on 13.11.2018.
NON-EXECUTIVE DIRECTORS (NOMINEE DIRECTORS)
1. Mr. Sandeep Marian Farias : Appointed on 18.04.2012



2. Mr. Rahul Chandra	: Appointed on 18.04.2012
3. Mr. Rahul Garg	: Appointed on 24.01.2018
4. Mr. Vishal Tulsyan	: Appointed on 13.11.2018
5. Mr. Manoj Jasiwal	: Appointed on 14.09.2020
NON- EXECUTIVE AND INDEPENDENT DIRECTORS	
1. Ms. Latika Thukral	: Appointed on 07.02.2020
2. Mr. Rakesh Rewari	: Appointed on 06.11.2015
3. Mr. Manoj Dattatraya Rane	: Appointed on 11.11.2020.

Board meetings and attendance:

The meetings of the Board of Directors are scheduled in advance. The Company Secretary prepares the agenda for the meetings in consultation with the Whole Time Directors. Members of the Senior Management team are invited in the meetings to provide additional information and clarification, if required. During the FY 2020-21, Twelve (12) Board meetings were held and the gap between two consecutive Board meetings did not exceed 120 days. The required quorum was present at all the meetings. Due to business exigencies, certain decisions were taken by the Board and its Committees by way of resolutions passed through circulation, from time to time.

The dates on which meetings of Board during the financial year ended 31.03.2021 were held are as follows:

Sr. No.	Date of Meeting	Total No. of Directors as on the date of Meeting	No. of Directors present
1	26.05.2020	9	9
2	08.06.2020	9	3
3	12.06.2020	9	4
4	17.06.2020	9	9
5	29.06.2020	9	4
6	28.08.2020	9	3
7	14.09.2020	10	10
8	24.09.2020	10	5
9	14.10.2020	10	5
10	11.11.2020	10	10
11	04.12.2020	11	5
12	26.03.2021	11	10

Board Meeting wise attendance of each director during the financial year ended 31.03.2021 given as follows:-

Name of Director	No. of Board Meetings held during the tenure	No. of Board Meeting attended*
Executive Directors		
Mr. Sanjay Chaturvedi	12	12
Ms. Rupa Basu	12	12
Non-Executive Directors (Nominee Directors)		
Mr. Sandeep Marian Farias	12	9
Mr. Rahul Chandra	12	7
Mr. Vishal Tulsyan	12	5



Mr. Rahul Garg	12	10
Mr. Manoj Jaiswal ¹	6	3
Non-Executive & Independent Directors		
Mr. Vinod Rai	12	6
Mr. Rakesh Rewari	12	7
Ms. Latika Thukral	12	5
Mr. Manoj Dattatraya Rane ²	2	1

¹ Mr. Manoj Jaiswal was appointed as Nominee Director w.e.f., 14.09.2020.

² Mr. Manoj Dattatraya Rane was appointed as Additional Director and designated as Independent Director w.e.f, 11.11.2020.

During the year under review, as per the requirement of Schedule IV of the Companies Act, 2013 a separate meeting of the independent directors of the Company was held on 24.02.2021 without the attendance of non-independent directors and members of the management. All the 4 independent directors were present at the meeting, wherein they inter alia reviewed the performance of non-independent directors and the Board as a whole; reviewed the performance of the Chairman of the Company, taking into account the views of the executive directors and the non-executive directors; and assessed the quality, quantity and timeliness of flow of information between the company management and the Board.

Number of shares held by Directors:

Except Mr. Sanjay Chaturvedi and Ms. Rupa Basu, who hold 250,000 equity shares each, none of the Director of the Company holds equity shares of the Company.

Sitting Fee:

Sitting fee is paid to the Independent Directors for every Board and Committee meetings attended by them.

Brief resume of directors proposed for appointment/re-appointment in ensuing AGM:

(i) Brief resume of retiring directors proposed for re-appointment in ensuing AGM

As per the Companies Act, 2013 ("Act") two-third of the Directors (excluding the Independent Directors) should be retiring Directors. One-third of these retiring Directors are required to retire every year at the AGM and, if eligible, can be re-appointed.

Mr. Rahul Garg and Mr. Vishal Tulsyan, being longest in office, shall retire by rotation at the ensuing Annual General Meeting (AGM) and, being eligible, offer themselves for re-appointment.

A brief resume of Directors eligible for re-appointment is given as under:

Mr. Rahul Garg-

Mr. Rahul Garg was appointed as a Non-Executive Director of the Company w.e.f., 24.01.2018.

Mr. Garg is the Partner and Co-Head India Private Equity strategy of Premji Invest. He leads investments in BFSI and Consumer/Retail sectors.

Prior to Premji Invest, He was associated with ICICI Bank Ltd and worked across the entire financial services spectrum covering private equity, convertibles, investment banking, corporate banking, structured finance, forex and project finance.

Mr. Rahul Garg holds a B.E. (Mechanical) from Delhi College of Engineering (1993-1997) and a Management degree from MDI, Gurgaon (1997-1999).



Mr. Vishal Tulsyan-

Mr. Vishal Tulsyan was appointed as a Non-Executive Director of the Company w.e.f., 13.11.2018.

Mr. Tulsyan is a founder of MOPE Investment Advisors Private Limited ("MOPE") in 2006 with Motilal Oswal Financial Services Limited ("MOFSL") being the sponsor. At MOPE, Mr. Tulsyan looks to build a platform to channelize long-term capital to create valuable enterprises and successful entrepreneurs. Prior to founding MOPE, Mr. Vishal was with Rabobank during its formative years in India, helping build its corporate finance and investment banking franchise. During his Rabobank tenure, he executed ~50 transactions aggregating more than Rs 900 bn & helped build the life sciences practice in India into a key business driver.

Mr. Tulsyan holds a Bachelor's Degree in Commerce from the prestigious St. Xavier's College, Kolkata and is a member of the Institute of Chartered Accountants of India.

(ii) Brief resume of Mr. Sanjay Chaturvedi, Whole time director proposed for re-appointment in ensuing AGM

Mr. Sanjay Chaturvedi aged about 56 years has more than 33 years of proven expertise in general management, sales & distribution, new category development, brand management and backend operations including collections across large, blue chip financial services organisations.

Prior to Shubham Housing, Mr. Chaturvedi has successfully launched and led new business lines for the consumer business of Citibank, HSBC and GE Consumer Finance in India and First Gulf Bank in the UAE. Prior to this, his role was to set up and manage the Lending and Payments business for Reliance Retail.

Mr. Chaturvedi holds Master's in Business Administration from Lucknow University.

(iii) Brief resume of Mr. Manoj Dattatraya Rane whose appointment is proposed for confirmation in the ensuing AGM

Mr. Manoj Dattatraya Rane aged about 55 years has more than 31 years of extensive experience in financial markets. He has held various senior positions at IndusInd Bank Ltd, Bank of America & BNP Paribas. He has been Vice-Chairman of FIMMDA and FEDAI and was a member of RBI's prestigious Technical Advisory Committee for Govt. Securities.

Mr. Rane holds a Bachelor's Degree in Commerce and is a member of the Institute of Chartered Accountants of India.

COMMITTEES OF THE BOARD:

The Board has constituted various committees to facilitate focused attention on important issues. The Committees deliberate and decide on the issues falling within their terms of reference and make recommendations to the Board, wherever necessary.

Currently, the Board has constituted eight (8) committees as under-

- I. Audit Committee,
- II. Asset Liability Management Committee,
- III. Anti-Sexual Harassment Committee,
- IV. Banking & Borrowing Committee,
- V. Corporate Social Responsibility Committee
- VI. IT Strategy Committee



- VII. Risk Management Committee, and
VIII. Recruitment Compensation and Nomination Committee

Details of Committees with respect to, inter-alia, their composition, number of meetings held during the year under review, attendance and terms of reference, have been set out below-

I. Audit Committee

The Audit Committee is constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 and as per the provisions of the RBI HFC Master Directions 2021.

Terms of Reference

Besides including the matters specified for Audit Committee under Section 177 of the Act, terms of reference of this Committee includes the following:

- (i) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (ii) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- (iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- (iv) Approval of the Changes made in the Accounting Policy.
- (v) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - ✓ Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of the provisions of Section 134 of the Companies Act, 2013.
 - ✓ Major accounting entries involving estimates based on the exercise of judgment by management
 - ✓ Significant adjustments made in the financial statements arising out of audit findings.
 - ✓ Compliance with listing and other legal requirements relating to financial statements.
 - ✓ Disclosure of any related party transactions.
 - ✓ Qualifications in the draft audit report.
- (vi) Reviewing, with the management, the quarterly /half yearly, as applicable, from time to time, financial statements before submission to the board for approval.
- (vii) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- (viii) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- (ix) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- (x) Discussion with internal auditors any significant findings and follow up there on.
- (xi) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- (xii) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.



- (xiii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- (xiv) To review the functioning of the Whistle Blower mechanism, in case the same exists.
- (xv) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- (xvi) Review of KYC policy, procedure and mechanism of the company and ensure compliance of the company with Statutory KYC Guidelines.
- (xvii) Further, the Audit Committee shall mandatorily review the following information
 - ✓ Management discussion and analysis of financial condition and results of operations;
 - ✓ Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - ✓ Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - ✓ Internal audit reports relating to internal control weaknesses;
 - ✓ The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
 - ✓ Transactions of Inter-corporate loans and investments, if any.
 - ✓ Valuation of undertakings or assets of the company, wherever it is necessary
- (xviii) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee as per section 177 of the Companies Act 2013.

Details of composition of the Audit Committee and attendance of Members:

All the members of Audit Committee are financially literate. During the period under review, the Audit Committee met 4 times on 17.06.2020, 11.09.2020, 11.11.2020 and 25.03.2021. There has been no instance when the recommendation of Audit Committee has not been accepted by Board. Constitution of the Audit Committee and attendance details during the financial year ended 31.03.2021 are given below:

Name of the Members	Designation	Category of Directorship	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Rakesh Rewari	Chairman	Non-Executive & Independent Director	4	4
Mr. Rahul Garg	Member	Nominee Director	4	4
Mr. Vinod Rai	Member	Non-Executive and Independent Director	4	4

II. Assets Liability Management Committee (ALM Committee)

The Company had constituted the Asset Liability Management Committee (ALCO) as per the provisions of the RBI HFC Master Directions 2021.

Terms of Reference

The terms of reference for the ALM Committee includes:

- ✓ To assess of various types of risks and altering the asset-liability portfolio in a dynamic way in order to manage risks.
- ✓ To review liquidity, cost of borrowings, interest rate and yield on deployment of funds
- ✓ To review ALM Statements and investments of funds



Details of the composition of the ALM Committee and attendance of Members:

During the period under review, this Committee met 4 times on 27.04.2020, 14.09.2020, 11.11.2020 and 25.03.2021. Constitution of the Assets Liability Management Committee and attendance details during the financial year ended 31.03.2021 are given below:

Name of the Members	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Sanjay Chaturvedi	4	4
Mr. Rakesh Rewari	4	4
Mr. Rahul Chandra	4	3

III. Anti-Sexual Harassment Committee

Your Company has in place an Anti-Sexual Harassment policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 and the rules there under. Your Company has established a Sexual Harassment Committee to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the period under review, this Committee met 7 times on 30.05.2020, 04.06.2020, 19.06.2020, 22.06.2020, 07.07.2020, 21.12.2020 and 20.03.2021.

Terms of Reference

The terms of reference for the Anti- Sexual Harassment Committee include:

- ✓ To address all cases/complaints of alleged sexual harassment submitted by the aggrieved women employee(s)
- ✓ To take cognizance of sexual harassment cases suo motto and take steps to advance remedy

Details of the composition and attendance of the Anti-Sexual Harassment Committee:

Designation	No. of Meetings held during the tenure	No. of Meetings attended
HR Head (Member)	7	7
Executive Director	7	7
Head- Risk Containment Unit	7	7
NGO Member and Social Worker	7	7

Details of the Sexual Harassment Complaints received during the year under review:

- ✓ No. of Complaints received : 01
- ✓ No. of Complaints disposed off : 01

IV. Banking & Borrowing Committee

The Banking and Borrowing Committee is authorized by the Board to do all such acts, deeds and things and decide on all such matters as may be delegated to the Committee from time to time. Such authorizations inter-alia includes to decide on matters w.r.t securitization, direct assignment deal with various banks from time to time, acceptance of term loans, credit facilities of any type, other borrowings etc., opening and closing of current/cash credit account and inclusion and deletion of the authorized signatories to the said current/ cash credit account opened in the name of the Company.



Terms of Reference

The terms of reference for the Banking & Borrowing Committee include:

- ✓ To provide operational assistance to the Company at the time of taking loans or borrowings of any nature from bank/institution within the overall limits set by the board of directors and to do other banking operation activities.
- ✓ To execute documents in relation to the opening and closing of bank accounts, addition/deletion of signatories thereof and matters related to banking operations.
- ✓ To assign the pool of receivables by way of Direct assignment and Securitization within the threshold limit as approved by the Board/Shareholders from time to time.

Details of the composition of Banking and Borrowing Committee and attendance;

During the period under review, the Banking & Borrowing Committee met 14 times on 24.07.2020, 22.09.2020, 30.10.2020, 04.12.2020, 28.12.2020, 30.12.2020, 19.01.2021, 29.01.2021, 18.02.2021, 08.03.2021, 22.03.2021, 24.03.2021, 27.03.2021 and 31.03.2021. Constitution of the Banking & Borrowing Committee and attendance details during the financial year ended 31.03.2021 are given below:

Name of the Members	Category of Directorship	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Sanjay Chaturvedi	Executive Director	14	14
Ms. Rupa Basu	Executive Director	14	14
Mr. Rahul Chandra	Nominee Director	14	1

V. Corporate Social Responsibility Committee (CSR Committee)

The Corporate Social Responsibility (CSR) committee monitors implementation of the CSR Policy and appraises the Board accordingly. The CSR budget of the company and actual spent on CSR activity during the FY21 is enclosed hereto in CSR report of the Company.

Terms of Reference

The terms of reference for the CSR Committee include:

- ✓ Formulating and recommending to the Board of Directors the CSR Policy and indicating activities to be undertaken.
- ✓ Recommending the amount of expenditure for the CSR activities.
- ✓ Monitoring CSR activities from time to time.

Details of the composition of the CSR Committee and attendance of Members:

During the period under review, the CSR Committee met 1 time on 08.03.2021. Constitution of the CSR Committee and attendance details during the financial year ended 31.03.2021 are given below:

Name of the Member	Designation	Category of Directorship	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Sanjay Chaturvedi	Member	Executive Director	1	1
Mr. Sandeep Marian Farias	Member	Nominee Director	1	1
Ms. Rupa Basu	Member	Executive Director	1	1



Ms. Latika Thukral	Member	Non-Executive and Independent Director	1	1
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VI. IT Committee

Information is a valuable asset and information pertaining to customers is also a great responsibility. Safeguarding business information and IT Infrastructure from any kind of cyber security threat is a top priority and this is done through effective monitoring and implementation of risk mitigation measures.

Your company is having the proper IT framework that covers all IT processes and is aligned with the best available security measures. Our Information Technology Policy and Information Security Management System Framework provides complete protection of business information at all level.

Your company has established the IT committed in pursuance of the RBI's Master Direction – Information Technology framework for the NBFC Sector in Board Meeting 13.11.2018 to enhance the safety, security and efficiency of the Company and their customers.

During the period under review, the IT Committee met 2 times on 20.07.2020 and 18.01.2021.

Terms of Reference

The terms of reference for the IT Committee includes:

- Approving IT strategy and policy documents.
- Ascertaining that management has implemented processes and practices that ensures that IT delivers value to the business.
- Ensuring IT investments represents a balance of risks and benefits.
- Other IT governance items

Details of the composition of the IT Committee and attendance of Members:

Name of the Member	Designation	No. of Meetings held during the tenure	No. of Meetings attended during the tenure
Mr. Rahul Chandra	Member	2	2
Ms. Rupa Basu	Member	2	2
Mr. Sanjay Chaturvedi	Member	2	1
Mr. Rakesh Rewari	Member	2	2

VII. Risk Management Committee

The Company has set up Risk Management Committee to identify the risks impacting the business of the Company and to take appropriate measures to mitigate the same.

Terms of Reference

The terms of reference for the Risk Management Committee includes:

- ✓ The purpose of the committee is to assist the Board in fulfillment of its Corporate Governance with regards to the identification, evaluation and mitigation of various risks



efficiently and effectively.

- ✓ Portfolio analysis w.r.t. AUM growth & PAR, Static pool analysis, collections performance, etc.
- ✓ Key Risk Indicators
- ✓ Mark to Market update
- ✓ Other insights on business

Details of the composition of the Risk Management Committee and attendance:

During the period under review, the Risk Management Committee met 2 times on 26.05.2020 and 25.02.2021. Constitution of the Risk Management Committee and attendance details during the financial year ended 31.03.2021 are given below:

Name of the Members	Category of Directorship	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Vinod Rai	Non-Executive & Independent	2	2
Mr. Sanjay Chaturvedi	Executive Director	2	2
Ms. Rupa Basu	Executive Director	2	2
Mr. Rahul Garg	Nominee Director	2	2

VIII. Recruitment, Compensation and Nomination Committee (RCNC)

Recruitment, Compensation and Nomination Committee comprises of four members and all the four members comprising the committee are Non-executive director.

Terms of Reference

Besides including the matters specified for Nomination and Remuneration Committee under Section 178 and other applicable provisions, if any, of the Act, terms of reference of RCNC are as follows:

- ✓ To review and approve goals and objectives relevant to the compensation of the Chief Executive Officer/Chief Operations Officer, to evaluate the performance of the Chief Executive Officer/Chief Operations Officer in light of these goals and objectives and other factors it deems appropriate and based on this review and evaluation, recommend to the Board the compensation of the Chief Executive Officer/Chief Operation Officer;
- ✓ To formulate and oversee the Company's compensation plans, equity-based plans and employee loan policy and recommend changes in such plans/policy to the Board if deemed fit. The Committee shall exercise all the authority of the Board with respect to the administration of such plans, including the granting of awards under the Company's compensation plans and equity-based plans.
- ✓ To review and approve compensation, benefits and terms of employment of the Company's executive officers and such other senior executives identified by the Committee after consultation with the Company's Chief Executive Officer/Chief Operation Officer and other members of management.
- ✓ To devise a policy on Board diversity, composition, size.
- ✓ To review the Company's recruitment, retention, compensation, termination and severance policies for directors, key managerial personnel and senior management.
- ✓ To identify persons who are qualified to become directors, key managerial personnel and senior management personnel and recommend to the Board their appointment/re-appointment and removal and to formulate criteria for determining qualifications,



- ✓ positive attributes and independence of a director.
- ✓ To review and assist with the development of executive succession plans and to consult with the Chief Executive Officer/Chief Operation Officer regarding the selection of senior executives.
- ✓ To review the compensation of non-executive directors (including sitting fee) for service on the Board and its committees and recommend changes in compensation to the Board.
- ✓ To review the Company's compensation policies and practices to determine whether they create risk-taking incentives that are reasonably likely to have a material adverse impact on the Company.
- ✓ To periodically review and assess the adequacy of this policy and recommend any proposed changes to the Board for approval; and
- ✓ To perform such other duties and responsibilities as are consistent with the purpose of the Committee and as the Board or the Committee shall deem appropriate

Details of the composition of the RCNC and attendance of Members:

During the period under review, this Committee met 4 times on 16.06.2020, 14.09.2020, 30.10.2020, and 08.03.2021. Constitution of the Committee and attendance details during the financial year ended 31.03.2021 are given below:

Name of the Members	Designation	Category of Directorship	Meetings held during the tenure	No. of Meetings attended
Mr. Vinod Rai	Member	Non-Executive & Independent Director	4	4
Mr. Sandeep Marian Farias	Member	Nominee Director	4	4
Mr. Sanjay Chaturvedi ^{*1}	Member	Executive Director	1	1
Ms. Latika Thukral	Member	Non-Executive and Independent Director	4	4
Mr. Rahul Chandra ^{*2}	Member	Nominee Director	3	3

¹ Mr. Sanjay Chaturvedi ceased to be the member of the Committee w.e.f. 17.06.2020.

² Mr. Rahul Chandra was appointed as member of the committee w.e.f. 17.06.2020.

EXTRACT OF POLICY ON DIRECTORS' APPOINTMENT & REMUNERATION

(Full policy may be accessed on the website of Shubham www.shubham.co)

1. Policy on Directors' Appointment

- (i) RCNC shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director recommend his / her appointment, as per Company's Policy.
- (ii) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. RCNC has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position. In addition, he should satisfy "fit and proper criteria" formulated by Company in line with RBI guidelines, for being appointed and continuance in the Board.
- (iii) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person



holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

2. Policy on Remuneration to Directors

A. Remuneration to Managing Director / Whole-time Directors:

- (i) Remuneration/Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013.
- (ii) Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.
- (iii) ESOP and other share based payments shall be given as per applicable provisions of Companies Act.

B. Remuneration to Non- Executive / Independent Directors:

- (i) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Committee and approved by the Board of Directors.
- (ii) All the remuneration of the Non-Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Committee and approved by the Board of Directors or shareholders, as the case may be.
- (iii) An Independent Director shall not be eligible to get ESOP and also shall not be eligible to participate in any share base payment schemes of the Company.
- (iv) Any remuneration paid to Non-Executive / Independent Directors for services rendered which are of professional in nature, shall not be considered as part of the remuneration for the purposes of Para (ii) above if the following conditions are satisfied:
 - The Services are rendered by such Director in his capacity as the professional; and
 - in the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
- (v) ESOP and other share base payments shall be granted to Directors (other than Independent Directors) as per ESOP scheme.

4. SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

During the year, as per the requirement of Schedule IV of the Companies Act, 2013, a separate meeting of the independent directors of the Company was held on February 24, 2021 without the attendance of non-independent directors and members of the management. All the independent directors were present at the meeting, wherein they had inter alia reviewed the performance of non-independent directors and the Board as a whole; reviewed the performance of the Chairman of the Company, taking into account the views of the executive directors and the non-executive directors; and assessed the quality, quantity and timeliness of flow of information between the company management and the Board.



5. **RELATED PARTY TRANSACTION POLICY**

The policy on the related party transactions is annexed herewith.

6. **CODE OF CONDUCT:**

The Company has adopted "Code of Conduct" as required under Schedule IV to the Companies Act, 2013 for Independent Directors.

7. **OTHER DISCLOSURES**

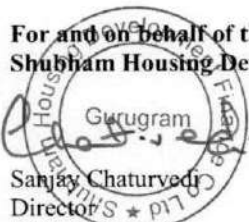
- In line with RBI Guidelines and other applicable laws, the Company has framed internal guidelines on corporate governance with the approval of the Board of Directors and those corporate governance guidelines has been published on the company's web-site (www.shubham.co) for the information of various stakeholders.
- None of the directors of the Company is disqualified for being director under the provisions of Section 164 of Companies Act, 2013 as on 31.03.2021. Further, none of the directors proposed for re-appointment in the ensuing AGM is disqualified to be re-appointed under the applicable laws.
- The Company has maintained statutory books and registers required to be maintained under the provisions of Companies Act, labour laws, RBI guidelines and other applicable laws, if any.
- The Company is registered on the SCORES platform, in order to handle investor complaints electronically in the manner specified by the Securities Exchange and Board of India (SEBI).
- The Company has not received a single complaint of Investors during the year under review.
- In pursuance of Regulation 52 of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, Board of the Company approved its half-yearly financial results with limited review report for the half year ended 30.09.2020 in Board Meeting dated 11.11.2020. Same were published in The Financial Express, a widely circulating English National Daily newspaper.
- The Company furnish periodical returns and reports to Debenture trustees as per applicable laws.
- The Company has appointed Registrar and Share Transfer Agent registered with SEBI for all activities in relation to both Physical and Electronic Transfer facility as required under Regulation 7(2) of SEBI (LODR) Regulations, 2015.
- Details of Compliance Officer, Registrar and Share Transfer Agent and Debenture Trustees appointed by the Company are as follows:

Compliance Officer	Ms. Neeta Kamra, Company Secretary Shubham House, 425, Udyog Vihar Phase IV, Gurugram – 122015 Phone: 0124-4762545 Email id: neeta.kamra@shubham.co
Registrar and Share Transfer Agent	Skyline Financial Services Private Limited D-153 A, 1st Floor, Okhla Industrial Area, Phase-I New Delhi-110020



	Email id : info@skylinerta.com
Debenture Trustees	Catalyst Trusteeship Limited, (Formerly known as GDA Trusteeship Limited) Address: Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400098 Tele-022-49220555 email- ComplianceCTL-Mumbai@ctltrustee.com Website: www.catalysttrustee.com Axis Trustee Services Limited Axis House, Ground Floor, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai-400025 Tel: +91 22 62260075 E-mail id: compliance@axistrustee.in Website: www.axistrustee.in

For and on behalf of the Board of
Shubham Housing Development Finance Company Limited


Sanjay Chaturvedi
Director
DIN: 01636432
D-305, Ground Floor,
Sarvodaya Enclave,
New Delhi


Rupa Basu
Director
DIN: 08068918
S-10A, Windsor Court,
DLF, Phase-IV,
Gurugram-122009

Place: New Delhi
Date: 28.05.2021

**ANNEXURE TO THE DIRECTORS' REPORT
POLICY ON RELATED PARTY TRANSACTIONS**

1. Prelude

Related Party Transactions can present a potential or actual conflict of interest which may be against the best interest of the company and its shareholders. Considering the requirements for approval of Related Party Transactions as prescribed under the Companies Act, 2013 ("the Act") read with the Rules made thereunder, Board of Shubham Housing Development Finance Company Limited has framed this Policy on Related Party Transactions. This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee.

Section 177(4) of the Act deals with approval or any subsequent modification of transactions of the Company with related parties by the Audit Committee.

All Related Party Transactions pursuant to section 188 of the Act which are not in the ordinary course of business and / or not on an Arms' length basis require prior approval of the Board and if such transactions cross the threshold limits prescribed under the Act, such transactions also require the approval of shareholders of the Company and the Related Party/ies with whom transactions are being entered shall abstain from voting on such resolution(s).

It also requires specified Related Party Transactions to be disclosed in the Board's Report along with the justification for entering into such transactions as per the requirements of the RBI HFC Master Directions 2021, the company shall disclose the policy on dealing with Related Party Transactions on its website and also in the Annual Report.

2. Intent of the Policy

The Objective of this policy is to set out (a) the materiality thresholds for related party transactions and (b) the manner of dealing with the transactions between the Company and its related parties based on the Act, and any other laws and regulations as may be applicable to the Company; and (c) lay down the guiding principles and mechanism to ensure proper approval, disclosure and reporting of transactions as applicable, between the Company and any of its related parties in the best interest of the Company and its stakeholders.

3. Applicability and Legal Framework

This Policy shall apply on transactions entered into by Company with Related Party/ies and shall be governed by the Act read with Rules made thereunder, as may be in force from time to time and regulations, if any, of NHB and other statutory laws, if applicable in this regard. Any references to statutory provisions shall be construed as references to those provisions as amended or re-enacted or as their application is modified by other statutory provisions (whether before or after the date hereof) from time to time and shall include any provisions of which they are re-enactments (whether with or without modification).

4. Definitions

- (i) "**Act**" means Companies Act, 2013, originally framed or altered from time to time.
- (ii) "**Arm's Length basis**" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest. [Explanation (b) to Section 188(1) of the Act].
- (iii) "**Audit Committee**" means the Audit Committee constituted by the Board of Directors



of the Company in accordance with section 177 of the Act.

- (iv) **"Board of Directors"** or **"Board"** means the Board of Directors of SHDFC, as constituted from time to time.
- (v) **"Company"** or **"SHDFC"** means Shubham Housing Development Finance Company Limited.
- (vi) **"Control"** shall have the same meaning as defined in the Act.
- (vii) **"Key Managerial Personnel"** in relation to a Company, shall be as defined in the Act.
- (viii) **"Omnibus Approval"** shall mean a blanket pre activity approval by the Audit Committee subject to compliance of the conditions as laid in this Policy
- (ix) **"Ordinary course of business"** would include usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and all such activities which the Company can undertake as per Memorandum and Articles of Association.
- (x) **"Related Party"**, for the purpose of this Policy, with reference to a Company, shall mean a Related Party as defined in Section 2(76) of the Act.
- (xi) **"Related Party Transaction"** means specified transaction mentioned in clause (a) to (g) of sub-section (1) of Section 188 of the Act.
- (xii) **"Relatives"** with reference to any person shall have the meaning as defined in Section 2(77) of the Act.
- (xiii) A **"transaction"** with a related party shall be construed to include single transaction or a group of transactions in a contract.

Any other term not defined herein shall have the same meaning as defined in the Act or any other applicable law or regulation.

5. **Policy on Related Party Transactions**

Audit Committee shall review this Policy, on such intervals as it deems fit and may recommend to Board amendments to this Policy.

All Related Party Transactions (before being entered into) must be reported to the Audit Committee for its approval in accordance with this Policy.

In cases, where a prior approval is not taken due to an inadvertent omission or due to unforeseen circumstances, the Committee may ratify the transactions in accordance with this Policy.

5.1 **Identification of potential related parties and transactions**

Every Director will be responsible for providing a declaration in format provided by Company from time to time, containing the following information to the Company Secretary on an annual basis (preferably in first board meeting of beginning of financial year) and whenever there is a change in the information provided:

1. Names of his / her Relatives;



2. Partnership firms in which he/she or his/her Relative is a partner;
3. Private Companies in which he/she or his/her relative is a member or Director;
4. Public Companies in which he/she is a Director and holds along with his/her Relatives more than 2% of paid up share capital;
5. Any Body Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with his/her advice, directions or instructions (other than advice, directions or instructions given to such Body Corporate in professional capacity); and
6. Persons on whose advice, directions or instructions, he / she is accustomed to act (other than advice, directions or instructions obtained from a person in professional capacity).

Each director is responsible for providing Notice to the Company Secretary of any potential Related Party Transaction, including any additional information about the transaction that the Board/Audit Committee may request, for being placed before Audit Committee and the Board.

Provided that every Key Managerial Personnel who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement, or proposed contract or arrangement, entered into or to be entered into, by or on behalf of the Company, shall disclose the nature of his concern or interest to the Company. Provided further that in case of a proposed contract or arrangement, the disclosure shall be made on or before the meeting of Board at which the question of entering into the contract or arrangement is first taken into consideration or if he was not, at the date of that meeting, concerned or interested in the proposed contract or arrangement, on or before first meeting of Board held after he becomes so concerned or interested. In case of other contract or arrangement, the required disclosure shall be made on or before the first meeting of the Board held after the Key Managerial Personnel becomes concerned or interested in the contract or arrangement.

5.2 Approval of Related Party Transactions

5.2.1 Prior approval of Audit Committee

All Related Party Transactions of the Company shall require prior approval of Audit Committee, whether at a meeting or by resolution by circulation. Any member of the Audit Committee who has a potential interest in any Related Party Transaction will not remain present at the meeting when such Related Party Transaction is considered

The approval of the Audit Committee will be sought in the following manner:

- a) All Related Party Transactions will be submitted to the Audit Committee for prior approval irrespective of whether such transactions are in the ordinary course of business and / or at arm's length or not.
- b) Where the Company has entered into a master agreement with a related party, which stipulates details of every transaction like nature of the transaction, basis of pricing, credit terms etc., the prior approval once given by the Audit Committee would suffice and Audit Committee would only note the transactions that are entered into pursuant to such master agreement and will not require any further approval of the Audit Committee unless there is any change in the terms of the master agreement.

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

- a) The Audit Committee shall, after obtaining the approval of the Board of Directors, specify the criteria for granting the omnibus approval in line with the Policy on Related



Party Transactions of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature.

- b) The criteria for making the omnibus approval shall include the following:-
- i. Maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year.
 - ii. The maximum value per transaction which can be allowed.
 - iii. Extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval.
 - iv. Review, at such interval as the Audit Committee may deem fit, of related party transactions entered into by the Company pursuant to each of the omnibus approval made.
 - v. Transactions which cannot be subject to the omnibus approval by the Audit Committee.

The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely:-

- i. Repetitiveness of the transactions (in past or in future)
 - ii. Justification for the need of omnibus approval.
- c) The Audit Committee shall satisfy itself on the need for omnibus approval and that such approval is in the interest of the Company;
- d) Such omnibus approval shall specify (i) the name/s of the related party (ii) nature and duration of transaction (iii) maximum amount of transaction that can be entered into, (iv) the indicative base price/current contracted price and the formula for variation in the price, if any and (v) such other conditions as the Audit Committee may deem fit;

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

The Audit Committee shall review at such intervals as the Audit Committee may deem fit, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approvals given.

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

Without prejudice to generality of provision contained in 5.2.1(b)(v), omnibus approval shall not be granted for transactions in respect of selling or disposing of the undertaking of the Company.

5.2.2. Prior approval of Board of Directors under the Act

Transactions with the related parties within the scope of Section 188 of the Act, other than transactions which are in the Ordinary Course of Business and at Arm's Length basis shall require prior approval of the Board of Directors.

Where any Director is interested in any contract or arrangement with a related party, such Director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.



5.2.3 Shareholders' approval requirements:

If the following transactions with related parties are likely to exceed the thresholds prescribed under the Act, the same will require prior approval of the Board of Directors and the Shareholders:

- a) Not in the ordinary course of business but at arm's length; or
- b) In the ordinary course of business but not at arm's length; or
- c) Not in the ordinary course of business and not at arm's length basis.

No member of the Company shall vote on resolution if such a member is a related party in the context of the contract or arrangement which is being considered under the Act.

Where any contract or arrangement is entered into by a director or any other employee, without obtaining the prior consent of the Board or approval by a resolution in the general meeting 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, such contract or arrangement shall be voidable at the option of the Board and if the contract or arrangement is with a related party to any director, or is authorized by any other director, the directors concerned shall indemnify the company against any loss incurred by it.

6. Scope/Limitation

In the event of any conflict between the provisions of this Policy and of the Companies Act, 2013 or any other statutory enactments, rules, the provisions of Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

7. Disclosures

This policy shall be hosted on the Company's website. Every Related Party Transaction entered into by the Company shall be referred to in the Board's report. Necessary entries shall be entered in the Register of Contracts required to be maintained under the Companies Act, 2013.



ANNEXURE TO THE DIRECTORS' REPORT
ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

PURSUANT TO RULE 8 OF COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014

1. Brief outline on CSR Policy of the Company

The Company's Corporate Social Responsibility Policy was initially formulated on November 10, 2016, basis the recommendation by CSR committee and approval by Board of Directors. Thereafter, it has been reviewed from time to time. The Policy aligns with the provisions of Corporate Social Responsibility under Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Companies Act, 2013.

The Policy lays down the criteria for identifying programmes eligible to be sponsored by the Company under CSR. Programmes that are eligible in accordance with the Act and are consistent with the CSR themes of the Company shall be eligible for grants. Your Company make undertake CSR programmes either by itself or through entities/NGOs satisfying the criteria enumerated in Rule 4 of the Companies (CSR Policy) Rules, 2014.

CSR themes of the Company mainly include:

1. Health
2. Education with special focus on special needs children/girls
3. Measures for reducing inequalities faced by socially and economically backward groups.

CSR programs and estimated expenditures with other details are recommended by the CSR Committee to the Board for approval. All CSR programs are monitored periodically and status report is placed in CSR Committee. Your Company will continue to support social projects that are consistent with the policy. The Company's full CSR policy has been uploaded on the website of the Company under the web-link: www.shubham.co.

2. Composition of the CSR Committee:

S. No.	Name of Director	Designation/Nature of Directorship	Number of meetings held during the year	Number of Meetings attended during the year
1	Ms. Rupa Basu	Executive Director	1	1
2	Mr. Sanjay Chaturvedi	Executive Director	1	1
3	Mr. Sandeep Marian Farias	Non-Executive Director	1	1
4	Ms. Latika Thukral	Independent Director	1	1

3. Weblink of the company where the composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed: www.shubham.co

4. Details of impact assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule (8) of the Companies (Corporate Social Responsibility Policy) Rules, 2014:



Not applicable as the CSR obligation of the Company is less than Rs. 10 Crores.

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

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

6. Average net profit of the Company for last three financial years: Rs. 21,61,28,808/-.

S. No.	Two percent of average net profit (In Rs.) (a)	Surplus arising out of CSR projects or programs or activities of the previous financial years (b)	Amount required to be set off for the financial year, if any (c)	Total CSR obligation for the financial year (In Rs.) (d) = (a+b-c)
1	43,22,576/-	Nil	Nil	43,22,576/-

7. a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
FY 2020-21	Amount	Date of Transfer	Name of the fund	Amount	Date of Transfer
Rs. 44,18,400/-	-	-	-	-	-



b) Details of CSR amount spent against ongoing projects for the financial year

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

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S. No.	Name of Project	Item from the list of activities in Schedule VII of the Act	Local Area (Yes/No)	Location of the Project		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency*	
				State	District			Name	CSR Regn. No.
1.	Asha Hai	Sch. VII (ii) - Education	Yes	Delhi	Delhi	4,18,400	No	Asha Hai	Not available
2.	Sri Sathya Sai Sanjeevani	Sch. VII (i) - Healthcare	Yes	Haryana	Palwal	30,00,000	No	Sri Sathya Sai Health & Education Trust	CSR00001048
3.	Unathi-Housing for all	Sch. VII (iii) - Reducing inequalities faced by socially and economically backward groups	Yes	Haryana	several districts in Haryana	10,00,000	No	Indian Housing Federation	CSR00005431



***Details of the Implementing Agencies:**

1. **Asha Hai:-** This NGO works on the improvement of life and education of special needs children from economically weaker section of society. During the year under review, Shubham Housing sponsored one child at Asha Hai under its CSR programme.
2. **Sri Sathya Sai Health & Education Trust:-** This NGO run few hospitals across India where children, from economically weaker section of society, suffering with congenital heart disease are treated free of cost. During the year under review, Shubham Housing sponsored free treatment of 20 children under its CSR programme.
3. **Indian Housing Federation:-** This NGO works to reduce the inequalities faced by socially and economically weaker sections of society in India through various programmes/interventions in affordable and sustainable housing, making it more accessible to them. During the year under review, Shubham Housing has sponsored one such project of this NGO which made impact on thousands of families from weaker sections of society.

(d) Amount spent in Administrative overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: N.A,

(f) Total amount spent for the financial year: Rs. 44,18,400/-

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

S. No.	Particular	Amount (In Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	43,22,576
(ii)	Total amount spent for the Financial Year	44,18,400
(iii)	Excess amount spent for the financial year [(ii)-(i)]	95,824
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	95,824

8. (a) Details of Unspent CSR amount for the preceding three financial years: Nil

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

S. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project (In Rs.)	Amount spent on project in reporting Financial Year (in Rs.)	Cumulative amount spent at end of reporting Financial Year (in Rs.)	Status of the project (Complete/ On-going)
Nil								

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



10. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

For and on behalf of the Board of
Shubham Housing Development Finance Company Limited


Santay Chaturvedi
CEO, Director


Rupa Basu*
Chairperson of CSR Committee

Place: New Delhi
Date: 28.05.2021

SECRETARIAL AUDIT REPORT
For the financial year ended 31st March, 2021

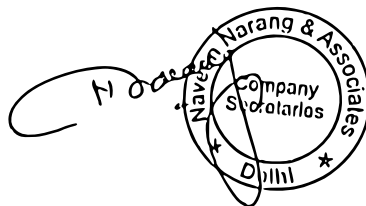
To,
The Members,
Shubham Housing Development Finance Company Limited
D-305, Ground Floor, Sarvodaya Enclave,
New Delhi 110017

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shubham Housing Development Finance Company Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our 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, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (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 there under 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011: (Not applicable to the Company during the audit period)
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;



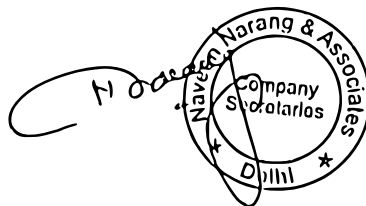
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (f) 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;
 - (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
 - (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)
- (vi) Other laws applicable specifically to the Company namely:
- National Housing Bank Act, 1987 (including Regulatory Framework for Housing Finance Companies (HFCs) issued by RBI)

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

1. During the period under review, the Company received a show cause notice from the National Housing Bank for non-compliance of Para 5.1 of Annex-4 of the Master Circular for Housing Finance Companies – Corporate Governance (NHB) Directions 2016 and contravention of Policy Circular No. 55. A penalty of Rs. 29,65,000.00 plus GST @ 18% was levied upon, which has been deposited by the Company.
2. During the period under review, the Company received a show cause notice from the National Housing Bank for contravention of Paragraph 30 and Paragraph 30(2)B of the HFCs (NHB) Directions, 2010 and contravention of Policy Circular No. 86. A penalty of Rs. 6,80,000.00 plus GST @ 18% was levied upon, which has been deposited, under protest, by the Company.



We further report that

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

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

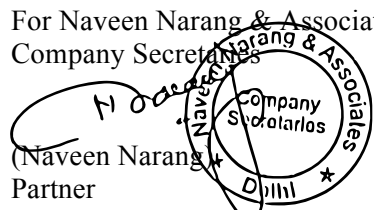
Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We 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.

We further report that during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc

- (a) The Company issued 100 (One Hundred) Non-Convertible Debentures (NCD) of Rs. 10,00,000.00 (Rupees Ten Lakhs) each aggregating to Rs. 10,00,00,000.00 (Rupees Ten Crores) on 12th day of June 2020;
- (b) The Company issued 200 (Two Hundred) Non-Convertible Debentures (NCD) of Rs. 10,00,000.00 (Rupees Ten Lakhs) each aggregating to Rs. 20,00,00,000.00 (Rupees Twenty Crores) on 29th day of June 2020;
- (c) The Company issued 24,128 (Twenty Four Thousand One Hundred Twenty Eight) Optionally Convertible Debentures (OCD) of Rs. 1,175.00 (Rupees One Thousand One Hundred Seventy Five) each aggregating to Rs. 2,83,50,400.00 (Rupees Two Crores Eighty Three Lakhs Fifty Thousand Four Hundred) on 24th day of September 2020 of which Rs. 60.00 (Rupees Sixty) per OCD has been paid up ;

For Naveen Narang & Associates
Company Secretaries


(Naveen Narang)
Partner
Membership No. 6193, C.P. No. 6621
UDIN: F006193C000368720

Place: Delhi

Date: 25.05.2021

(This report is to be read with our letter of even date, which is annexed as Annexure A and forms an integral part of this report.)

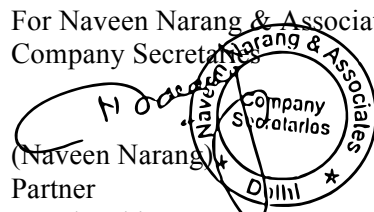
‘Annexure A’

To,
The Members,
Shubham Housing Development Finance Company Limited
D-305, Ground Floor, Sarvodaya Enclave,
New Delhi 110017

Our report of even date is to be read along with this letter.

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

For Naveen Narang & Associates
Company Secretary


(Naveen Narang)
Partner

Membership No. 6193, C.P. No. 6621
Place: Delhi
Date: 25.05.2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Shubham Housing Development Finance Company Limited

Report on the Audit of the Financial Statements**Opinion**

We have audited the accompanying financial statements of Shubham Housing Development Finance Company Limited ("the Company"), which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 48 of the financial statements which describes the uncertainties relating to the impact of COVID-19 pandemic on the Company's operations and financial metrics, including the expected credit losses. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters	How our audit addressed the key audit matter
(a) Impairment of loans (including expected credit losses) (as described in note 7 of the Ind AS financial statements)	
Ind AS 109 requires the Company to provide for impairment of its financial assets using the expected credit loss ('ECL') approach involving an estimation of probability of loss on financial assets over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future	Our audit procedures included among others the following: Considered the Company's accounting policies for impairment of loan receivables and assessed compliance with the policies in terms of Ind AS 109.



Key audit matters	How our audit addressed the key audit matter
economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgement has been applied by the management including but not limited to the following matters: - Grouping of loan portfolio under various categories on the basis of homogeneity and thereby expected to demonstrate similar credit characteristics; - Estimation of losses in respect of groups of loans which had no/ minimal defaults in the past; - Staging of loans and estimation of behavioral life. - Management overlay for macro-economic factors and estimation of their impact on the credit quality. The Company has developed models that derive key assumptions used within the provision calculation such as probability of default (PD) and loss given default (LGD). The output of these models is then applied to the provision calculation with other information including the exposure at default (EAD). Additional considerations on account of Novel Coronavirus (CoVID-19) Pursuant to the Reserve Bank of India ("RBI") circular dated March 27, 2020 ("RBI Circular") allowing lending institutions to offer a moratorium to customers on payment of instalments falling due between March 01, 2020 and August 31, 2020, the Company has extended moratorium to its borrower in accordance with its Board approved policy as described in Note 48. In accordance with the guidance from Institute of Chartered Accountants of India (ICAI), extension of the moratorium to borrowers by itself is not considered to result in a SICR for a borrower. Further, Government of India ("GOI") has announced various stimulus packages in order to grant relief to the borrowers. Considering the evolving nature of the COVID-19 pandemic, which has continued to impact the Company's business operations, resulting in higher loan losses, the Company has recorded a management overlay as part of its ECL, to reflect among other things the increased risk of deterioration in macro-economic factors. Given the unique nature of the pandemic and the extent of its economic impact which depends on future developments including governmental and regulatory measures and the Company's responses thereto, the actual credit loss can be different than that being estimated. Given the high degree of management's judgement involved in estimation of ECL, it is an area of material uncertainty and a key audit matter.	- Tested the assumptions used by the Company for grouping and staging of loan portfolio into various categories and default buckets for determining the probability of default ('PD') and loss given default ('LGD') rates. - Tested the operating effectiveness of the controls for staging of loans based on their past-due status. Tested samples of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3. - Tested the input data used for determining the PD and LGD rates and tested the data with the underlying books of accounts and records on sample basis. - Performed inquiries with the Company's management and its risk management function to assess the impact of Covid-19 including second wave on the business activities of the Company. - Assessed the Company's policy with respect to moratorium pursuant to the RBI circular and tested the implementation of such policy on a sample basis. - Assessed the additional considerations applied by the management for staging of loans as SICR/ default in view of Company's policy on moratorium and reschedulement/restructuring of loans in accordance with the regulations issued in this respect. - Tested assumptions used by the management in determining the overlay for macro-economic factors (including CoVID-19 pandemic). - Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets. - Compared the disclosures included in the Ind AS financial statements in respect of expected credit losses with the requirements of Ind AS 107 and 109. Reviewed specific disclosures made in the Ind AS financial statements with regards to the impact of CoVID-19 on ECL estimation.



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Chartered Accountants

Key audit matters	How our audit addressed the key audit matter
(b) IT systems and controls	
The financial accounting and reporting systems of the Company are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure accurate financial reporting. Any gaps in the IT control environment could result in a material misstatement of the financial accounting and reporting records. Therefore, due to the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.	We performed procedures assisted by our specialized experts on the IT infrastructure and applications relevant to financial reporting. Our audit procedures included, among others the following: • Tested the design and operating effectiveness of IT access controls over the information systems. • Tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing access to systems were reviewed and authorized. • Tested the Company's periodic review of access rights. We also inspected requests of changes to systems for approval and authorization. • In addition to the above, we tested the design and operating effectiveness of certain automated and IT dependent manual controls that were considered as key internal controls over financial reporting.

Other Information

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

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

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

Responsibilities of Management for the Financial Statements

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

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;



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Chartered Accountants

- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position - Refer Note 37 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per  Amit Kabra

Partner

Membership Number: 094533

UDIN: 21094533AAAAFA7023

Place of Signature: Gurugram

Date: May 28, 2021



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants .

Annexure referred to in paragraph 1 under the heading 'Report on other legal and regulatory requirements' of our report of even date

Re: Shubham Housing Development Finance Company Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

- (ii) The Company's business does not involve inventories and, accordingly, the requirements under clause 3(ii) of the Order are not applicable to the Company and hence not commented upon.

- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.

- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services of the Company.

- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions relating to Sales tax, service tax, customs duty, excise duty, value added taxes and employees' state insurance are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, good and service tax and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, the dues of income tax on account of a dispute, is as follows:

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending	Remarks
Income Tax Act, 1961	Income Tax	1,11,20,710	AY 2018-19	Commissioner of Income Tax (Appeals)	The demand order was received after the balance sheet date.

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or dues to debenture holders.



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Annexure referred to in paragraph 1 under the heading 'Report on other legal and regulatory requirements' of our report of even date (continued)

- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer.

Further, monies raised by the Company by way of term loans were applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand.

- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

- (xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.

- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004


per **Amit Kabra**
Partner

Membership Number: 094533

UDIN: 21094533AAAAFA7023

Place of Signature: Gurugram

Date: May 28, 2021



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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

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

We have audited the internal financial controls over financial reporting of Shubham Housing Development Finance Company Limited ("the Company") as of March 31, 2021 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these 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 over financial reporting with reference to these 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.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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

Inherent Limitations of Internal Financial Controls over Financial Reporting with Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

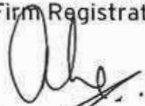
Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2021, 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.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Amit Kabra

Partner

Membership Number: 094533

UDIN: 21094533AAAAFA7023

Place of Signature: Gurugram

Date: May 28, 2021



Shubham Housing Development Finance Company Limited
Balance Sheet as at March 31, 2021

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

Particulars	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
Financial assets			
Cash and cash equivalents	6A	30,844.15	16,550.50
Bank balance other than cash and cash equivalents	6B	4,388.44	4,646.15
Loans	7	1,93,110.25	1,62,813.99
Other financial assets	8	4,229.11	1,673.48
Non-financial assets			
Current tax assets (net)		205.56	93.84
Deferred tax assets (net)	32	894.77	1,143.65
Property, plant and equipment	9	390.67	348.46
Intangible assets	10	141.87	182.43
Right-of-use assets	47	433.66	591.61
Capital work-in-progress	11	-	11.65
Intangible assets under development	11	11.79	30.95
Other non-financial assets	12	435.38	333.12
Assets held for sale	13	2,829.42	3,338.46
Total assets		2,37,915.07	1,91,758.29
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables	14		
Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises		1.22	17.44
b) total outstanding dues of creditors other than micro enterprises and small enterprises		445.59	479.61
Debt securities	15	11,278.35	10,435.41
Borrowings (other than debt securities)	16	1,48,867.47	1,17,528.53
Other financial liabilities	17	23,965.65	16,484.69
Non-financial liabilities			
Provisions	18	466.67	345.47
Other non-financial liabilities	19	408.20	325.70
Total liabilities		1,85,433.15	1,45,616.85
Equity			
Equity share capital	20	94.37	94.37
Instruments entirely equity in nature	21	450.03	450.03
Other equity	22	51,937.52	45,597.04
Total equity		52,481.92	46,141.44
Total liabilities and equity		2,37,915.07	1,91,758.29

Significant accounting policies

1-5

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

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No. 101049W/E300004
Chartered Accountants

per Amit Kabra
Partner
Membership No. 094533



For and on behalf of the Board of Directors of
Shubham Housing Development Finance Company Limited

Sanjay Chaturvedi
Director
DIN : 01636432
Place: Delhi

Shashank Jain
Chief Financial Officer
Place: Noida

Rupa Basu
Director
DIN : 08068918
Place: Gurugram

Neeta Kamra
Company secretary
(M. No.: ACS 22892)
Place: Delhi

Place: Gurugram
Date: May 28, 2021

Date: May 28, 2021

Shubham Housing Development Finance Company Limited
Statement of profit and loss for the year ended March 31, 2021
(All amount in Rs. lakhs, unless stated otherwise)

Particulars	Note	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations			
Interest income	23	29,687.53	25,611.21
Fee and commission income	24	1,210.43	1,281.31
Net gain on derecognition of financial instruments at amortised cost	25	2,452.57	605.68
Net gain on fair value change	26	304.62	455.39
Total revenue from operations		33,655.15	27,953.59
Other income	27	422.84	488.00
Total income		34,077.99	28,441.59
Expenses			
Finance costs	28	14,017.95	12,019.22
Impairment on financial instruments	29	954.51	1,170.63
Employee benefits expenses	30	8,585.04	8,030.66
Depreciation and amortization	9, 10, 47	533.38	481.67
Other expenses	31	2,176.53	2,174.81
Total expenses		26,267.41	23,876.99
Profit before tax		7,810.58	4,564.60
Tax expense:	32		
(1) Current tax		1,487.52	1,254.85
(2) Tax for earlier years		(14.60)	-
(3) Deferred tax (credit)		260.67	(151.69)
Profit for the year		6,076.99	3,461.44
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability		(46.84)	(50.57)
Income tax impact		11.79	12.73
Other comprehensive income (net of tax)		(35.05)	(37.84)
Total comprehensive income for the year		6,041.94	3,423.60
Earnings per equity share	33		
Basic (Rs.)		111.63	63.58
Diluted (Rs.)		108.78	63.36
Nominal value per share (Rs.)		10.00	10.00

Significant accounting policies

1-5

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

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No. 101049W/E300004
Chartered Accountants

per Amit Kabra
Partner
Membership No. 094533



For and on behalf of the Board of Directors of
Shubham Housing Development Finance Company Limited

Sanjay Chaturvedi
Sanjay Chaturvedi
Director
DIN : 01636432
Place: Delhi

Shashank Jain
Shashank Jain
Chief Financial Officer
Place: Noida

Date: May 28, 2021

Rupa Basu
Rupa Basu
Director
DIN : 08068918
Place: Gurugram

Neeta Kamra
Neeta Kamra
Company secretary
(M. No.: ACS 22892)
Place: Delhi

Place: Gurugram
Date: May 28, 2021

Shubham Housing Development Finance Company Limited
Statement of changes in equity for the year ended March 31, 2021
(All amount in Rs. lakhs, unless stated otherwise)

A. Equity Share Capital

Equity shares of Rs. 10 each issued, subscribed and fully paid

	No.	Amount
At April 1, 2019	9,43,690	94.37
At March 31, 2020	9,43,690	94.37
At March 31, 2021	9,43,690	94.37

B. Instruments entirely equity in nature

Compulsorily convertible preference shares ('CCPS')

CCPS of Rs. 10 each issued, subscribed and fully paid

	No.	Amount
At April 1, 2019	45,00,369	450.04
At March 31, 2020	45,00,369	450.04
At March 31, 2021	45,00,369	450.04

C. Other equity

	Reserves and Surplus			Other Comprehensive Income		Total
	Securities premium	Statutory Reserve	Share based payment reserve	Retained earnings	Equity Component of compound financial Instrument	
Balance as at April 1, 2019	39,690.27	585.18	475.57	1,076.43	-	41,827.45
Profit for the year	-	-	-	3,461.44	-	3,461.44
Other comprehensive income for the year	-	-	-	(37.84)	-	(37.84)
Total comprehensive income for the year	-	-	-	3,423.60	-	3,423.60
Equity component of compound financial Instrument	-	-	-	-	7.09	7.09
Share based Payments	-	-	338.90	-	-	338.90
Transfer to statutory reserve*	-	692.29	-	(692.29)	-	-
Balance as at March 31, 2020	39,690.27	1,277.47	814.47	3,807.74	7.09	45,597.04
Profit for the year	-	-	-	6,076.99	-	6,076.99
Other comprehensive income for the year	-	-	-	(35.05)	-	(35.05)
Total comprehensive income for the year	-	-	-	6,041.95	-	6,041.95
Equity component of compound financial Instrument	-	-	-	-	3.93	3.93
Share based Payments	-	-	294.61	-	-	294.61
Transfer to statutory reserve*	-	1,215.40	-	(1,215.40)	-	-
Balance as at March 31, 2021	39,690.27	2,492.87	1,109.08	8,634.29	11.02	51,937.53

*under Section 29C of the NHB Act, 1987 read with 36(i) (viii) of Income Tax Act, 1961.

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No. 101049W/E300004
Chartered Accountants

per Amit Kedia
Partner
Membership No. 094533



For and on behalf of the Board of Directors of
Shubham Housing Development Finance Company Limited

Sanjay Chaturvedi

Sanjay Chaturvedi
Director
DIN : 01636432
Place: Delhi

Shashank Jain
Shashank Jain
Chief Financial Officer
Place: Noida

Rupa Basu

Rupa Basu
Director
DIN : 08068918
Place: Gurugram

Neeta Kamra
Neeta Kamra
Company secretary
(M. No.: ACS 22892)
Place: Delhi

Place: Gurugram
Date: May 28, 2021

Date: May 28, 2021

Shubham Housing Development Finance Company Limited
Cash flow statement for the year ended March 31, 2021
(All amount in Rs. lakhs, unless stated otherwise)

Particulars	March 31, 2021	March 31, 2020
Cash flow from operating activities		
Profit before tax	7,810.58	4,564.57
<i>Adjusted for:</i>		
Depreciation and amortisation	533.38	481.67
Interest in lease liability	46.50	73.60
Provision for expected credit loss	484.00	811.20
EIR adjustment	(1,755.78)	(135.53)
Interest on fixed deposits	(631.09)	(188.20)
Net gain on sale of investments	(304.62)	(455.39)
Provision for loss on asset held for sale	75.05	219.07
Loss on sale of fixed assets	0.80	3.69
Loan assets written off	222.81	90.56
Loss on sale/settlement of acquired properties	157.30	49.80
OCI impact of Gratuity	(46.84)	(50.57)
Share based payments expense	294.61	338.90
Operating profit before working capital changes	6,886.70	5,803.37
<i>Adjusted for net changes in working capital:</i>		
Increase in financial assets and other assets	(27,997.22)	(42,815.94)
Decrease in financial liability and other liabilities	7,783.87	3,219.28
Taxes paid (net of refunds)	(1,609.62)	(1,289.53)
Net Cash used in from operating activities	(14,936.27)	(35,082.82)
Cash flows from investing activities		
Purchase of financial assets	(59,600.00)	(71,700.00)
Proceeds from sale of mutual funds	59,904.62	72,155.39
Proceeds from sale of financial assets to assets reconstruction company	258.70	434.44
Purchase of property, plant and equipment including intangible assets under development	(284.37)	(322.66)
Proceeds from sale of property, plant and equipment	1.14	4.52
Increase in fixed deposit with remaining within 12 months from reporting date (net)	(3,501.84)	132.16
Interest received on fixed deposits	527.62	200.90
Net Cash used in (from) investing activities	(2,694.13)	904.75
Cash flows from financing activities		
Proceeds from borrowings	63,278.49	63,831.48
Repayment of borrowings	(31,011.19)	(26,720.15)
Payment of principal portion of lease liabilities	(296.75)	(259.97)
Payment of interest on lease liabilities	(46.50)	(73.60)
Net Cash generated from financing activities	31,924.05	36,777.76
Net increase in cash and cash equivalents	14,293.65	2,599.69
Cash and cash equivalents at the beginning of the year	16,550.50	13,950.81
Cash and cash equivalents at the end of the year	30,844.15	16,550.50



Shubham Housing Development Finance Company Limited
Cash flow statement for the year ended March 31, 2021
 (All amount in Rs. lakhs, unless stated otherwise)

Particulars	March 31, 2021	March 31, 2020
Cash and bank balance include:		
Cash-on-hand	331.38	42.42
Cheques in hand	382.27	80.57
Balance with banks		
In current accounts	12,948.24	4,020.80
Deposits with original maturity of less than three months	17,119.74	12,406.71
Balance with cash credit facilities	62.52	-
Cash and cash equivalents at the end of the year	30,844.15	16,550.50

Note : Fixed deposit balances does not include which has lien marked. Refer Note 6B for details.

Supplementary Information:

Interest received	28,646.60	23,779.32
Interest paid	14,226.46	11,517.00

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
 ICAI Firm Registration No. 101049W/E300004
 Chartered Accountants

per Amit Kabra
 Partner
 Membership No. 094533



Place: Gurugram
 Date: May 28, 2021

For and on behalf of the Board of Directors of
 Shubham Housing Development Finance Company Limited

[Signature]

Sanjay Chaturvedi
 Director
 DIN : 01636432
 Place: Delhi

[Signature]
 Shashank Jain
 Chief Financial Officer
 Place: Noida

Date: May 28, 2021

[Signature]

Rupa Basu
 Director
 DIN : 08068918
 Place: Gurugram

[Signature]
 Neeta Kamra
 Company secretary
 (M. No.: ACS 22892)
 Place: Delhi

Shubham Housing Development Finance Company Limited
Notes to Financial Statements for the year ended March 31, 2021
(All amount in Rs. lakhs, unless stated otherwise)

Note 1: Corporate information

Shubham Housing Development Finance Company Limited (CIN:U65921DL2010PLC199469) ("the Company") is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is registered as a housing finance company registered with National Housing Bank (NHB) vide registration No. 06.136.16 and is engaged in the long term financing activity in the domestic markets to provide housing finance. The Company's redeemable non-convertible debentures are listed on Bombay Stock Exchange in India.

Note 2: Basis of preparation

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

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

Note 3: Presentation of financial statements

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

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

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

Note 4: Significant accounting policies

4.1. Recognition of income and expense

4.1.1 Interest income

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

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

4.1.2 Interest expense

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

4.1.3 Other fees

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

4.1.4 Dividend income

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

4.2. Financial Instruments

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

4.2.1 Financial Assets

4.2.1.1 Initial recognition and measurement

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



4.2.1.2. Classification and Subsequent measurement

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

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

4.2.1.3. Debt instruments at amortised costs

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

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

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

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

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

4.2.1.4. Debt instruments at FVTOCI

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

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

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

4.2.1.5. Debt instruments at FVTPL

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

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

4.2.1.6. Equity Investments at FVTPL and FVOCI

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

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

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

4.2.2. Financial Liabilities

4.2.2.1. Initial recognition and measurement

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

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

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

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

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

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



4.2.2.3. Financial Liabilities held at amortised cost

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

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

4.2.2.4. Financial guarantees and undrawn loan commitments

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

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

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

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

4.2.3. Reclassification of financial assets and liabilities

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

4.2.4. De-recognition of financial assets and liabilities

4.2.4.1. Financial Assets

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

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

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

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

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

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

A transfer only qualifies for derecognition if either:

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

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

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

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

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



4.2.4.2. Financial Liabilities

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

4.3. Impairment of financial assets

4.3.1. Overview of the ECL principles

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

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

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

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

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

Based on the above process, the Company groups its loans into Stage 1, Stage 2, Stage 3, as described below:

Stage 1: When loans are first recognised, the company recognises an allowance based on 12mECLs.

Stage 1 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2 or Stage 3.

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

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

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

4.3.2 The calculation of ECLs

The Company calculates ECLs based on a probability-weighted scenarios and historical data to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed year, if the facility has not been previously derecognised and is still in the portfolio.
- EAD - The Exposure at Default is an exposure at a reporting date.
- LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The maximum year for which the credit losses are determined is the expected life of a financial instrument.

The mechanics of the ECL method are summarised below:

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

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

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

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

For loan commitments, the ECL is recognised within Provisions.

4.3.3. Forward looking information

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



4.4. Collateral valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in forms of underlying property. Collateral, unless repossessed, is not recorded on the Company's balance sheet. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a half-yearly basis for repossessed stock.

To the extent possible, the Company uses active market data and value assessed by certified third party valuers for valuing financial assets held as collateral.

4.5. Collateral repossessed

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

4.6 Write-offs

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

4.7. Forborne and modified loans

The Company sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Company considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Company would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Company's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset until it is collected or written off.

When the loan has been renegotiated or modified but not derecognised, the Company's also reassesses whether there has been a significant increase in credit risk. The Company also considers whether the assets should be classified as Stage 3. Once an asset has been classified as forborne, it will remain forborne for a minimum 12-month probation period. In order for the loan to be reclassified out of the forborne category, the customer has to satisfy the performance of the loan during probation period.

4.8. Determination of fair value

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

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

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

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

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

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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



4.9 Leases:

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

Company as a lessee

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

i) Right-of-use assets

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

The right-of-use assets are also subject to impairment. (Refer to the accounting policies on Impairment of non-financial assets.)

ii) Lease liabilities

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

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

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

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

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

4.10. Cash and cash equivalents

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

4.11. Property, plant and equipment

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

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

Depreciation is provided over the useful life of the asset as per "Part C" of Schedule-II of Companies Act 2013 and depreciation rates have been worked out by applying written down value method. The Company has used the following useful lives to provide depreciation on its PPE.

- Computers Including peripherals	5 years
- Office equipment	5 years
- Furniture and fixtures	10 years

4.12. Intangible assets

The Company's other intangible assets mainly include the value of computer software and Brand and Trade Marks

An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortization is calculated using the straight-line method to the cost of intangible assets to their residual values over their estimated useful life of 3, 5 and 10 years.



4.13. Impairment of non-financial assets

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

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

4.14. Retirement and other employee benefits

Short term employee benefits

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

Post-employment benefits

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

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the Projected Unit Credit Method.

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

The Company has taken a policy from an Insurance company to cover its liabilities towards employees' gratuity. Net unfunded / funded obligation is disclosed in the Balance Sheet as the case may be.

Past service costs are recognised in profit or loss on the earlier of:

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

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

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

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absence as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes.

4.15. Provisions

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

4.16. Taxes

Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities in accordance with Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.



4.16 Taxes (Continued)

Deferred tax

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

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

- Where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

4.17. Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated,
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and

Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Non-current assets held for sale to owners are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

4.18. Earnings per share

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

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

4.19. Foreign currency

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

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

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

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



4.19 Foreign currency (continued)

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

4.20. Share-based payments

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

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

4.21. Contingent liabilities and assets

The Company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will not be required to settle the obligation.
- A present obligation arising from past events, when no reliable estimate is possible.
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent liabilities are reviewed at each balance sheet date. Contingent assets are not recognised. A contingent asset is disclosed, as required by Ind AS 37, where an inflow of economic benefits is probable.

5. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

5.1. Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

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

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

5.2. Fair value of financial instruments

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

5.3. Effective Interest Rate (EIR) method

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



5.4. Impairment of financial asset

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

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

- The Company's model, which assigns Probability of default (PDs).
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment.
- The segmentation of financial assets when their ECL is assessed on a collective basis.
- Development of ECL models, including the various formulas and the choice of inputs.
- Determination of associations between macroeconomic scenarios and, economic inputs, and the effect on PDs, EADs and LGDs.
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

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

5.5 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

5.6 Share based payments

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

5.7 Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Company's business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

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

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

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

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

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



Shubham Housing Development Finance Company Limited
Notes to Financial Statements for the year ended March 31, 2021
(All amount in Rs. lakhs, unless stated otherwise)

Note 6: Cash and cash equivalents

Particulars	March 31, 2021	March 31, 2020
6A. Cash and cash equivalents		
Cash-on-hand	331.38	42.42
Cheques in hand	382.27	80.57
Balance with banks		
In current accounts	12,948.24	4,020.80
Deposits with original maturity of less than three months	17,119.74	12,406.71
Balance with cash credit facilities	62.52	-
Total	30,844.15	16,550.50

Balances with banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

6B: Bank balance other than above

Particulars	March 31, 2021	March 31, 2020
Bank deposits (more than 3 months & upto 12 months)	4,188.44	692.40
Bank deposits with maturity of more than 12 months	200.00	3,953.75
Total	4,388.44	4,646.15

The above bank deposits include deposits under lien as per following details:

Pledge with bank for obtaining bank overdraft facilities	4,300.00	259.21
Pledge with bank as cash collateral for securitization transactions	132.27	123.64
For bank guarantee to National Housing Bank for refinance	3,950.00	3,950.00



Shubham Housing Development Finance Company Limited
Notes to Financial Statements for the year ended March 31, 2021
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Note 7: Loans

Particulars	March 31, 2021	March 31, 2020
At Amortised cost:		
Loan assets	1,95,951.84	1,65,206.68
Staff loans	27.50	26.58
Total Gross	1,95,979.34	1,65,233.26
Less: Impairment loss allowance	2,869.09	2,419.27
Total Net	1,93,110.25	1,62,813.99
 Secured by tangible assets (Hypothecation of equitable mortgage of immovable property etc.)	 1,95,904.17	 1,65,157.85
Covered by bank/government guarantees	4.70	5.61
Unsecured	70.47	69.80
Total Gross	1,95,979.34	1,65,233.26
Less: Impairment loss allowance	2,869.09	2,419.27
Total Net	1,93,110.25	1,62,813.99
 Loan in India		
Public sector	-	-
Others	1,95,979.34	1,65,233.26
Total Gross	1,95,979.34	1,65,233.26
Less: Impairment loss allowance	2,869.09	2,419.27
Total Net	1,93,110.25	1,62,813.99

i) Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

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

iii) Loan commitment amount is Rs. 7,932.17 as on March 31, 2021 (Rs. 5,081.66 as on March 31, 2020) (Refer note 18.1)

iv) During the year, the Company has assigned a pool of certain loans amounting to Rs.10,989.28 lakhs by way of direct assignment transactions. These loan assets have been de-recognised from the loan portfolio of the company as the sale of loan assets is an absolute assignment and transfer on a 'no-recourse' basis.

The Company continues to act as a servicer to the assignment transaction on behalf of assignee. In terms of the assignment agreement, the Company pays to assignee, on a monthly basis, the pro-rata collection amounts.

v) Loan asset include two loans which became doubtful due to fraudulent misrepresentation by the borrowers and same has been provided for.

vi) The company is not granting any Loans against security of shares as collateral.

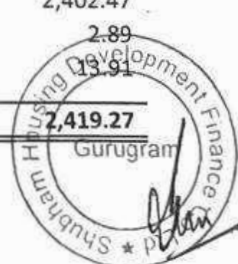
vii) The Company is not granting any loans against gold jewellery as collateral.

viii) Breakup of loans assets

Particulars	March 31, 2021	March 31, 2020
Term Loans	1,93,860.68	1,64,281.60
Minimum retention requirement ("MRR") of securitised loans	230.19	230.19
Minimum retention requirement ("MRR") of assigned loans	1,860.97	694.89
Total	1,95,951.84	1,65,206.68

ix) Breakup of Impairment loss allowance

Particulars	March 31, 2021	March 31, 2020
Impairment loss allowance		
On term Loans	2,841.22	2,402.47
On MRR of securitised loans	2.79	2.89
On MRR of assigned loans	25.08	13.91
Total	2,869.09	2,419.27



Shubham Housing Development Finance Company Limited
Notes to Financial Statements for the year ended March 31, 2021
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Note 7.1 Credit Quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of companies risk assessment model and ECL allowances are calculated on individual/collective basis are set out in Note 41.

i) Loans to customers as of March 31, 2021

Risk categorisation	Home loans and Self Construction	Home Improvement and LAP	Plot plus Self Construction	LAP for Construction	Total
Stage 1	1,26,257.07	41,765.01	2,799.71	3,592.34	1,74,414.13
Stage 2	9,328.40	5,499.54	372.09	-	15,200.03
Stage 3	2,159.92	2,021.42	65.18	-	4,246.52
Total	1,37,745.39	49,285.97	3,236.98	3,592.34	1,93,860.68

ii) Loans to customers as of March 31, 2020

Risk categorisation	Home loans and Self Construction	Home Improvement and LAP	Plot plus Self Construction	LAP for Construction	Total
Stage 1	1,11,982.59	36,831.66	2,332.59	1,593.52	1,52,740.36
Stage 2	5,032.85	3,362.38	266.87	-	8,662.10
Stage 3	1,312.40	1,503.35	63.39	-	2,879.14
Total	1,18,327.84	41,697.39	2,662.85	1,593.52	1,64,281.60

iii) Impairment allowance for loans to customers as of March 31, 2021

Risk categorisation	Home loans and Self construction	Home Improvement and LAP	Plot plus Self Construction	LAP for Construction	Total
Stage 1	400.12	348.04	14.35	19.58	782.09
Stage 2	364.28	207.27	9.80	-	581.35
Stage 3	739.10	716.44	22.24	-	1,477.78
Total	1,503.50	1,271.75	46.39	19.58	2,841.22

iv) Impairment allowance for loans to customers as of March 31, 2020

Risk categorisation	Home loans and Self construction	Home Improvement and LAP	Plot plus Self Construction	LAP for Construction	Total
Stage 1	533.01	455.24	21.81	8.75	1,018.81
Stage 2	281.47	139.15	17.78	-	438.40
Stage 3	432.28	492.25	20.73	-	945.26
Total	1,246.76	1,086.64	60.32	8.75	2,402.47

Note: 7.1.1 Home Loans and self construction

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

7.1.1.1 Analysis of risk categorisation

As at March 31, 2021

Risk Categorisation	Stage 1	Stage 2	Stage 3	Total
Low risk	86,042.97	7,113.05	867.78	94,023.80
Medium risk	39,375.73	753.54	105.39	40,234.66
High risk	838.37	1,461.81	1,186.75	3,486.93
Total	1,26,257.07	9,328.40	2,159.92	1,37,745.39



7.1.1.1 Analysis of risk categorisation (continued)

As at March 31, 2020

Risk Categorisation	Stage 1	Stage 2	Stage 3	Total
Low risk	92,379.69	2,152.85	4.37	94,536.91
Medium risk	19,228.47	211.39	-	19,439.86
High risk	374.43	2,668.61	1,308.03	4,351.07
Total	1,11,982.59	5,032.85	1,312.40	1,18,327.84

7.1.1.2 Reconciliation of gross carrying amount

As at March 31, 2021

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2020	1,11,982.59	5,032.85	1,312.40	1,18,327.84
New assets originated or purchased	49,445.78	4.28	4.67	49,454.73
Assets derecognised or repaid (excluding write offs)	(24,574.45)	(635.28)	(548.75)	(25,758.48)
Transfers from Stage 1	(7,073.01)	6,475.84	597.17	-
Transfers from Stage 2	1,293.59	(2,182.21)	888.62	-
Transfers from Stage 3	34.35	68.19	(102.54)	-
Changes to contractual cash flows due to modifications not resulting in derecognition	(4,851.78)	564.73	(99.70)	(4,386.75)
Amounts written off	-	-	108.05	108.05
Gross carrying amount as at March 31, 2021	1,26,257.07	9,328.40	2,159.92	1,37,745.39

As at March 31, 2020

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2019	81,052.00	4,239.74	1,303.76	86,595.50
New assets originated or purchased	46,274.65	7.96	1.67	46,284.28
Assets derecognised or repaid (excluding write offs)	(10,051.02)	(674.19)	(421.95)	(11,147.16)
Transfers from Stage 1	(2,578.95)	2,211.15	367.80	-
Transfers from Stage 2	545.17	(992.41)	447.24	-
Transfers from Stage 3	78.59	252.10	(330.69)	-
Changes to contractual cash flows due to modifications not resulting in derecognition	(3,337.85)	(11.50)	(92.30)	(3,441.65)
Amounts written off	-	-	36.87	36.87
Gross carrying amount as at March 31, 2020	1,11,982.59	5,032.85	1,312.40	1,18,327.84

7.1.1.3 Impairment allowance for loans to customers

As at March 31, 2021

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 1, 2020	533.01	281.47	432.28	1,246.76
Assets derecognised or repaid	(114.83)	(34.14)	(182.69)	(331.66)
New assets originated	149.65	0.02	1.59	151.26
Impact on ECL of Exposures transferred between stages during the year	(213.14)	174.27	476.01	437.14
Transfers from Stage 1	(48.77)	44.05	4.72	-
Transfers from Stage 2	82.97	(123.68)	40.71	-
Transfers from Stage 3	11.23	22.29	(33.52)	-
Impairment allowance for loans to customers as at March 31, 2021	400.12	364.28	739.10	1,503.50

As at March 31, 2020

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 1, 2019	218.66	80.33	444.31	743.30
Assets derecognised or repaid	(27.76)	(12.13)	(150.31)	(190.20)
New assets originated	82.27	0.09	0.51	82.87
Impact on ECL of Exposures transferred between stages during the year	235.33	137.91	237.55	610.79
Transfers from Stage 1	(11.59)	9.86	1.73	-
Transfers from Stage 2	9.93	(18.55)	8.62	-
Transfers from Stage 3	26.17	83.96	(110.13)	-
Impairment allowance for loans to customers as at March 31, 2020	533.01	281.47	432.28	1,246.76



7.1.2 Home Improvement and LAP

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

7.1.2.1 Analysis of risk categorisation

As at March 31, 2021

Risk categorisation	Stage 1	Stage 2	Stage 3	Total
Low risk	24,295.89	4,023.54	685.26	29,004.69
Medium risk	17,093.88	476.29	105.96	17,676.13
High risk	375.24	999.71	1,230.20	2,605.15
Total	41,765.01	5,499.54	2,021.42	49,285.97

As at March 31, 2020

Risk Categorisation	Stage 1	Stage 2	Stage 3	Total
Low risk	28,507.84	1,469.54	5.36	29,982.74
Medium risk	8,163.69	154.38	-	8,318.07
High risk	160.13	1,738.46	1,497.99	3,396.58
Total	36,831.66	3,362.38	1,503.35	41,697.39

7.1.2.2 Reconciliation of gross carrying amount

As at March 31, 2021

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2020	36,831.66	3,362.38	1,503.35	41,697.39
New assets originated or purchased	15,902.49	1.24	0.24	15,903.97
Assets derecognised or repaid (excluding write offs)	(5,961.57)	(386.58)	(598.03)	(6,946.18)
Transfers from Stage 1	(4,049.86)	3,559.17	490.69	-
Transfers from Stage 2	749.41	(1,488.68)	739.27	-
Transfers from Stage 3	18.98	74.60	(93.58)	-
Changes to contractual cash flows due to modifications not resulting in derecognition	(1,726.10)	377.41	(132.85)	(1,481.54)
Amounts written off	-	-	112.33	112.33
Gross carrying amount as at March 31, 2021	41,765.01	5,499.54	2,021.42	49,285.97

As at March 31, 2020

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2019	31,619.98	3,086.91	1,505.38	36,212.27
New assets originated or purchased	13,131.93	22.81	8.41	13,163.15
Assets derecognised or repaid (excluding write offs)	(5,083.22)	(561.90)	(442.58)	(6,087.70)
Transfers from Stage 1	(1,793.43)	1,555.49	237.94	-
Transfers from Stage 2	304.97	(728.74)	423.77	-
Transfers from Stage 3	37.64	134.30	(171.94)	-
Changes to contractual cash flows due to modifications not resulting in derecognition	(1,386.21)	(146.49)	(109.98)	(1,642.68)
Amounts written off	-	-	52.35	52.35
Gross carrying amount as at March 31, 2020	36,831.66	3,362.38	1,503.35	41,697.39

7.1.2.3 Impairment allowance for loans to customers

As at March 31, 2021

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 1, 2020	455.24	139.15	492.25	1,086.64
Assets derecognised or repaid	(72.62)	(16.39)	(196.32)	(285.33)
New assets originated	128.08	0.01	0.08	128.17
Impact on Year end ECL of Exposures transferred between stages during the year	(147.26)	73.57	415.96	342.27
Transfers from Stage 1	(54.41)	47.48	6.93	-
Transfers from Stage 2	32.81	(60.94)	28.13	-
Transfers from Stage 3	6.20	24.39	(30.59)	-
Impairment allowance for loans to customers as at March 31, 2021	348.04	207.27	716.44	1,271.75



7.1.2.3 Impairment allowance for loans to customers (continued)

As at March 31, 2020

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 1, 2019	222.95	44.80	503.48	771.23
Assets derecognised or repaid	(37.42)	(8.09)	(148.69)	(194.20)
New assets originated	74.39	0.38	2.60	77.37
Impact on Year end ECL of Exposures transferred between stages during the year	193.13	54.97	184.14	432.24
Transfers from Stage 1	(14.76)	12.87	1.89	-
Transfers from Stage 2	4.42	(10.51)	6.09	-
Transfers from Stage 3	12.53	44.73	(57.26)	-
Impairment allowance for loans to customers as at March 31, 2020	455.24	139.15	492.25	1,086.64

7.1.3 Plot plus self construction

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

7.1.3.1 Analysis of risk categorisation -loan balances

As at March 31, 2021

Risk categorisation	Stage 1	Stage 2	Stage 3	Total
Low risk	1,614.02	247.09	18.00	1,879.11
Medium risk	1,155.09	37.97	18.42	1,211.48
High risk	30.60	87.03	28.76	146.39
Grand Total	2,799.71	372.09	65.18	3,236.98

As at March 31, 2020

Risk Categorisation	Stage 1	Stage 2	Stage 3	Total
Low risk	1,739.47	110.81	-	1,850.28
Medium risk	587.18	19.07	-	606.25
High risk	5.94	136.99	63.39	206.32
Total	2,332.59	266.87	63.39	2,662.85

7.1.3.2 Reconciliation of gross carrying amount

As at March 31, 2021

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2020	2,332.59	266.87	63.39	2,662.85
New assets originated or purchased	1,043.33	-	-	1,043.33
Assets derecognised or repaid (excluding write offs)	(540.05)	(33.21)	(35.22)	(608.48)
Transfers from Stage 1	(227.12)	206.84	20.28	-
Transfers from Stage 2	68.76	(96.85)	28.09	-
Transfers from Stage 3	7.34	3.30	(10.64)	-
Changes to contractual cash flows due to modifications not resulting in derecognition	114.86	25.14	(3.15)	136.85
Amounts written off	-	-	2.43	2.43
Gross carrying amount as at March 31, 2021	2,799.71	372.09	65.18	3,236.98

As at March 31, 2020

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2020	1,814.71	316.11	75.67	2,206.49
New assets originated or purchased	955.11	-	-	955.11
Assets derecognised or repaid (excluding write offs)	(423.14)	(89.60)	(24.93)	(537.67)
Transfers from Stage 1	(84.77)	62.32	22.45	-
Transfers from Stage 2	16.75	(41.87)	25.12	-
Transfers from Stage 3	-	27.60	(27.60)	-
Changes to contractual cash flows due to modifications not resulting in derecognition	53.93	(7.69)	(7.93)	38.31
Amounts written off	-	-	0.61	0.61
Gross carrying amount as at March 31, 2020	2,332.59	266.87	63.39	2,662.85



7.1.3.3 Impairment allowance for loans to customers

As at March 31, 2021

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 1, 2020	21.81	17.78	20.73	60.32
Assets derecognised or repaid	(4.85)	(2.31)	(11.51)	(18.67)
New assets originated	4.74	-	-	4.74
Impact on year end ECL of Exposures transferred between stages during the year	(12.19)	(2.41)	14.60	-
Transfers from Stage 1	(2.18)	1.94	0.24	-
Transfers from Stage 2	4.62	(6.28)	1.66	-
Transfers from Stage 3	2.40	1.08	(3.48)	-
	14.35	9.80	22.24	46.39

As at March 31, 2020

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 1, 2019	12.15	17.83	25.21	55.19
Assets derecognised or repaid	(2.41)	(4.40)	(8.30)	(15.11)
New assets originated	3.97	-	-	3.97
Impact on year end ECL of Exposures transferred between stages during the year	7.79	(3.15)	11.63	16.27
Transfers from Stage 1	(0.54)	0.45	0.09	-
Transfers from Stage 2	0.85	(2.14)	1.29	-
Transfers from Stage 3	-	9.19	(9.19)	-
	21.81	17.78	20.73	60.32

7.1.4 LAP for construction

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

7.1.4.1 Analysis of risk categorisation

As at March 31, 2021

Risk categorisation	Stage 1	Stage 2	Stage 3	Total
Low risk	379.45	-	-	379.45
Medium risk	3,212.89	-	-	3,212.89
High risk	-	-	-	-
Total	3,592.34	-	-	3,592.34

As at March 31, 2020

Risk Categorisation	Stage 1	Stage 2	Stage 3	Total
Low risk	309.92	-	-	309.92
Medium risk	1,283.60	-	-	1,283.60
High risk	-	-	-	-
Total	1,593.52	-	-	1,593.52

7.1.4.2 Reconciliation of gross carrying amount

As at March 31, 2021

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2020	1,593.52	-	-	1,593.52
New assets originated or purchased	2,049.60	-	-	2,049.60
Assets derecognised or repaid (excluding write offs)	(57.09)	-	-	(57.09)
Transfers from Stage 1	-	-	-	-
Transfers from Stage 2	-	-	-	-
Transfers from Stage 3	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	6.31	-	-	6.31
Amounts written off	-	-	-	-
Gross carrying amount as at March 31, 2021	3,592.34	-	-	3,592.34



7.1.4.2 Reconciliation of gross carrying amount (continued)

As at March 31, 2020

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2019	1,188.35	-	-	1,188.35
New assets originated or purchased	1,584.08	-	-	1,584.08
Assets derecognised or repaid (excluding write offs)	(1,160.08)	-	-	(1,160.08)
Changes to contractual cash flows due to modifications not resulting in derecognition	(18.83)	-	-	(18.83)
Gross carrying amount as at March 31, 2020	1,593.52	-	-	1,593.52

7.1.4.3 Impairment allowance for loans to customers

As at March 31, 2021

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 1, 2020	8.76	-	-	8.76
Assets derecognised or repaid	(0.31)	-	-	(0.31)
New assets originated	11.16	-	-	11.16
Impact on ECL of Exposures transferred between stages during the year	(0.03)	-	-	(0.03)
Impairment allowance for loans to customers as at March 31, 2021	19.58	-	-	19.58

As at March 31, 2020

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 1, 2019	6.53	-	-	6.53
Assets derecognised or repaid	(6.37)	-	-	(6.37)
New assets originated	8.70	-	-	8.70
Impact on ECL of Exposures transferred between stages during the year	(0.10)	-	-	(0.10)
Impairment allowance for loans to customers as at March 31, 2020	8.76	-	-	8.76

Note 7.2 Impairment assessment

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

- Definition of default and cure

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

- Probability of default ('PD')

The account level delinquency has been considered while assigning Probability of Default (PD) at a portfolio level. The PDs are computed for homogenous portfolio segments.

- Exposure at default ('EAD')

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

- Loss given default ('LGD')

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

- Significant increase in credit risk

The Company evaluates the loans on an ongoing basis. The Company also assesses if there has been a significant increase in credit risk since the previously risk taking into consideration both qualitative and quantitative information. One key factor that indicates significant increase in credit risk is when contractual payments are more than 30 days past due.

- Grouping financial assets measured on a collective basis

The Company calculates ECLs on a collective basis on the following asset classes:

- Home Loans and self construction
- Home Improvement and Loans against properties
- Plot plus self construction
- LAP for construction

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

The Company groups these exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans. Asset class such as Home Loans and self construction, Home Improvement and Loans against properties and LAP for constructions are mix of Housing and Non Housing loans and based on customer profiling and associated risk attached.



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Note 7.3 Collateral

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

The Company did not hold any financial instrument for which no loss allowance is recognised because of collateral as at March 31, 2021 and March 31, 2020. There was no change in the Company's collateral policy during the year.

Note 8: Other financial assets

Particulars	March 31, 2021	March 31, 2020
Excess Interest Spread (EIS) Receivable*	2,760.68	540.11
Security deposit	184.55	191.47
Receivable against loans sold to assets reconstruction company	487.69	746.39
Receivables from employees	65.77	49.18
Balance with government authorities	527.49	-
Other receivables	251.70	153.10
Gross	4,277.88	1,680.25
Impairment loss allowance on EIS receivable	(33.42)	(6.77)
Impairment loss allowance on receivable from employees	(15.35)	-
Net	4,229.11	1,673.48

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

Note 9: Property, plant and equipment

Particulars	Computers	Office equipment	Furniture and fittings	Total
Cost:				
As at April 1, 2019	247.00	64.92	44.83	356.75
Additions	156.24	27.96	60.05	244.25
Disposals	(3.20)	(2.36)	(4.51)	(10.07)
As at March 31, 2020	400.04	90.52	100.37	590.93
Additions	143.51	25.26	44.81	213.58
Disposals	(0.08)	(1.84)	(2.79)	(4.71)
As at March 31, 2021	543.47	113.94	142.39	799.80
Accumulated Depreciation:				
As at April 1, 2019	76.16	23.61	8.15	107.92
Additions	94.54	25.19	16.68	136.41
Disposals	(0.84)	(0.32)	(0.70)	(1.86)
As at March 31, 2020	169.86	48.48	24.13	242.47
Additions	122.82	22.67	23.90	169.39
Disposals	(0.06)	(1.44)	(1.23)	(2.73)
As at March 31, 2021	292.62	69.71	46.80	409.13
Net book value				
At March 31, 2020	230.18	42.04	76.24	348.46
At March 31, 2021	250.85	44.23	95.59	390.67



Shubham Housing Development Finance Company Limited
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Note 10: Intangibles

Particulars	Softwares	Brand and Trade Marks	Total
Cost:			
As at April 1, 2019	262.34	-	262.34
Additions	5.15	0.32	5.47
Capitalised during the year	71.89	-	71.89
As at March 31, 2020	339.38	0.32	339.70
Capitalised during the year	48.60	-	48.60
As at March 31, 2021	387.98	0.32	388.30
Accumulative amortisation:			
As at April 1, 2019	76.24	-	76.24
Amortisation charge for the year	80.97	0.06	81.03
As at March 31, 2020	157.21	0.06	157.27
Amortisation charge for the year	89.10	0.06	89.16
As at March 31, 2021	246.31	0.12	246.43
Net book value:			
As at March 31, 2020	182.17	0.26	182.43
As at March 31, 2021	141.67	0.20	141.87

Note 11: Capital Work in Progress and intangible assets under development

Particulars	Intangible assets under development	Capital work in progress	Total
Cost:			
As at April 1, 2019	34.99	-	34.99
Additions	67.85	11.65	79.50
Capitalised during the year	(71.89)	-	(71.89)
As at March 31, 2020	30.95	11.65	42.60
Additions	29.44	2.33	31.77
Capitalised during the year	(48.60)	(13.98)	(62.58)
As at March 31, 2021	11.79	-	11.79

Note 12: Other non-financial assets

Particulars	March 31, 2021	March 31, 2020
Prepaid expenses	164.23	166.71
Advances to vendors	24.81	51.70
Other advances	194.40	67.08
Deferred lease expenses	51.94	47.63
Total	435.38	333.12



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Note 13: Assets held for sale

Particulars	March 31, 2021	March 31, 2020
Assets held for sale (refer note 13a)	3,409.00	3,842.99
Less: Impairment loss allowance (refer note 29)	(579.58)	(504.53)
Total	2,829.42	3,338.46

Note 13a: Assets obtained by taking possession of collateral

The Company obtained the following assets during the year by taking possession of collateral held as security against loans and advances and held at the year end. The Company's policy is to realise collateral on a timely basis. The Company does not use non-cash collateral for its operations.

Particulars	March 31, 2021	March 31, 2020
Residential properties acquired under SARFAESI	3,409.00	3,842.99
Total assets obtained by taking possession of collateral	3,409.00	3,842.99

Note 14: Payables

Particulars	March 31, 2021	March 31, 2020
Trade payables		
Total outstanding dues of Micro Enterprises and Small Enterprises*	1.22	17.44
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	445.59	479.61
Total	446.81	497.05

*The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on information received and available with the Company, there are no amounts payable other than disclosed above to Micro and Small Enterprises as follows:

Particulars	March 31, 2021	March 31, 2020
Principal amount remaining unpaid to supplier as at the end of the year	1.22	17.44
Interest due on the principal remaining outstanding as at the end of the year	-	-
Interest paid under the Micro, Small and Medium Enterprises Development Act, 2006 beyond the appointed day during the year	-	-
Interest due and payable for the period of delay in making payment (which have 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	-	-
Interest accrued and remaining unpaid at the end of the year	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the Micro, Small and Medium Enterprises Development Act, 2006	-	-



Note 15: Debt Securities

Particulars	March 31, 2021	March 31, 2020
At Amortised Cost:		
Secured		
Redeemable non-convertible debentures	2,983.94	913.57
Unsecured		
Optionally convertible debentures [#]	74.97	76.38
Redeemable non-convertible debentures	8,219.44	9,445.45
Total	11,278.35	10,435.41
Debt securities in India	11,278.35	10,435.41
Debt securities outside India	-	-
Total	11,278.35	10,435.41

Detail of Redeemable Non-Convertible Debentures (inclusive of Interest accrued on debentures)

Particulars/ISIN No.	INE967Q07015	INE967Q08013	INE967Q08021	INE967Q07023	INE967Q07031
Date of allotment	23-Feb-2018	28-Mar-2016	21-Jun-2016	12-Jun-2020	25-Jun-2020
Date of redemption	23-Feb-2021	15-Apr-2022	21-Jun-2023	12-Jun-2023	29-Jun-2023
Nominal value per debenture (Rs.)	1	10	10	10	10
Total number of debentures (Nos.)	2500	200	750	100	200
Face value (Rs.)	1	10	10	10	10
Rate of Interest PA,	1 year MCLR** + 2%	13.00%	12.30% + withholding tax	10.00%	10.00%
Interest Type	Floating	Fixed	Fixed	Fixed	Fixed
Listed/unlisted	Listed on BSE	Unlisted	Listed on BSE	Listed on BSE	Listed on BSE
Secured/unsecured	Secured [*]	Unsecured	Unsecured	Secured [*]	Secured [*]
Outstanding as at March 31, 2021 (Rs. lakhs)	-	2,000.00	6,460.58	1,005.20	2,150.68
Outstanding as at March 31, 2020 (Rs. lakhs)	919.21	2,000.00	7,754.61	-	-

All Non convertible debentures are redeemable at par and are privately placed.

^{*} Secured Non convertible debentures are secured by first pari passu and continuing charge on all current and future standard book debts/receivables of the company.

^{**} MCLR of State Bank of India

[#] The Company had issued optionally convertible debentures which has been treated as Compound financial instrument and split accounting is followed. Interest component is classified as "liability" and residual amount is classified as "Equity".

Note 16: Borrowings (other than debt securities)

Particulars	March 31, 2021	March 31, 2020
At Amortised Cost		
Secured		
Term loans		
- from National Housing Bank [*]	46,342.57	33,647.65
- from Banks [*]	68,336.05	54,548.24
- from Financial institution [*]	30,713.69	28,731.23
Others		
Bank overdraft ^{**}	500.00	-
Cash credit and overdraft facilities with scheduled banks	-	601.41
Unsecured		
Term loans		
- from Financial institutions	2,975.16	-
Others		
Total	148,867.47	117,528.53
Borrowings in India	148,867.47	117,528.53
Borrowings outside India	-	-
Total	148,867.47	117,528.53

^{*} Secured term loans from National Housing Bank carry rate of interest in the range of 4.86% to 9.00% p.a. The loans are having tenure of 1 to 15 years from the date of disbursement and are repayable in quarterly instalments. These loans are secured by hypothecation (exclusive charge) of the loans given by the Company. Loans from National Housing Bank to the extent of Rs 23,315.89 lakhs (Previous year Rs 28,647.65 lakhs) have been guaranteed by Bank guarantee of HDFC Bank Limited (Rs. 200.00 lakhs) and AU Small Finance Bank Limited (Rs. 3,750.00 lakhs).

^{*} Secured term loans from Banks and various financial institutions carries rate of interest in the range of 8.35% to 13.00% p.a. The loans are having tenure of 3 to 10 years from the date of disbursement and are repayable in monthly or quarterly or Half yearly instalments or yearly instalments. These loans are secured by hypothecation (exclusive charge) of the loans given by the Company.

Cash credit borrowings from bank are secured against hypothecation of housing loans given by the Company, are repayable on demand and carry interest rates ranging from 10.45% to 10.50%.

Defaults

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



Note 16: Borrowings (other than debt securities) (continued)

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

Repayments	Monthly repayment schedule		Quarterly repayment schedule		Total	
	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount
Due within 1 Year	812	21,431.43	130	18,595.08	942	40,026.51
Due 1 to 3 Years	1245	35,263.25	220	25,632.99	1465	60,896.24
Due 3 to 5 Years	391	15,265.49	139	13,785.14	530	29,050.63
>5 Years	96	3,641.85	187	15,334.65	283	18,976.50
Total	2544	75,602.02	676	73,347.86	3220	1,48,949.88

- Interest rate ranges from 4.86% p.a. to 13.00% p.a. as at March 31, 2021.

Terms of repayment of borrowings outstanding as at March 31, 2020

Repayments	Monthly repayment schedule		Quarterly repayment schedule		Total	
	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount
Due within 1 Year	699	15,457.50	116	9,678.20	815	25,135.70
Due 1 to 3 Years	1180	26,063.19	209	20,065.14	1389	46,128.33
Due 3 to 5 Years	405	11,628.29	167	15,995.88	572	27,624.17
>5 Years	78	4,933.01	236	13,595.55	314	18,528.56
Total	2362	58,081.99	728	59,334.77	3090	1,17,416.76

- Interest rate ranges from 4.86% p.a. to 13.00% p.a. as at March 31, 2020.

Note 17: Other financial liabilities

Particulars	March 31, 2021	March 31, 2020
Interest accrued but not due		
On debentures	378.27	257.39
On term loans from Banks	277.28	247.39
On term loans from Financial institutions	172.60	141.44
On refinance from National Housing Bank	682.32	470.36
On overdraft facilities from Banks	4.46	-
Loan pending disbursement	20,539.68	13,908.48
Advances from customers	264.03	172.49
Payable towards collections in derecognised assets	483.01	112.40
Employee benefits payable	643.18	470.28
Lease liability	520.55	699.47
Others	0.27	4.99
Total	23,965.65	16,484.69

Note 18: Provisions

Particulars	March 31, 2021	March 31, 2020
Provision for employee benefits		
- Compensated absences (refer note 34)	334.20	239.86
- Gratuity (refer note 34)	104.12	84.80
ECL for undisbursed loan commitment (refer note 18.1)	28.35	20.81
Total	466.67	345.47



Note 18.1: Loan commitment

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

Note 18.1.1: Credit quality of exposure

As at March 31, 2021

Risk Categorisation	Stage 1	Stage 2	Stage 3	Total
Low risk	2,530.96	89.66	5.36	2,625.98
Medium risk	5,264.97	18.36	1.91	5,285.24
High risk	0.71	1.33	18.91	20.95
Total	7,796.64	109.35	26.18	7,932.17

As at March 31, 2020

Risk Categorisation	Stage 1	Stage 2	Stage 3	Total
Low risk	2,996.60	5.78	-	3,002.38
Medium risk	2,046.30	4.19	-	2,050.49
High risk	-	22.19	6.60	28.79
Total	5,042.90	32.16	6.60	5,081.66

Note 18.1.2: An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to other undrawn commitments is, as follows:

Reconciliation of gross carrying amount as at March 31, 2021

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at March 31, 2020	5,042.90	32.16	6.60	5,081.66
New assets originated or purchased	6,574.36	3.08	-	6,577.44
Assets derecognised or repaid (excluding write offs)	(3,218.42)	(4.60)	(6.60)	(3,229.62)
Transfers from Stage 1	(108.02)	105.07	2.95	-
Transfers from Stage 2	0.71	(23.94)	23.23	-
Transfers from Stage 3	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	(494.89)	(2.42)	-	(497.31)
Gross carrying amount as at March 31, 2021	7,796.64	109.35	26.18	7,932.17

Reconciliation of gross carrying amount as at March 31, 2020

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2019	14,662.25	110.62	73.38	14,846.25
New assets originated or purchased	4,385.66	-	-	4,385.66
Assets derecognised or repaid (excluding write offs)	(13,611.12)	(110.61)	(66.78)	(13,788.51)
Transfers from Stage 1	(32.66)	32.66	-	-
Transfers from Stage 2	-	-	-	-
Transfers from Stage 3	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	(361.23)	(0.51)	-	(361.74)
Gross carrying amount as at March 31, 2020	5,042.90	32.16	6.60	5,081.66



Note 18.1.2: An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to other undrawn commitments (continued)

Reconciliation of ECL balance as at March 31, 2021

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at April 1, 2020	19.01	0.50	1.30	20.81
Assets derecognised or repaid	(12.11)	(0.07)	(1.31)	(13.49)
New assets originated	18.02	0.01	-	18.03
Impact on ECL of exposures transferred between stages during the year	(2.94)	0.93	5.01	3.00
Transfers from Stage 1	(0.51)	0.51	-	-
Transfers from Stage 2	0.01	(0.38)	0.37	-
Transfers from Stage 3	-	-	-	-
ECL allowance as at March 31, 2021	21.48	1.50	5.37	28.35

Reconciliation of ECL balance as at March 31, 2020

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at April 1, 2019	28.53	1.32	17.21	47.06
Assets derecognised or repaid	(26.40)	(1.32)	(15.74)	(43.46)
New assets originated	8.94	-	-	8.94
Impact on ECL of exposures transferred between stages during the year	8.03	0.41	(0.17)	8.27
Transfers from Stage 1	(0.09)	0.09	-	-
Transfers from Stage 2	-	-	-	-
Transfers from Stage 3	-	-	-	-
ECL allowance as at March 31, 2020	19.01	0.50	1.30	20.81

Note 19: Other non-financial liabilities

Particulars	March 31, 2021	March 31, 2020
Statutory dues payable	238.68	151.31
Other payables	169.52	174.39
Total	408.20	325.70

Note 20: Equity Share Capital

Details of authorized, issued, subscribed and paid up share capital

Particulars	March 31, 2021	March 31, 2020
Authorised:		
25,00,000 (P.Y. 25,00,000) Equity Shares of Rs.10/- Each	250.00	250.00
	250.00	250.00
Issued, Subscribed and Paid-up:		
Issued and Subscribed Capital		
9,43,690 (P.Y. 9,43,690) Equity Shares of Rs.10/- Each Fully paid	94.37	94.37
Called-Up and Paid Up Capital - Fully Paid-Up		
9,43,690 (P.Y. 9,43,690) Equity Shares of Rs.10/- Each Fully paid	94.37	94.37
Total	94.37	94.37



Note 20.1 The reconciliation of equity shares outstanding at the beginning and at the end of the reporting year:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Rs. In Lakhs	No. of shares	Rs. In Lakhs
Equity shares at the beginning of year	9,43,690	94.37	9,43,690	94.37
Add: shares issued during the year	-	-	-	-
Equity share at the end of year	9,43,690	94.37	9,43,690	94.37

Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% of holding	No. of shares	% of holding
Promoters:				
Mr. Sanjay Chaturvedi	2,50,000	26.49	2,50,000	26.49
Ms. Rupa Basu	2,50,000	26.49	2,50,000	26.49
Non-Promoters:				
Shubham Employees Welfare Trust	1,19,047	12.62	1,19,047	12.62
Helion Venture Partners II LLC	93,763	9.94	93,763	9.94
Elevar Equity Mauritius	93,763	9.94	93,763	9.94
PI Opportunities Fund I	76,818	8.14	76,818	8.14
Total	8,83,391	93.62	8,83,391	93.62

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Rights, preferences and restrictions attached to Equity shares

The Company has only one class of equity shares having the par value of each share is Rs.10. Each shareholder shall have voting right equal to shareholding percentage of the total of the shares issued including compulsorily convertible preference shares on an as if converted basis. The dividend proposed by the Board of Directors is subject to the approval of the shareholders. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amount, in proportion to their shareholding.

Note 21: Instruments entirely equity in nature

Particulars	March 31, 2021	March 31, 2020
Authorised :		
50,00,000 Preference Shares of Rs.10/- Each	500.00	500.00
	500.00	500.00
Issued, Subscribed and Paid-up:		
5,71,328 Compulsorily convertible preference shares of Rs. 10 each-Series A	57.13	57.13
5,29,424 Compulsorily convertible preference shares of Rs. 10 each-Series B	52.94	52.94
13,84,888 Compulsorily convertible preference shares of Rs. 10 each-Series C	138.49	138.49
20,14,729 Compulsorily convertible preference shares of Rs. 10 each-Series D	201.47	201.47
Total	450.03	450.03

Rights, preference and restrictions attached to Compulsorily convertible preference shares ('CCPS')

The Company has issued its compulsorily convertible preference shares in series A, B, C and D having a par value of Rs. 10 per share. Each shareholder of the Company is entitled to vote in proportion of the share of paid-up capital of the Company held by the Shareholder. The shares will carry a non-cumulative dividend right of 0.01% per annum on the subscription amount in preference to other class of shares as and when and if declared by the Board. The shares are convertible in ratio of 1 equity share for 1 CCPS.

For series A shares, the shares will be automatically converted into equity shares either 2 days prior to filing of the draft red herring prospectus in connection with the occurrence of the qualified Initial Public Offer (IPO) or 31 July 2029, whichever is earlier.

For series B shares, the shares will be automatically converted into equity shares either 2 days prior to filing of the draft red herring prospectus in connection with the occurrence of the qualified IPO or 25 July 2032, whichever is earlier.

For series C shares, the shares will be automatically converted into equity shares either 2 days prior to filing of the draft red herring prospectus in connection with the occurrence of the qualified IPO or 25 July 2032, whichever is earlier.

For series D shares, the shares will be automatically converted into equity shares either 2 days prior to filing of the draft red herring prospectus in connection with the occurrence of the qualified IPO or 23 January 2037, whichever is earlier.



Note 21: Instruments entirely equity in nature (continued)

Details of compulsorily convertible preference shares held by shareholders holding more than 5% of the aggregate shares in the Company
Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of CCPS	% of holding	No. of CCPS	% of holding
Series A - Compulsorily convertible preference shares				
Helion Venture Partners II LLC	2,85,664	50.00%	2,85,664	50.00%
Elevar Equity Mauritius	2,85,664	50.00%	2,85,664	50.00%
Series B - Compulsorily convertible preference shares				
PI Opportunities Fund I	3,20,022	60.44%	3,20,022	60.44%
Helion Venture Partners II LLC	1,04,701	19.78%	1,04,701	19.78%
Elevar Equity Mauritius	1,04,701	19.78%	1,04,701	19.78%
Series C - Compulsorily convertible preference shares				
India Business Excellence Fund- IIA	4,34,933	31.41%	4,34,933	31.41%
Helion Venture Partners II LLC	2,52,066	18.20%	2,52,066	18.20%
Elevar Equity Mauritius	2,52,066	18.20%	2,52,066	18.20%
Motilal Oswal Financial Services Limited	2,20,260	15.90%	2,20,260	15.90%
PI Opportunities Fund I	2,06,610	14.92%	2,06,610	14.92%
Series D - Compulsorily convertible preference shares				
PI Opportunities Fund I	18,43,263	91.49%	18,43,263	91.49%

Note 21.1 The reconciliation of compulsorily convertible preference shares outstanding at the beginning and at the end of the reporting year:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Rs. In Lakhs	No. of shares	Rs. In Lakhs
Series A - Compulsorily convertible preference shares				
Shares at the beginning of year	5,71,328	57.13	5,71,328	57.13
Add: shares issued during the year	-	-	-	-
Share at the end of year	5,71,328	57.13	5,71,328	57.13
Series B - Compulsorily convertible preference shares				
Shares at the beginning of year	5,29,414	52.94	5,29,414	52.94
Add: shares issued during the year	-	-	-	-
Share at the end of year	5,29,414	52.94	5,29,414	52.94
Series C - Compulsorily convertible preference shares				
Shares at the beginning of year	13,84,888	138.49	13,84,888	138.49
Add: shares issued during the year	-	-	-	-
Share at the end of year	13,84,888	138.49	13,84,888	138.49
Series D - Compulsorily convertible preference shares				
Shares at the beginning of year	20,14,729	201.47	20,14,729	201.47
Add: shares issued during the year	-	-	-	-
Share at the end of year	20,14,729	201.47	20,14,729	201.47
Total	45,00,359	450.03	45,00,359	450.03



Shubham Housing Development Finance Company Limited
Notes to Financial Statements for the year ended March 31, 2021
(All amount in Rs. lakhs, unless stated otherwise)

Note 22: Other equity

Particulars	March 31, 2021	March 31, 2020
Share premium account	39,690.27	39,690.27
Statutory reserve under Section 29C of the NHB Act, 1987	2,492.87	1,277.47
Share based payment reserve	1,109.08	814.47
Retained earnings	8,634.28	3,807.74
Equity component of compound financial Instrument	11.02	7.09
Total	51,937.52	45,597.04

Nature and purpose of reserves:

Share premium account

Share Premium Account is used to record the premium on issue of shares. The reserve is utilised in accordance with provisions of the Companies Act, 2013.

Statutory reserve under Section 29C of the NHB Act, 1987

Section 29C (i) of The National Housing Bank Act, 1987 defines that every housing finance institution which is a Company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared. For this purpose any special reserve created by the Company under Section 36(1) (viii) of Income tax Act 1961, is considered to be an eligible transfer. During the year ended March 31, 2021, the Company has transferred an amount of Rs. 992.92 lakhs (Previous year: 625.96 lakhs) to special reserve in terms of Section 36(1) (viii) of the Income Tax Act 1961 considered eligible for statutory reserve u/s 29C of NHB Act 1987 and Rs. 222.47 lakhs (Previous year: Rs. 66.33 lakhs) to the reserve in terms of Section 29C of the National Housing Bank ("NHB") Act, 1987.

Share Based Payments Reserve

This Reserve relates to stock options granted by the Company to employees under ESOP Scheme 2013 and under ESOP Scheme 2020. This Reserve is transferred to Securities Premium Account on exercise of vested options.

Note 23: Interest income

Particulars	March 31, 2021	March 31, 2020
<i>On financial assets measured at amortised cost</i>		
Interest on term loans	29,040.36	25,414.86
Interest income on deposits with banks	631.09	188.20
Others	16.08	8.15
Total	29,687.53	25,611.21

Note 24: Fee and commission income

Particulars	March 31, 2021	March 31, 2020
Application fee	684.96	733.52
Other fee income	525.47	547.79
Total	1,210.43	1,281.31

Credit compliance and debt advisory fees

The performance obligation in regards of arrangements where fees is charged per transaction executed is recognised at point in time when the amount is realised.

Geographical markets

India	1,210.43	1,281.31
Outside India	-	-
Total revenue from contracts with customers	1,210.43	1,281.31

Timing of revenue recognition

Services transferred at a point in time	1,210.43	1,281.31
Services transferred over time	-	-
Total revenue from contracts with customers	1,210.43	1,281.31



Shubham Housing Development Finance Company Limited
Notes to Financial Statements for the year ended March 31, 2021
(All amount in Rs. lakhs, unless stated otherwise)

Note 25: Net gain on derecognition of financial instruments at amortised cost

Particulars	March 31, 2021	March 31, 2020
Net gain on derecognition of financial instruments	2,452.57	605.68
Total	2,452.57	605.68

Note 26: Net gain on fair value change

Particulars	March 31, 2021	March 31, 2020
Net gain on instruments at fair value through profit or loss		
-Realised	304.62	455.39
Total	304.62	455.39

Note 27: Other income

Particulars	March 31, 2021	March 31, 2020
Marketing support income	401.59	478.06
Interest on income tax refund	2.45	-
Miscellaneous income	18.80	9.94
Total	422.84	488.00

Note 28: Finance costs

Particulars	March 31, 2021	March 31, 2020
<i>On financial liabilities measured at amortised Cost:</i>		
Interest on debt securities	1,521.69	1,428.74
Interest on borrowings (other than debt securities)	12,387.04	10,425.81
Interest on cash credit facilities and overdraft	62.72	91.07
Interest on lease liability	46.50	73.60
Total	14,017.95	12,019.22

Note 29: Impairment on financial instruments

Particulars	March 31, 2021	March 31, 2020
Loans assets and EIS receivable	476.46	837.45
Recoverable from employees	15.35	-
Loan commitment (refer note 18.1.2)	7.54	(26.25)
Loans write off	222.81	90.56
Assets acquired under SARFAESI (refer note 13)	75.05	219.07
Loss on sale and settlement of assets acquired	157.30	49.80
Total	954.51	1,170.63



Shubham Housing Development Finance Company Limited
Notes to Financial Statements for the year ended March 31, 2021
 (All amount in Rs. lakhs, unless stated otherwise)

Note 30: Employee benefits expenses

Particulars	March 31, 2021	March 31, 2020
Salaries and wages	7,586.94	6,966.18
Share based payments to employees	294.61	338.90
Contribution to provident and other funds (refer note 34)	460.16	446.03
Provision for Gratuity	57.28	34.22
Provision for Compensated Absences	116.36	122.14
Staff welfare expenses	69.69	123.19
Total	8,585.04	8,030.66

Note 31: Other expenses

Particulars	March 31, 2021	March 31, 2020
Rent	254.09	227.56
Rates and taxes	12.44	4.26
Printing and stationery	56.85	65.77
Brokerage & commission	2.98	4.00
Advertisements and sales promotion	42.18	74.05
Legal and professional charges	332.63	410.83
Payment to auditor (A)	50.72	30.95
Loan acquisition cost	187.05	285.67
Information technology support	442.97	364.70
Postage, telegrams and telephones	51.03	48.52
CSR expenses (refer note 42)	44.18	14.60
Storage charges	15.95	13.46
Communication Cost	71.85	65.30
Travelling and conveyance	86.45	160.40
Repairs and maintenance	94.34	105.20
Insurance	53.46	29.71
Offices Supplies	42.02	40.75
Bank charges	116.05	59.58
Loss on derecognition of property, plant and equipment	0.80	3.69
Electricity and water charges	69.52	80.98
Miscellaneous expenses	148.97	84.83
Total	2,176.53	2,174.81

(A) Payment to auditor:

Particulars	March 31, 2021	March 31, 2020
- Statutory audit	22.50	21.50
- Tax audit #	1.50	1.50
- Limited review	6.00	6.00
- Certification fee	12.10	1.50
- Other fee	7.50	-
- Outlays	1.12	0.45
Total	50.72	30.95

paid to another auditor



Note 32: Income tax

The components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are:

Profit or loss section	March 31, 2021	March 31, 2020
Current income tax:		
Current income tax charge	1,487.52	1,254.85
Adjustments in respect of current income tax of previous year	(14.60)	-
Deferred tax:		
Relating to origination and reversal of temporary differences	260.67	(151.69)
Income tax expense reported in the statement of profit or loss	1,733.59	1,103.16
Other Comprehensive Income section	March 31, 2021	March 31, 2020
Deferred tax:		
Relating to origination and reversal of temporary differences	11.79	12.73
Income tax expense reported in the Other Comprehensive section	11.79	12.73

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 & March 31, 2020

Particulars	March 31, 2021	March 31, 2020
Accounting profit before tax from continuing operations	7,810.58	4,564.60
Tax at statutory Income Tax rate of @25.17% (Previous year 25.17%)	1,965.77	1,148.82
Other permanent difference	(37.68)	16.24
Impact of tax deduction under Section 36(1)(viii) of Income-tax Act 1961	(249.90)	(137.25)
Others (including rate change)	43.61	62.62
Tax on other comprehensive Income	11.79	12.73
Tax at effective Income Tax rate of @ 22.20% (Previous year 24.17%)	1,733.59	1,103.16
Income tax expense reported in the statement of profit and loss	1,733.59	1,103.16

Deferred Tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

Particulars	Deferred tax assets	Deferred tax liabilities	Net Deferred tax asset	Income statement	OCI
	March 31, 2021	March 31, 2021	March 31, 2021	2020-21	2020-21
Property, plant & equipment	18.08	-	18.08	(22.04)	-
Un-amortised loan origination costs (net of un-amortised processing fee)	-	(147.43)	(147.43)	9.69	-
Deduction for provision for doubtful debt u/s 36(1)(viii) of The Income- tax Act, 1961	-	(82.81)	(82.81)	21.53	-
Expected credit loss (ECL)	737.64	-	737.64	(121.82)	-
Provision for acquired properties held for sale	145.87	-	145.87	(18.89)	-
Disallowance as per section 43B of income tax act 1961	150.18	-	150.18	(20.52)	(11.79)
Employee stock option compensation expenses	279.13	-	279.13	(74.14)	-
Allowance amount for share issue expenses	23.63	-	23.63	28.81	-
EIR on processing fees of loans	441.15	-	441.15	(103.23)	-
EIS receivable	-	(694.81)	(694.81)	558.87	-
Others	2.70	-	2.70	(0.75)	-
Right of use assets net of lease liabilities	21.44	-	21.44	3.16	-
Total	1,819.82	(925.05)	894.77	260.67	(11.79)

Particulars	Deferred tax assets	Deferred tax liabilities	Net Deferred tax asset	Income statement	OCI
	March 31, 2020	March 31, 2020	March 31, 2020	2019-20	2019-20
Property, plant & equipment	-	(3.96)	(3.96)	(12.77)	-
Un-amortised loan origination costs (net of un-amortised processing fee)	-	(137.74)	(137.74)	(17.11)	-
Deduction for provision for doubtful debt u/s 36(1)(viii) of The Income- tax Act, 1961	-	(61.28)	(61.28)	28.51	-
Expected credit loss (ECL)	615.82	-	615.82	(139.52)	-
Provision for acquired properties held for sale	126.98	-	126.98	(43.85)	-
Disallowance as per section 43B of income tax act 1961	117.87	-	117.87	(21.30)	(12.73)
Employee stock option compensation expenses	204.99	-	204.99	(66.51)	-
Allowance amount for share issue expenses	52.44	-	52.44	41.56	-
EIR on processing fees of loans	337.92	-	337.92	(36.11)	-
EIS receivable	-	(135.94)	(135.94)	114.44	-
Others	1.95	-	1.95	(0.57)	-
Right of use assets net of lease liabilities	24.60	-	24.60	1.58	-
Total	1,482.57	(338.92)	1,143.65	(151.65)	(12.73)



Note 33: Earning per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

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

Particulars	March 31, 2021	March 31, 2020
Following reflects the profit and share data used in EPS computations:		
Basic		
Weighted average number of equity shares for computation of Basic EPS (in Nos.)	54,44,059	54,44,059
Net profit for calculation of basic EPS (In Lakhs)	6,076.99	3,461.44
Basic earning per share (In Rs.)	111.63	63.58
Diluted		
Weighted average number of equity shares for computation of Diluted EPS (in Nos.)	55,90,742	54,64,610
Net profit for calculation of Diluted EPS (in Rs.)	6,081.71	3,462.18
Diluted earning per share (In Rs.)	108.78	63.36
Reconciliation of profit for calculation of diluted EPS		
Net profit for calculation of basic EPS (Rs. in lakhs)	6,076.99	3,461.44
Interest on optionally convertible debentures (net of provision)	4.72	0.74
Net profit for calculation of Diluted EPS (Rs. in lakhs)	6,081.71	3,462.18
Reconciliation of Weighted average number of shares outstanding		
Weighted average number of equity shares for computation of Basic EPS	54,44,059	54,44,059
Optionally convertible debentures	1,46,683	20,551
Weighted average number of equity shares for computation of Diluted EPS	55,90,742	54,64,610
Nominal/Face Value of equity shares (In Rs.)	10	10

Note 34: Retirement benefit plan

i) Defined contribution plan

During the year, the Company has recognised the following amounts in the Statement of profit and loss:

Particulars	March 31, 2021	March 31, 2020
Employers' Contribution to Employee's Provident Fund ¹	385.44	365.58

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

ii) Defined benefit plan

The Company pays gratuity to employees who retire or resign after a minimum period of five years of continuous service. The Company makes contributions to its own Gratuity Trust. The gratuity trust invests the contribution in insurer managed scheme.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:



Note 34: Retirement benefit plan (continued)

Table showing change in the present value of projected benefit obligation

Particulars	March 31, 2021	March 31, 2020
Change in benefit obligations		
Present value of benefit obligation at the beginning of the year	238.99	156.54
Interest cost	11.64	10.25
Current Service cost	53.35	31.65
(Benefit Paid From the Fund)	(8.68)	(12.79)
Actuarial (Gains) on Obligations - Due to Change in Demographic Assumptions	15.44	10.78
Actuarial (Gains) on Obligations - Due to Change in Financial Assumptions	12.44	15.49
Actuarial Losses on Obligations - Due to Experience	32.68	27.07
Liability at the end of the year	355.86	238.99

Table Showing Change in the Fair Value of Plan Assets

Particulars	March 31, 2021	March 31, 2020
Fair Value of Plan Assets at the beginning of the year	154.21	117.21
Interest income	7.51	7.68
Contributions by the Employer	85.00	39.34
(Benefit Paid From the Fund)	(8.68)	(12.79)
Return on Plan Assets, Excluding Interest Income	13.72	2.77
Fair Value of Plan Assets at the end of the year	251.76	154.21

Amount recognized in the Balance Sheet

Particulars	March 31, 2021	March 31, 2020
Present value of benefit obligation at the end of the year	355.86	238.99
Fair value of plan assets at the end of the year	251.76	154.21
Net liability recognized in the balance sheet	(104.10)	(84.78)

Expenses recognized in the Statement of Profit and Loss

Particulars	March 31, 2021	March 31, 2020
Current service cost	53.35	31.65
Net Interest cost	4.13	2.58
Expenses recognised	57.48	34.23

Expenses recognized in the Other comprehensive income (OCI)

Particulars	March 31, 2021	March 31, 2020
Actuarial Gains on obligation for the year	60.56	53.35
Return on Plan Assets, excluding Interest Income	(13.72)	(2.77)
Net Income for the year recognized in OCI	46.84	50.58



Note 34: Retirement benefit plan (continued)

The actuarial assumptions used to determine benefit obligations as at March 31, 2021, March 31, 2020 are as follows:

Particulars	March 31, 2021	March 31, 2020
Discount Rate	3.86%	4.87%
Salary escalation rate	9.75%	10.00%
Rate of Employee Turnover:		
Business year	10.85%	14.87%
Manager year	26.99%	28.47%
Executive year	48.35%	50.77%

Balance sheet reconciliation

Particulars	March 31, 2021	March 31, 2020
Opening net liability		
Expenses recognized in Statement of Profit and Loss	57.48	34.22
Expenses recognized in OCI	46.84	50.57
Net liability recognized in the balance sheet	104.32	84.79

Cash Flow Projection

Maturity analysis of the benefit payments from the fund

Particulars	March 31, 2021	March 31, 2020
Projected benefits payable in future years from the date of reporting		
1st following year	55.51	33.80
2 to 5 years	184.10	127.52
6 to 10 years	108.72	83.22
More than 10 years	-	-

Note 34: Retirement benefit plan (continued)

Sensitivity analysis

Particulars	March 31, 2021	March 31, 2020
Projected benefit obligation on current assumptions		
Delta effect of +1% change in rate of discounting	(15.93)	(9.50)
Delta effect of -1% change in rate of discounting	17.74	10.41
Delta effect of +1% change in rate of salary increase	16.58	9.81
Delta effect of -1% change in rate of salary increase	(15.25)	(9.15)
Delta effect of +5% change in rate of employee turnover	(30.21)	(18.26)
Delta effect of -5% change in rate of employee turnover	45.18	25.29

Other Benefits

The Company operates compensated absences plan, where in every employee is entitled to the benefit equivalent to 21 days leave salary for every completed year of service subject to maximum 42 accumulation of leaves. The salary for calculation of earned leave is last drawn salary. The same is payable during the service, early retirement, withdrawal of scheme, resignation by employee and upon death of employee.

Note 35: Segment information

The Company's main business is financing by way of loans for purchase or construction of residential houses, commercial real estate and certain other purposes in India. All other activities of the Company revolve around the main business. Accordingly, there are no separate reportable segments as per IND-AS 108 dealing with Operating Segment.



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Note 36: Change in liabilities arising from financing activities

Particulars	April 1, 2020	Cash flows (net)	Other*	March 31, 2021
Debt securities	10,435.41	835.87	7.07	11,278.35
Borrowings other than debt securities	1,17,528.53	31,431.43	(92.49)	1,48,867.47
Total	1,27,963.94	32,267.30	(85.42)	1,60,145.82
Particulars	April 1, 2019	Cash flows (net)	Other*	March 31, 2020
Debt securities	11,403.92	(997.25)	28.74	10,435.41
Borrowings other than debt securities	79,417.00	38,108.59	2.94	1,17,528.53
Total	90,820.92	37,111.34	31.68	1,27,963.94

*Other column represents amortisation of transaction cost

Note 37: Contingent liabilities and commitments

i) Contingent liabilities

a) Income tax

Subsequent to March 31, 2021, Company has a demand order of Rs. 111.20 lacs for AY 2018-19 under section 156 of Income Tax Act 1961 based on assessment done under section 143(3). Management is of view that probability of demand raised by AO is very remote. Hence, no provision has been recorded in books of accounts as of March 31, 2021. Further, the Company has filed an appeal on May 24, 2021 before CIT appeal against the said order.

b) The Company has given bank Bank Guarantees for refinance facilities from NHB of Rs. 3,950 lakhs (March 31, 2020: 3,950 lakhs).

c) The Company's pending litigations comprise of claims against the Company primarily by the customers. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial statements of the Company as at March 31, 2021.

ii) Capital Commitments

Particulars	March 31, 2021	March 31, 2020
Undisbursed amount of loans sanctioned (refer note 18.1.1)	7,932.17	5,081.66
Property, plant and equipment	25.56	40.02

Note 38: Related party disclosures

As per Ind AS 24, the disclosures of transactions with the related parties are given below:

a) List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Key Management Personnel

Mr. Sanjay Chaturvedi
Ms. Rupa Basu
Mr. Vinod Rai
Mr. Rakesh Rewari
Mr. Latika Thukral
Mr. Manoj Dattatraya Rane

Mr. Rahul Garg
Mr. Manoj Jaiswal

Mr. Rahul Chandra
Mr. Sandeep Marian Farias
Mr. Vishal Tulsyan
Mr. Shashank Jain
Ms. Neeta Kamra

Wholtime Director
Wholtime Director
Independent Director
Independent Director
Independent Director
Additional Director (Appointed in the capacity of Independent Director w.e.f. November 11, 2020)
Nominee Director
Nominee Director (Appointed w.e.f. September 14, 2020)
Nominee Director
Nominee Director
Nominee Director
Chief Financial Officer
Company Secretary & Compliance Officer



Note 38: Related party disclosures

Post Employment Benefits for the benefits of employees of the Company

Shubham Employees' Welfare Trust
Shubham Gratuity Trust

b) The nature and volume of transactions carried out with the above related parties in the ordinary course of business are as follows:

Payments to key managerial personnel*

Particulars	March 31, 2021	March 31, 2020
Short term benefits (remuneration)	419.07	368.58
Share based payment#	47.35	83.74

*The amount excludes provision made for gratuity and leave encashment which are provided for a group of employees on overall basis.

Share based payments includes the expenses booked during the year on proportionate basis as per vesting schedule against ESOPs granted to the KMPs bases of option valuation for respective equity settled grants till Mar 21.

Transactions during the year

Particulars	March 31, 2021	March 31, 2020
Key management personnel:		
Optionally Convertible debentures issued	14.48	71.52
Optionally Convertible debentures redeemed	11.94	68.77
Sitting fees paid	22.95	17.25
Proceeds on loan outstanding	4.50	5.60
Interest paid on loans/OCD outstanding	7.03	6.47
Shubham Gratuity Trust:		
Contribution to Gratuity Trust	85.00	39.34
Reimbursement from Trust	8.50	12.43

Note 38: Related party disclosures (continued)

Balances at year end

Particulars	March 31, 2021	March 31, 2020
Key management personnel		
Optionally Convertible debentures	85.99	83.46
Interest outstanding	-	1.45
Loan outstanding	-	4.50
ESOPs outstanding ##	263.77	216.42
Receivable from Gratuity trust		
Gratuity amount receivable	2.05	1.32

#Net of the guarantee released on borrowings repaid during the year.

##ESOPs outstanding includes proportionate liability outstanding in the books as per vesting schedule with respective option valuation of the grants.



Note 39: Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is total debt divided by net worth. The Company's policy is to keep the gearing ratio at reasonable level of 6-8 times in imminent year while the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (the "RBI Master Directions") currently permits HFCs to borrow up to 13 times of their net owned funds ("NOF"). The Company includes with in debt, its all interest bearing loans and borrowings.

Debt to Net worth ratio is as under:

Particulars	March 31, 2021	March 31, 2020
Debts	1,61,660.75	1,28,479.11
Net worth	52,481.92	46,141.44
Debt to Net worth (in times)	3.08	2.78

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.



Note 40 : Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations:

Assets	March 31, 2021			March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	30,844.15	-	30,844.15	16,550.50	-	16,550.50
Bank balance other than cash and cash equivalents	4,188.44	200.00	4,388.44	692.40	3,953.75	4,646.15
Loans	10,095.34	1,83,014.91	1,93,110.25	11,116.46	1,51,697.53	1,62,813.99
Other financial assets	1,844.59	2,384.52	4,229.11	1,188.90	484.58	1,673.48
Non-financial assets						
Current tax assets (net)	205.56	-	205.56	93.84	-	93.84
Deferred tax assets (net)	-	894.77	894.77	-	1,143.65	1,143.65
Property, plant and equipment	-	390.67	390.67	-	348.46	348.46
Intangible assets	-	141.87	141.87	-	182.43	182.43
Right-of-use assets	-	433.66	433.66	-	591.61	591.61
Capital work-in-progress	-	-	-	11.65	-	11.65
Intangible assets under development	11.79	-	11.79	30.95	-	30.95
Other non-financial assets	435.38	-	435.38	333.12	-	333.12
Assets held for sale	-	2,829.42	2,829.42	-	3,338.46	3,338.46
Total assets	47,625.25	1,90,289.82	2,37,915.07	30,017.82	1,61,740.47	1,91,758.29
LIABILITIES						
Financial liabilities						
Trade Payables						
(i) total outstanding dues of micro enterprises and small enterprises	1.22	-	1.22	17.44	-	17.44
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	445.59	-	445.59	479.61	-	479.61
Debt Securities	2,572.85	8,705.50	11,278.35	2,236.26	8,199.15	10,435.41
Borrowings (other than debt securities)	40,367.08	1,08,500.39	1,48,867.47	25,159.63	92,368.90	1,17,528.53
Other financial liabilities	23,798.40	167.25	23,965.65	16,110.94	373.75	16,484.69
Non-financial liabilities						
Provisions	244.59	222.08	466.67	197.05	148.42	345.47
Other Non-financial Liabilities	408.20	-	408.20	325.70	-	325.70
Total liabilities	67,837.93	1,17,595.22	1,85,433.15	44,526.63	1,01,090.22	1,45,616.85
Net	(20,212.68)	72,694.60	52,481.92	(14,508.81)	60,650.25	46,141.44



Note 41: Financial risk management

41.1 Introduction and risk profile

Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk, interest rate risk and market risk. It is also subject to various operating and business risks. The Company also has a system of internal controls to reduce the residual risk in each of these categories and the effectiveness of these controls is assessed periodically.

41.1.1 Risk management structure and policies

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Risk Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk Management Committee is responsible for managing risk decisions and monitoring risk levels and reports to the Board.

The Risk Management Committee is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The unit works closely with and reports to the Risk Management Committee, to ensure that procedures are compliant with the overall framework.

The Unit is also responsible for monitoring compliance with risk principles, policies and limits across the Company, including monitoring the actual risk of exposures against authorised limits and the assessment of risks of new products and structured transactions. The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

41.2 Credit Risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. Credit risk in the Company is managed through a framework that sets out policies and procedures covering the measurement and management of credit risk. There is a clear segregation of duties between transaction originators in the business function and approvers in the credit risk function. Board approved credit policies and procedures mitigate the Company's prime risk which is the default risk. There is a robust Credit Risk Management set-up in the Company at various levels.

1. There are Credit teams to ensure implementation of various policies and processes through random customer visits and assessment, training of branch staff on application errors, liaison with other institutions to obtain necessary information/loan closure documents, as the case may be, and highlight early warning signals and industry developments enabling pro-active field risk management.
2. The credit sanction is done through a delegation matrix where credit sanctioning powers are defined for respective levels.
3. Portfolio analysis and reporting is used to identify and manage credit quality and concentration risks.
4. Credit risk monitoring for the Company is broadly done at two levels: account level and portfolio level. Account monitoring aims to identify weak accounts at an incipient stage to facilitate corrective action. Portfolio monitoring aims towards managing risk concentration in the portfolio as well as identifying stress in certain occupations, markets and states.

41.2.1 Analysis of risk concentration

The Company's concentrations of risk are managed based on Loan to value (LTV) segregation, employment type and geographical spread. The following tables stratify credit exposures from housing and other loans to customers by these metrics. LTV is calculated as the ratio of gross amount of the loan - or the amount committed for loan commitments - to the value of the collateral. The value of the collateral for housing and other loans is based on collateral value at origination.

Loans to Customers:

As at March 31, 2021

LTV bucket	Stage 1	Stage 2	Stage 3	Total
<=40	42,538.07	4,327.40	1,638.90	48,504.37
40-60	49,116.27	4,322.23	1,126.39	54,564.89
60-70	24,122.71	1,929.64	452.79	26,505.14
70-80	25,189.93	1,790.38	302.52	27,282.83
>80	33,447.15	2,830.38	725.92	37,003.45
Total	1,74,414.13	15,200.03	4,246.52	1,93,860.68
Sector/Employment	Stage 1	Stage 2	Stage 3	Total
Housing:				
Salaried	87,778.12	4,324.12	781.50	92,883.74
Self Employed	46,012.20	6,423.52	2,075.83	54,511.55
Non-Housing:				
Salaried	15,233.21	1,218.24	235.59	16,687.04
Self Employed	25,390.60	3,234.15	1,153.60	29,778.35
Total	1,74,414.13	15,200.03	4,246.52	1,93,860.68



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41.2.1 Analysis of risk concentration (continued)

Geographical Concentration	Stage 1	Stage 2	Stage 3	Total
Maharashtra	61,734.57	5,085.85	1,712.67	68,533.09
Delhi	26,734.35	1,005.00	212.36	27,951.71
Uttar Pradesh	25,389.78	2,007.34	470.45	27,867.57
Haryana	15,787.02	1,461.82	227.87	17,476.71
Rajasthan	11,814.07	1,426.27	393.04	13,633.38
Madhya Pradesh	11,297.05	1,574.05	440.52	13,311.62
Gujarat	9,583.73	1,008.26	323.04	10,915.03
Punjab	7,109.24	739.79	159.42	8,008.45
Uttarakhand	2,651.86	131.63	25.34	2,808.83
Bihar	1,010.06	366.43	142.61	1,519.10
Jharkhand	794.30	194.36	63.47	1,052.13
Chhattisgarh	508.10	199.23	75.73	783.06
Total	1,74,414.13	15,200.03	4,246.52	1,93,860.68

41.2.1 Analysis of risk concentration (continued)

As at March 31, 2020

LTV bucket	Stage 1	Stage 2	Stage 3	Total
<=40	42,555.56	3,371.69	1,376.48	47,303.73
40-60	44,631.49	2,731.09	749.01	48,111.59
60-70	21,282.44	1,157.18	259.64	22,699.26
70-80	19,518.17	896.86	279.78	20,694.81
>80	24,752.70	505.28	214.23	25,472.21
Total	1,52,740.36	8,662.10	2,879.14	1,64,281.60

41.2.1 Analysis of risk concentration (continued)

Sector/Employment	Stage 1	Stage 2	Stage 3	Total
Housing:				
Salaried	78,871.48	1,921.49	429.08	81,222.05
Self Employed	41,419.38	4,254.41	1,388.27	47,062.06
Non-Housing:				
Salaried	12,493.28	530.63	143.94	13,167.85
Self Employed	19,956.22	1,955.57	917.85	22,829.64
Total	1,52,740.36	8,662.10	2,879.14	1,64,281.60

Geographical Concentration	Stage 1	Stage 2	Stage 3	Total
Maharashtra	55,132.70	2,378.93	918.58	58,430.21
Delhi	20,920.64	522.93	122.43	21,566.00
Uttar Pradesh	19,531.69	1,414.04	303.77	21,249.50
Haryana	14,487.39	634.49	198.26	15,320.14
Rajasthan	11,886.12	1,093.22	296.79	13,276.13
Madhya Pradesh	10,818.47	1,009.82	352.11	12,180.40
Gujarat	8,430.21	653.26	342.77	9,426.24
Punjab	5,940.51	328.87	74.59	6,343.97
Uttarakhand	2,240.92	138.98	27.06	2,406.96
Bihar	1,372.52	272.01	107.13	1,751.66
Jharkhand	1,197.57	89.07	79.44	1,366.08
Chhattisgarh	781.62	126.48	56.21	964.31
Total	1,52,740.36	8,662.10	2,879.14	1,64,281.60



41.3 Liquidity risk

Liquidity Risk refers to the risk that the company can not meet its financial obligations. The objective of Liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirement. The unavailability of adequate amount of funds at optimum cost and co-terminus tenure to repay the financial liabilities and further growth of business may result in Asset Liability Management (ALM) mismatch caused by a difference in the maturity profile of Company assets and liabilities. This risk may arise from the unexpected increase in the cost of funding an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price. The Company manages liquidity risk by maintaining adequate cash reserves and undrawn credit facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summaries the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities:

As at March 31, 2021

Particulars	Up to 1 year	1-3 years	3-5 years	5 years above	Total
Cash and bank balances	35,032.59	-	200.00	-	35,232.59
Loans	37,512.60	73,076.64	69,595.20	3,46,340.76	5,26,525.20
Other financial assets	1,870.57	961.27	865.59	594.84	4,292.27
Total	74,415.76	74,037.91	70,660.79	3,46,935.60	5,66,050.06
Borrowings (including debt securities)	56,531.40	85,342.59	33,871.04	21,115.87	1,96,860.90
Trade payables	446.81	-	-	-	446.81
Other financial liabilities (Other than lease liability)	23,445.10	-	-	-	23,445.10
Lease liability	370.89	189.63	20.46	-	580.98
Total	80,794.20	85,532.22	33,891.50	21,115.87	2,21,333.79

As at March 31, 2020

Particulars	Up to 1 year	1-3 years	3-5 years	5 years above	Total
Cash and bank balances	17,242.90	3,753.41	200.34	-	21,196.65
Loans	32,460.93	68,921.25	65,077.76	2,32,165.72	3,98,625.66
Other financial assets	1,188.90	484.58	-	-	1,673.48
Total	50,892.73	73,159.24	65,278.10	2,32,165.72	4,21,495.79
Borrowings (including debt securities)	39,043.23	68,880.26	35,177.57	23,852.64	1,66,953.70
Trade payables	497.05	-	-	-	497.05
Other financial liabilities (Other than lease liability)	15,785.22	-	-	-	15,785.22
Lease liability	342.67	397.13	42.85	10.05	792.70
Total	55,668.17	69,277.39	35,220.42	23,862.69	1,84,028.67

41.4 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market factors. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of interest rate risk.

Interest rate risk

The company is subject to interest rate risk, primarily since it lends to customers at rates and for maturity periods that may differ from funding sources. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the company seek to optimize borrowing profile between short-term and long-term loans. The company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks.

The company mitigates its interest rate risk by keeping a balanced portfolio of fixed and variable rate loans and



41.4 Market risk (continued)

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss:

(a) Loans (at floating rate)

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	Basis points	Effect on profit before tax	Basis points	Effect on profit before tax
Increase in basis points	50	941.57	50	806.72
Decrease in basis points	-50	(941.57)	-50	(806.72)

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

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	Basis points	Effect on Profit before tax	Basis points	Effect on Profit before tax
Increase in basis points	50	(602.48)	50	(469.02)
Decrease in basis points	-50	602.48	-50	469.02

Note 42: Corporate social responsibility

In accordance with section 135 (5) of the Companies Act, 2013 ('the Act'), the company is required to spend a certain amount as expenditure towards Corporate Social Responsibility (CSR). The proviso to section 135 (5) of the Act provides that if the specified amount is not spent by the company during the year, the Directors' Report should disclose the reasons for not spending the amount. In accordance with the above section, the amount which is not spent as per the provisions of the Act on CSR activities, the company is not required to create provision in the financial statement. The Company has not created any provision with regard to the CSR activities in the Financial Statement.

As at March 31, 2021

Particulars	Amount Spent	Yet to Paid	Total
Construction/acquisition of any asset	-	-	-
On purposes other than above*	44.18	-	44.18

*Gross Amount required to be spent by the Company during the year was Rs. 43.22 lakhs

As at March 31, 2020

Particulars	Amount Spent	Yet to Paid	Total
Construction/acquisition of any asset	-	-	-
On purposes other than above*	14.60	-	14.60

*Gross Amount required to be spent by the Company during the year was Rs. 14.30 lakhs.

Note 43: Expenditure in foreign currency

Particulars	March 31, 2021	March 31, 2020
Other service charges	6.74	0.48
Total	6.74	0.48



Note 44: Employee Stock Option Plan

(i) Details of the plan are given below:

During the financial year 2019-20, the shareholders of the Company passed special resolution in the extra-ordinary general meeting of the Company held on 30.03.2020 authorizing Board/Compensation Committee to create, offer, issue and allot from time to time such Employee Stock Options not exceeding 1,27,889 to employees under the Employee Stock Option Scheme 2020 ('ESOP Scheme 2020'). Each such stock option, upon satisfying all such conditions as may be prescribed in accordance with the ESOP Scheme 2020, is exercisable for one (1) equity share of face value of Rs. 10/- fully paid up on payment to the Company such price as may be determined.

During the financial year 2011-12, the Company issued 119,047 equity shares to the Shubham Employees Welfare Trust which was for granting equity options to the Company's employees. A resolution was passed in the Board Meeting of the Company dated 31 October 2013 authorizing the Board/ Compensation Committee to issue 119,047 Employee Stock Options to employees. Each option is exercisable for one (1) equity share or security convertible to one (1) equity share of face value of Rs. 10/- each fully paid up on payment to the Trust for such shares at a price to be determined in accordance with Employee Stock Option Plan 2013 ('ESOP Scheme 2013').

If an Employee Stock Option expires or becomes un-exercisable without having been exercised in full, such options, would be available to the Compensation Committee for granting to other employees.

The Employee Stock Options granted under ESOP Scheme 2013 and ESOP Scheme 2020 shall vest for a minimum period of one (1) year and a maximum of four (4) years from the date of grant of the option. The exact period for which the options would vest shall be determined by the Compensation Committee, subject to the aforesaid limits regarding the minimum and maximum vesting period. There shall be a minimum period of one year between the grant of options and vesting of option.

Details of all grants in operation during the year ended March 31, 2021 are as given below:

Particulars	ESOP Scheme 2020		ESOP Scheme 2013		
	Series-I	Series-IV	Series-III	Series-II	Series-I
Date of grant	01-May-20	1 May 2019, 1 Oct 2019 and 1 Jan 2020	1 Jul 2018	1 Oct 2017	1 May 2015 and 24 Aug 2015
No. of options approved	25,000	48,600	17,250	22,800	29,529
No. of options granted	25,000	48,600	17,250	22,800	29,529
Exercise price per option (in Rs.)	1166	10	10	10	10
Method of settlement	Equity	Equity	Equity	Equity	Equity
Vesting period	1-4 years	1-4 years	1-4 years	1-4 years	1-4 years
Fair Value per Option on grant date (Rs.)	392.81 to 560.85	1,490.20 to 1,491.79 and 1,206.82 to 1,208.50	1,379.06 to 1,380.74	1,158.76 to 1,160.10	955.28 to 956.74

Vesting conditions:

The Compensation Committee, in its discretion, at the time of each Grant, may lay down certain performance metrics on the achievement of which the granted options would vest, the detailed terms and conditions relating to such performance based vesting, and the proportion in which options are granted would vest (subject to the minimum and maximum vesting period as specified above).

The Options would vest only if the Option Grantee continues to be in employment of the Company on the date that they are due to vest. No options would vest in case employment is severed and in such case the date of resignation / termination shall be considered for reckoning the period of vesting.

(ii) The expense recognised for employee services received during the year is shown in the following table:

Particulars	March 31, 2021	March 31, 2020
Expense arising from equity-settled share-based payment transactions	294.61	338.90
Total	294.61	338.90

(iii) Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEF) of, and movements during the year:

As at March 31, 2021

Particulars	ESOP Scheme 2020		ESOP Scheme 2013		
	Series-I	Series-IV	Series-III	Series-II	Series-I
Outstanding at April 1, 2020	-	46,700	13,500	18,800	18,354
Granted during the year	25,000	-	-	-	-
Forfeited during the year	-	-	-	-	-
Exercised during the year	-	-	-	-	-
Expired during the year	-	(400)	-	-	-
Outstanding at March 31, 2021	25,000	46,300	13,500	18,800	18,354
Exercisable at March 31, 2021	Nil	11,575	6,478	15,150	18,354
Weighted average exercise prices (WAEF) (Rs.)	1,166.00	10	10	10	10



Note 44: Employee Stock Option Plan (continued)

As at March 31, 2020

Particulars	ESOP Scheme 2013			
	Series-IV	Series-III	Series-II	Series-I
Outstanding at April 1, 2019	-	16,000	20,800	18,354
Granted during the year	48,600	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	(1,900)	(2,500)	(2,000)	-
Outstanding at March 31, 2020	46,700	13,500	18,800	18,354
Exercisable at March 31, 2020	-	3,374	11,500	18,354
Weighted average exercise prices (WAEP) (Rs.)	10	10	10	10

1. Weighted average remaining contractual life for the share options outstanding as at March 31, 2021 was 4.02 years and 5.09 years (Previous year 4.48 years and Nil) for ESOP Scheme 2013 and ESOP Scheme 2020 respectively.
2. Weighted average fair value of options granted during the year was Rs. Nil and Rs. 495.47 (Previous year Rs. 1457.65 and Nil) for ESOP Scheme 2013 and ESOP Scheme 2020 respectively.
3. Exercise prices for options outstanding at the end of the year was Rs. 10.00 and Rs. 1,166 per option (Previous year Rs. 10.00 and Nil per option) for ESOP Scheme 2013 and ESOP Scheme 2020 respectively.

The following tables list the inputs to the Black-Scholes Model used for the options granted:

Particulars	ESOP Scheme 2020		ESOP Scheme 2013		
	Series-I	Series-IV	Series-III	Series-II	Series-I
Fair value of share on grant date (Rs.)	1,175.00	1,497.67 and 1,215.00	1,386.30	1,166.41	962.56
Expected volatility (%)	45.32 and 47.03	13.5 to 14.12 and 41.43 to 49.63	10.87	11.67	13.95 and 15.74
Risk free interest rate (%)	4.58 to 5.91	7.30 to 7.66 and 6.23 to 6.80	8.07 to 8.36	6.70 to 7.01	7.90 to 8.03 and 8.05 to 8.30
Dividend yield (%)	Nil	Nil	Nil	Nil	Nil
Expected maturity from the date of vesting	up to 3 years	up to 3 years	up to 3 years	up to 3 years	up to 3 years



Note 45: Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments other than those with carrying amounts that are approximates of fair value. This table does not include the fair values of non-financial assets and non-financial liabilities.

As at March 31, 2021

Particulars	Carrying value	Fair Value			Total
		Level I	Level II	Level III	
Financial assets					
Receivable against loan sold to assets reconstruction company	487.69	-	-	731.54	731.54
Non-financial assets					
Asset held for sale	2,829.42	-	-	6,240.46	6,240.46
Financial liabilities					
Debt Securities at fixed rate	11,203.38	-	11,654.04	-	11,654.04
Borrowings (Other than debt securities) at fixed rate	28,314.94	-	29,083.59	-	29,083.59

As at March 31, 2020

Particulars	Carrying value	Fair Value			Total
		Level I	Level II	Level III	
Financial assets					
Receivable against loans sold to assets reconstruction company	746.39	-	-	979.26	979.26
Non-financial assets					
Asset held for sale	3,338.46	-	-	8,311.10	8,311.10
Financial liabilities					
Debt Securities at fixed rate	9,445.46	-	10,146.27	-	10,146.27
Borrowings (Other than debt securities) at fixed rate	23,629.22	-	23,774.93	-	23,774.93

There have been no transfers between Level 1, Level 2 and Level 3 for the year ended March 31, 2021, March 31, 2020

Valuation methodologies of financial instruments not measured at fair value

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Loans - The fair value of fixed rate loans are determined by discounting expected future contractual cash flows using current market interest rates charged to similar categories of new loans. The fair value of floating rate loans are deemed to be equivalent to the carrying value.

Assets held for sale - Real estate properties are valued on the basis of a well progressed sale process with price quotes from real estate agents.

Receivable against loan sold to assets reconstruction company: The Valuation is based on the net asset value determined by the asset manager.

Debt securities and Borrowings - The fair value of certain fixed rate borrowings is determined by discounting expected future contractual cash flows using current market interest rates charged for similar new loans. The fair value of floating rate borrowings are deemed to be equivalent to the carrying value.

Note 46: Transfers of financial assets that are derecognised in their entirety

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS. Thus, Pre-transition securitisation deals continues to be de-recognised in their entirety. The table below outlines details for each type of continued involvement relating to transferred assets derecognised in their entirety.

Particulars	Carrying amount of continuing involvement in statement of financial position		Fair value of continuing involvement		Maximum exposure to loss
	Balance with banks	Loans	Balance with banks	Loans	
Type of continuing involvement : Securitisation					
March 31, 2021	132.27	230.19	132.27	230.19	362.46
March 31, 2020	123.64	230.19	123.64	230.19	353.83



Note 47: Leases where the Company is a Lessee

The Company's lease asset class primarily consist of leases for buildings and office premises. Generally, the Company is restricted from assigning and subleasing the leased assets. The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Building and office premises	March 31, 2021	March 31, 2020
Opening net carrying balance	591.61	598.31
Additions	130.38	263.06
Deletion	(13.50)	(5.54)
Depreciation	(274.83)	(264.22)
Closing net carrying balance	433.66	591.61

Set out below are the carrying amounts of lease liabilities (included under Other financial liability) and the movements during the year:

Particulars	March 31, 2021	March 31, 2020
Opening Balance	699.47	700.11
Additions	131.35	264.83
Deletions	(13.52)	(5.50)
Accretion of interest	46.50	73.60
Payments	(343.25)	(333.57)
Closing Balance	520.55	699.47

Set out below are the undiscounted potential future rental payments relating to periods following the exercise of termination options that are not included in the lease term

Particulars	Within five years	More than five years	Total
March 31, 2021			
Termination options expected to be exercised	637.94	-	637.94
March 31, 2020			
Termination options expected to be exercised	629.77	8.18	637.94

Amounts recognized in the Statement of Profit and Loss	March 31, 2021	March 31, 2020
Depreciation expense		
Depreciation on right of use assets	274.83	264.22
Other expenses		
Short-term lease rent expense	235.63	217.36
Depreciation of right of use lease asset	(274.83)	(264.22)
Finance cost		
Interest expense on lease liability	46.50	73.60

The Company had total cash outflows for leases of Rs. 527.23 (in lakhs) for the year ended March 31, 2021 (Rs. 510.30 (in lakhs) in March 31, 2020).

Amount recognised in statement of cash flow

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a) cash payments for the principal portion of the lease liability within financing activities;	296.75	259.97
b) cash payments for the interest portion of the lease liability within financing activities applying the requirements in Ind AS 7, Statement of Cash Flows, for interest paid; and	46.50	73.60
c) short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability within operating activities.	183.98	176.73



Note 48: Impact of COVID 19

The outbreak of CoVID-19 virus and more specifically the ongoing current wave of infection and resultant lockdown continue to cause impact on global & local economic activities. The company's operations and financial metrics will depend on future developments, which are uncertain including among other things, the current wave that has significantly increased the number of cases in India and any action of containing its spread or mitigate its impact.

In accordance with the CoVID-19 Regulatory Packages announced by RBI on March 27, 2020, April 17, 2020 and May 23, 2020, the Company has offered moratorium on the payment of instalments and/or interest, as applicable, falling due between March 01, 2020 and August 31, 2020 to eligible borrowers. For such accounts that were granted moratorium, the prudential assets classification remained standstill during the moratorium period (i.e., the number of days past due excluded the moratorium period for the purposes of asset classification under income Recognition, Asset Classification and Provisioning Norms).

In view of the above, the ECL provisions has been determined based on estimates and using information available as of the reporting date and given the uncertainties relating to the impact of CoVID -19, the period of which current wave may continue and relief measures that may be announced by the Government, the expected credit loss including management overlay is based on various variables and assumptions which could result in actual credit loss being different than that estimated.

Note 49: Disclosures required by RBI

Additional information required in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 vide reference no. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21, dated Feb 17, 2021 have been prepared in compliance with Indian Accounting Standards (Ind AS) whereas comparative figure have been disclosed on the basis of previous GAAP pursuant to the NHB circular no. NHB (ND)/DRS/Policy Circular No.89/2017-18 dated June 14, 2018 is given in Annexure 1.

Note 50: Interest on interest

In accordance with the instructions of RBI circular no. DOR.STR.REC.4/21.04.048/2021-22 dated April 07, 2021, the HFC shall refund/adjust 'interest on interest' to all borrowers including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the methodology for calculation of the amount of such 'interest on interest' has been recently circulated by the Indian Banks Association (IBA). The Company is in the process of suitably implementing this methodology and has created a liability of Rs. 0.74 lakh towards estimated interest relief and reduced the same from the interest income for the year ended March 31, 2021.

Note 51: Code on social security

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.



Shubham Housing Development Finance Company Limited
Notes to Financial Statements for the year ended March 31, 2021
(All amount in Rs. Lakhs, unless stated otherwise)

Note 52: Previous year figures regrouping

Previous year figures have been regrouped/reclassified wherever applicable.

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No. 101049W/E300004
Chartered Accountants

per 
Amit Kabra
Partner
Membership No. 094533



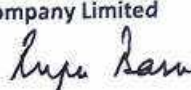
Place: Gurugram
Date: May 28, 2021

For and on behalf of the Board of Directors of
Shubham Housing Development Finance Company Limited


Sanjay Chaturvedi
Director
DIN : 01636432
Place: Delhi


Shashank Jain
Chief Financial Officer
Place: Noida

Date: May 28, 2021


Rupa Basu
Director
DIN : 08068918
Place: Gurugram


Neeta Kamra
Company secretary
(M. No.: ACS 22892)
Place: Delhi

Shubham Housing Development Finance Company Limited
Notes to Financial Statements for the year ended March 31, 2021

Annexure 1 to Note 49 of the Financial Statements

Disclosures as 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, 17 February, 2021 have been prepared in compliance with Indian Accounting Standards (Ind AS) whereas comparative figure have been disclosed on the basis of previous GAAP pursuant to the NHB circular no. NHB (ND)/DRS/Policy Circular No.89/2017-18 dated June 14, 2018.

Note 1: Capital

Particulars	(Amount in crores)	
	March 31, 2021	March 31, 2020
Capital to Risk Assets Ratio (CRAR) (%)	41.24%	45.63%
CRAR - Tier I Capital (%)	40.74%	44.38%
CRAR - Tier II Capital (%)	0.50%	1.25%
Amount of subordinated debt raised as Tier- II Capital	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-

Note 2: Reserve Fund u/s 29C of NHB Act, 1987

Particulars	(Amount in crores)	
	March 31, 2021	March 31, 2020
Balance at the beginning of the year		
Statutory reserve under Section 29C of the NHB Act, 1987	1.38	0.72
Amount of special reserve under section 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	11.39	5.13
Total	12.77	5.85
Addition / appropriation/ withdrawal during the year		
Add: Amount transferred under Section 29C of the NHB Act, 1987	2.23	0.66
Add: Amount of special reserve under Section 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	9.93	6.26
Less: Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
Less: Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
Total	12.16	6.92
Balance at the end of the year		
Statutory reserve under section 29C of the NHB Act, 1987	3.61	1.38
Amount of special reserve under section 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	21.32	11.39
Total	24.93	12.77



Shubham Housing Development Finance Company Limited
Notes to Financial Statements for the year ended March 31, 2021

Note 3: Investments

(Amount in crores)

Sr. No.	Particulars	March 31, 2021	March 31, 2020
	Value of Investments		
(i)	Gross value of Investments		
	(a) In India	-	7.46
	(b) Outside India	-	-
(ii)	Provisions for Depreciation		
	(a) In India	-	-
	(b) Outside India	-	-
(iii)	Net value of Investments		
	(a) In India	-	7.46
	(b) Outside India	-	-
	Movement of provisions held towards depreciation on investments		
(i)	Opening Balance	-	-
(ii)	Add: Provisions made during the year	-	-
(iii)	Less: Write-off/Written-back of excess provisions during the year	-	-
(iv)	Closing Balance	-	-

Note 4: Derivative

Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

(Amount in crores)

Sr. No.	Particulars	March 31, 2021	March 31, 2020
(i)	The notional principal of swap agreements	-	-
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(iii)	Collateral required by the HFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from the swaps	-	-
(v)	The fair value of the swap book	-	-

Exchange Traded Interest Rate (IR) Derivative

(Amount in crores)

Sr. No.	Particulars	Amount
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	-
	(a)	
	(b)	
	(c)	
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2021 (instrument-wise)	-
	(a)	
	(b)	
	(c)	
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-
	(a)	
	(b)	
	(c)	
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-
	(a)	
	(b)	
	(c)	



Shubham Housing Development Finance Company Limited
Notes to Financial Statements for the year ended March 31, 2021

Note 4: Derivative (Continued)

Risk Exposure in Derivatives

- (i) Qualitative Disclosure - There is no derivative transaction during the year.
(ii) Quantitative Disclosure

(Amount in crores)

Sr. No.	Particulars	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional principal amount)	-	-
(ii)	Marked to market position (1) (a) Assets+ (b) Liability-	-	-
(iii)	Credit exposure	-	-
(iv)	Unhedged Exposures	-	-

Note 5: Securitization

a) Securitisation and Minimum Retention Requirement

(Amount in crores)

Sr. No.	Particulars	March 31, 2021 No./Amount	March 31, 2020 No./Amount
1	No of SPV's sponsored by the HFC for Securitisation transactions	2	2
2	Total amount of securitized assets as per books of the SPVs sponsored	4.68	5.57
3	Total amount of exposure retained by the company toward the MRR as on the date of balance sheet		
(i)	Off balance sheet exposures towards credit enhancements		
a) First loss		-	-
b) Others		-	-
(ii)	On balance sheet exposures towards credit enhancements		
a) First loss		2.30	2.30
b) Others		-	-
4	Amount of exposures to securitisation transaction other than MRR		
(i)	Off balance sheet exposures towards credit enhancements		
a)	Exposures to own securitisation		
a) First loss		-	-
b) Others		-	-
b)	Exposures to third party securitisation		
a) First loss		-	-
b) Others		-	-
(ii)	On balance sheet exposures towards credit enhancements		
a)	Exposures to own securitisation		
a) First loss		1.32	1.24
b) Others		-	-
b)	Exposures to third party securitisation		
a) First loss		-	-
b) Others		-	-

b) Detail of financial assets sold to securitization/reconstruction company for asset reconstruction

(Amount in crores)

Sr. No.	Particulars	March 31, 2021	March 31, 2020
(i)	No. of accounts	-	-
(ii)	Aggregate value (net of provisions) of accounts assigned	-	-
(iii)	Aggregate consideration	-	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate loss over net book value	-	-



Shubham Housing Development Finance Company Limited
Notes to Financial Statements for the year ended March 31, 2021

Note 5: Securitization (Continued)

c) Details of assignment transactions undertaken by Company

Sr. No.	Particulars	March 31, 2021	March 31, 2020
(i)	No. of accounts	1,894	-
(ii)	Aggregate value (net of provisions) of accounts assigned	109.89	-
(iii)	Aggregate consideration	109.89	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier year	-	-
(v)	Aggregate gain/Loss over net book value	-	-

d) Detail of Non- performing financial assets purchased/sold
Detail of Non- performing financial assets purchased:

Sr. No.	Particulars	March 31, 2021	March 31, 2020
(i)	No. of accounts purchased during the year	-	-
(ii)	Aggregate outstanding	-	-
(i)	Of these, number of account restructure during the year	-	-
(ii)	Aggregate outstanding	-	-

Detail of Non- performing financial assets sold:

Sr. No.	Particulars	March 31, 2021	March 31, 2020
(i)	No. of accounts sold	-	-
(ii)	Aggregate outstanding	-	-
(iii)	Aggregate consideration received	-	-



Shubham Housing Development Finance Company Limited
Notes to Financial Statements for the year ended March 31, 2021

Note 6: Asset Liability Management

Maturity pattern of certain items of assets and liabilities as at March 31, 2021

(Amount in crores)											
Particulars	1 Day to 7 Days	8 to 14 Days	15 Days to 30/31 Days	Over one month upto 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from banks	5.23	0.36	8.51	11.81	21.76	47.56	100.03	318.27	139.73	35.09	688.35
Market borrowings	15.81	0.78	4.46	8.33	20.35	80.60	103.80	375.26	149.63	154.09	913.11
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	4.51	0.91	-	5.07	4.78	15.47	35.11	166.73	170.33	1,520.92	1,923.83
Investments	-	-	-	-	-	-	-	-	-	-	-
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-

Note: In computing the above information certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditors.

Maturity pattern of certain items of assets and liabilities as at March 31, 2020

(Amount in crores)											
Particulars	Up to 30 Days (1 Month)	Over 1 month & up to 2 months	Over 2 month & up to 3 months	Over 3 month & up to 6 months	Over 6 month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years & up to 7 years	Over 7 years & up to 10 years	Over 10 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from banks	6.18	5.53	14.56	37.57	75.14	255.04	137.51	14.69	2.18	-	548.40
Market borrowings	14.01	7.27	6.12	32.42	75.06	276.24	151.23	84.33	72.31	11.78	730.77
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	3.55	2.89	6.38	22.15	43.89	200.14	230.94	236.76	314.87	556.23	1,617.80
Investments	0.28	0.28	0.28	0.83	1.91	3.88	-	-	-	-	7.46
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-



Shubham Housing Development Finance Company Limited
Notes to Financial Statements for the year ended March 31, 2021

Note 7: Exposure

a) Exposure to Real Estate Sector*

Sr. No.	Category	March 31, 2021	March 31, 2020
a)	Direct exposure		
(i)	Residential Mortgages		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented:	1,388.49	1,217.65
(ii)	Commercial Real Estate		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits	-	-
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
	(a) Residential	-	-
	(b) Commercial Real Estate	-	-
b)	Indirect exposure		
	Fund based and non-fund based exposure on NHB and HFCs	-	-

*The Company has considered only housing loans for the purpose of determining the exposure to real estate sector which have been relied upon by the auditors.

b) Exposure to Capital Market

The Company does not have any capital market exposure as on 31 March 2021.

Sr. No.	Category	March 31, 2021	March 31, 2020
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows / issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total Exposure to Capital Market	-	-



Shubham Housing Development Finance Company Limited
Notes to Financial Statements for the year ended March 31, 2021

Note 7: Exposure (Continued)

c) Details of financing of parent company products-

The Company does not have any parent company. Hence, disclosure with respect to details of financing of parent company products is not applicable on the Company.

d) Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the HFC

During the year ended 31 March 2021 and 31 March 2020, the Company's credit exposure (whether in term of sanctioned amount or entire amount outstanding, whichever is higher) to single borrowers and group of borrowers were within the limit prescribed by National Housing Bank for Housing Finance Companies.

e) Unsecured Advances

i) The Company has not given any unsecured loan given to borrowers during current year and previous year.

ii) The total amount advance for which intangible securities such as charge over rights, licenses, authority, etc. has been taken as also the estimated value of such intangible collateral- Nil

Note 8: Exposure to group companies engaged in real estate business

		(Amount in crores)	
Sr. No.	Description	Amount (in crore)	% of owned fund
(i)	Exposure to any single entity in a group engaged in real estate business	-	-
(ii)	Exposure to all entities in a group engaged in real estate business	-	-

Note 9: Registration obtained from other financial sector regulators

The Company has not obtained registration from any other financial sector regulators.

Note 10: Penalties imposed by NHB and other regulators

(i) Penalty of Rs. 0.35 crores was imposed by National Housing Bank vide letter dated October 06, 2020 for instances of non compliance in operational matter with policy circular number 55. The said amount was paid by the company under protest.

(ii) Penalty of Rs. 0.07 crores was imposed by National Housing Bank vide letter dated May 26, 2020 for instances of non compliance in operational matter under contravention of Paragraph 27-A and Paragraph 30-(2-B) of the HFCs (NHB) Direction 2010. The Company has submitted its representation to the NHB on June 16, 2020 that there was no violation of the prescribed guidelines.

Note 11: Related Party Transactions

i) All material transaction with related party disclosed under note no. 38 in the financial statements.

ii) Policy on dealing with related party transactions displayed on the website.

Note 12: Group Structure

The company does not have any parent company or any subsidiary, so group structure is not applicable.

Note 13: Rating assigned by Credit Rating Agencies and migration of rating during the year

During the year, ICRA and CRISIL has affirmed company's Long-Term Rating A- with stable. The Company carries following ratings from ICRA & CRISIL:

Instrument	Rating	
	March 31, 2021	March 31, 2020
Non-convertible Debentures (Unsecured)	[ICRA]A- (Stable)	[ICRA]A- (Stable)
Term Loans	[ICRA]A- (Stable)	[ICRA]A- (Stable)
Non-convertible Debentures (Secured)	[CRISIL]A- (Stable)	[CRISIL]A- (Stable)

Note 14: Net Profit or Loss for the period, prior period items and changes in accounting policies

There are prior period expenses of Rs. 0.21 crores (previous year- Rs. 0.08 crores).



Shubham Housing Development Finance Company Limited
Notes to Financial Statements for the year ended March 31, 2021

Note 15: Revenue Recognition

During the year, there are no circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

Note 16: Consolidated Financial Statements (CFS)

The company does not have any parent company or any subsidiary, so consolidation of financial statements is not applicable.

Note 17: Provisions and Contingencies

Sr. No.	Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	(Amount in crores)	
		March 31, 2021	March 31, 2020
(i)	Provision for depreciation on investment	-	-
(ii)	Provision made towards Income tax	14.88	12.55
(iii)	Provision towards Non-Performing Assets	5.33	1.67
(iv)	Provision for Standard Assets	(0.94)	8.51
(v)	Provision for loan commitments	0.08	-
(vi)	Provision for EIS receivable & MRR	0.38	-
(vii)	Provision for Standard Assets- Teaser Loan	-	-
(viii)	Provision for Standard Assets- CRE	-	-
(ix)	Provision for Standard Assets- CRE-RH	-	-
(x)	Provision for Assets acquired under SARFAESI	0.75	2.50
(xi)	Provision for doubtful recoverable from employees	0.15	-
(xii)	Provision for Gratuity	0.57	0.85
(xiii)	Provision for Compensated Absences	1.16	1.22

Note 18: Break up of Loan & Advances and Provisions thereon

Particulars	(Amount in crores)	
	Housing	Non-Housing
	March 31, 2021	March 31, 2020
Standard assets		
a) Total outstanding amount	1,361.79	534.35
b) Provision made	8.25	5.38
Sub-standard assets		
a) Total outstanding amount	18.34	9.69
b) Provision made	6.25	3.31
Doubtful assets-I		
a) Total outstanding amount	5.25	2.43
b) Provision made	1.79	0.83
Doubtful assets-II		
a) Total outstanding amount	3.36	2.93
b) Provision made	1.14	1.00
Doubtful assets-III		
a) Total outstanding amount	0.19	0.27
b) Provision made	0.19	0.27
Loss assets		
a) Total outstanding amount	-	-
b) Provision made	-	-
Total		
a) Total outstanding amount	1,388.93	549.67
b) Provision made	17.62	10.79
		438.16
		7.90

*The Company has considered loans (excluding the minimum retention requirement of direct assignment/securitisation deals) for the purpose of this disclosure which have been relied upon by the auditors.



Shubham Housing Development Finance Company Limited
Notes to Financial Statements for the year ended March 31, 2021

Note 19: Draw down from reserves

During the year, there have been no draw down from the statutory reserves (previous year draw down- Rs. Nil).

Note 20: Concentration of public deposited

The Company did not have any public deposits

Particulars	March 31, 2021	March 31, 2020
Total Deposits of twenty largest depositors	-	-
Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC	-	-

(Amount in crores)

Note 21: Concentration of loan and advances

Particulars	March 31, 2021	March 31, 2020
Total loans and advances to twenty largest borrowers*	33.63	19.08
Percentage of loans and advances to twenty largest borrowers to total advances of the Company*	1.73%	1.15%

(Amount in crores)

* Largest borrowers represent highest loan outstanding at reporting period

Note 22: Concentration of all exposure (including off-balance sheet exposure)

Particulars	March 31, 2021	March 31, 2020
Total exposure to twenty largest borrowers/customers	42.22	26.78
Percentage of exposures to twenty largest borrowers/customers to total exposure of company	2.09%	1.57%

(Amount in crores)

Note 23: Concentration of Non-Performing Assets (NPAs)

Particulars	March 31, 2021	March 31, 2020
Total exposure to top ten NPA accounts	2.99	2.06

(Amount in crores)

Note 24: Sector-wise NPAs

Sr. No.	Particulars	March 31, 2021		March 31, 2020	
		Rs.	%	Rs.	%
(a)	Housing Loans:				
(a)	Individuals	27.13	1.95%	17.45	1.46%
(b)	Builders/Project Loans	-	-	-	-
(c)	Corporates	-	-	-	-
(d)	Others	-	-	-	-
(a)	Non-Housing Loans:				
(a)	Individuals	15.33	2.79%	11.58	2.69%
(b)	Builders/Project Loans	-	-	-	-
(c)	Corporates	-	-	-	-
(d)	Others	-	-	-	-

(Amount in crores)



Shubham Housing Development Finance Company Limited
Notes to Financial Statements for the year ended March 31, 2021

Note 25: Movement of Non-Performing Assets (NPAs)

S. No.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(Amount in crores)			
I	Net NPAs to Net Advances (%)	1.45%	1.26%
II	Movement of NPAs (Gross)		
a)	Opening balance	28.79	29.08
b)	Additions during the year	27.98	14.55
c)	Reductions during the year	14.30	14.60
d)	Closing balance	42.47	29.03
III	Movement of Net NPAs		
a)	Opening balance	19.34	21.77
b)	Additions during the year	18.07	9.43
c)	Reductions during the year	9.72	11.03
d)	Closing balance	27.69	20.17
IV	Movement of provisions for NPAs and Contingencies (excluding provisions on standard assets)		
a)	Opening balance	9.45	7.32
b)	Provision made during the year	9.91	5.12
c)	Written-off/Write back of excess provisions	4.58	3.58
d)	Closing balance	14.78	8.86

Note 26: Overseas Assets

The Company does not hold any overseas assets

Particular	March 31, 2021	March 31, 2020
Overseas Assets		
Total		
(Amount in crores)		

Note 27: Off-balance Sheet SPVs sponsored

The Company does not have any off-balance sheet Special Purpose Vehicle (SPV) sponsored which required to be consolidated as per accounting norms (previous year- Nil).

Name of the SPV sponsored	
Domestic	Overseas



Shubham Housing Development Finance Company Limited
Notes to Financial Statements for the year ended March 31, 2021

Note 28: A comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 'Financial Instruments'

		(Amount in crores)				
Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing assets						
Standard	Stage 1	1,744.14	7.82	1,736.32	5.43	2.39
	Stage 2	152.00	5.81	146.19	2.34	3.47
Subtotal performing assets		1,896.14	13.63	1,882.51	7.77	5.86
Non-Performing Assets (NPA)						
Substandard	Stage 3	28.03	9.56	18.47	4.54	5.02
Doubtful assets						
Up to 1 year	Stage 3	7.68	2.62	5.06	3.17	(0.55)
1 to 3 years	Stage 3	6.29	2.14	4.15	3.82	(1.68)
More than 3 years	Stage 3	0.46	0.46	-	0.46	-
Subtotal- Doubtful		14.43	5.22	9.21	7.45	(2.23)
Loss Assets	Stage 3	-	-	-	-	-
Loan commitments						
	Stage 1	77.97	0.21	77.76	-	0.21
	Stage 2	1.09	0.02	1.07	-	0.02
	Stage 3	0.26	0.05	0.21	-	0.05
Subtotal of loan commitments		79.32	0.28	79.04	-	0.28
Grand Total						
	Stage 1	1,822.11	8.03	1,814.08	5.43	2.60
	Stage 2	153.09	5.83	147.26	2.34	3.49
	Stage 3	42.72	14.83	27.89	11.99	2.84
Total		2,017.92	28.69	1,989.23	19.76	8.93

*The Company has considered loans (excluding the minimum retention requirement of direct assignment/securitisation deals) for the purpose of this disclosure which have been relied upon by the auditors.



Note 29: Customer Complaints[#]

S. No.	Particulars	March 31, 2021	March 31, 2020
(a)	No. of complaints pending at the beginning of the year	1	1
(b)	No. of complaints received during the year	37	42
(c)	No. of complaints redressed during the year	38	42
(d)	No. of complaints pending at the end of the year	-	1*

*the said pending complaint as on March 31, 2020 had been closed on 2 April 2020.

#represents complaints reported through NHB - GRIDS Portal only.

Note 30: Loan against deposition of gold

The Company has not given any Gold Loan/loan against deposition of gold during the year (previous year- Nil).

Note 31: Overseas Operations

The Company did not have overseas operations and joint venture partners with regard to joint ventures and overseas subsidiaries.

Note 32: Details on Principal Business Criteria

Principal Business Criteria for the Company to be classified as "Housing Finance Company" as per the Paragraph 4.1.17 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, 17 February, 2021 is given below:

Particulars	As at March 31, 2021
Percentage of total assets* towards housing finance	64.16%
Percentage of total assets* towards housing finance for individuals	64.16%

*To compute the total assets, the Company has reduced its cash and bank balances to the extent of loan amount which were already sanctioned but not disbursed as of reporting date.

Note 33: Schedule to the balance sheet

(Amount in crores)

Particulars	Amount outstanding	Amount overdue
Liabilities Side		
(1) Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:		
a) Debentures : Secured	31.46	-
Unsecured	85.11	-
(other than falling within the meaning of public deposits*)		
b) Deferred Credits	-	-
c) Term Loans	1,494.99	-
d) Inter-corporate loans and borrowing	-	-
e) Commercial Paper	-	-
f) Public Deposits*	-	-
g) Other Loans (Overdraft facility)	5.04	-

(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	-	-



Note 33: Schedule to the balance sheet (Continued)

(Amount in crores)

(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:

Assets Side	Amount Outstanding
a) Secured	1,959.09
b) Unsecured	0.70

(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) Assets on hire	-
b) Repossessed Assets	-
(iii) Other loans counting towards asset financing activities	
a) Loans where assets have been repossessed	-
b) Loans other than (a) above	-

(5) Break-up of Investments

Current Investments

1. Quoted	
(i) Shares	-
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others	-
2. Unquoted	
(i) Shares	-
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others	-

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	-
2. Unquoted	
(i) Shares	-
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others	-



Shubham Housing Development Finance Company Limited
Notes to Financial Statements for the year ended March 31, 2021

Note 33: Schedule to the balance sheet (Continued)

(Amount in crores)

(6) Borrower group-wise classification of assets financed as in (3) and (4) above:

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties			
a) Subsidiaries	-	-	-
b) Companies in the same group	-	-	-
c) Other related parties	-	-	-
2. Other than related parties	1,930.41	0.69	1,931.10
Total	1,930.41	0.69	1,931.10

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties		
a) Subsidiaries	-	-
b) Companies in the same group	-	-
c) Other related parties	-	-
2. Other than related parties	-	-
Total	-	-

(8) Other information

Particulars	Amount
(i) Gross Non-Performing Assets	
a) Related parties	-
b) Other than related parties	42.47
(ii) Net Non-Performing Assets	
a) Related parties	-
b) Other than related parties	27.69
(iii) Assets acquired in satisfaction of debt	28.29

Note 34: Disclosure as required by Liquidity Risk Management Framework for Non-Banking Financial Companies

(Amount in crores)

(1) Funding Concentration based on significant counterparty (both deposits and borrowings)

Particulars	March 31, 2021
i) Number of Significant Counterparties*	24
ii) Amount (in ₹ crore)	1,476.22
iii) Percentage of funding concentration to total deposits	NA
iv) Percentage of funding concentration to total liabilities	79.61%

* Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4 November 2019 on Liquidity Risk Management Framework for Non Banking Financial Companies and Core Investment Companies.

(2) Top 10 borrowings

Particulars	March 31, 2021
i) Total amount of top 10 borrowings	530.83
ii) Percentage of amount of top 10 borrowings to total borrowings	33.15%

(3) Funding Concentration based on significant instrument/product*

Particulars	March 31, 2021	Percentage of total liabilities
i) Redeemable non-convertible debentures	112.03	6.04%
ii) Term Loans	1,483.68	80.01%

* Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4 November 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.



Note 34: Disclosure as required by Liquidity Risk Management Framework for Non-Banking Financial Companies (continued)

(4) Stock Ratio

Particulars	March 31, 2021
(i) Non convertible debentures (original maturity of less than one year) as a percentage of total public funds*	NA
(ii) Non convertible debentures (original maturity of less than one year) as a percentage of total liabilities	0.00%
(iii) Non convertible debentures (original maturity of less than one year) as a percentage of total assets	0.00%
(iv) Other short term liabilities as a percentage of total public funds*#	NA
(v) Other short term liabilities as a percentage of total liabilities #	35.24%
(vi) Other short term liabilities as a percentage of total assets #	27.47%

Total liabilities are excluding equity share capital and other equity.

*Public funds is as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.

#Other short term liabilities are excluding Commercial paper & short term non convertible debentures.

##No Commercial papers issued by the Company as of reporting date.

(5) Institutional set-up for liquidity risk management

Liquidity Risk Management framework consists of Asset Liability Management Committee [ALCO] which is a sub-committee of the Board of Directors. The meetings of ALCO are held at periodic intervals. While the ALCO is responsible for oversight of specific risks relating to liquidity and interest rate sensitivity, the Risk Management Committee is responsible for company-wide risk management.

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No. 101049W/E300004
Chartered Accountants

per Amit Kabra
Partner
Membership No. 094533



Place: Gurugram
Date: May 28, 2021

For and on behalf of the Board of Directors of
Shubham Housing Development Finance Company Limited

Sanjay Chaturvedi

Sanjay Chaturvedi
Director
DIN No.: 01636432
Place: Delhi

Shashank Jain
Shashank Jain
Chief Financial Officer
Place: Noida

Date: May 28, 2021

Rupa Basu

Rupa Basu
Director
DIN No.: 08068918
Place: Gurugram

Neeta Kamra
Neeta Kamra
Company secretary
(M. No.: ACS 22892)
Place: Delhi