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NOTICE

Shorter Notice is hereby given that the **13th Annual General Meeting (AGM)** of Shubham Housing Development Finance Company Limited will be held on Tuesday the 31st day of May 2022 at 10.00 a.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 2022, together with the Directors' and Auditors' Reports thereon.

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

To consider re-appointment of Mr. Rahul Chandra, DIN: 01213049, Nominee Director of Helion Venture Partners II LLC, 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 – To appoint Statutory Auditors from the conclusion of this Annual General Meeting until the conclusion of the 15th Annual General Meeting and to fix their remuneration:

To appoint the Statutory Auditors and fix their remuneration, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Sections 139, 141, 142 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, of the said Act and Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s. MSKA & Associates, Chartered Accountants (Firm Registration No. 105047W), be and are hereby appointed as the Statutory Auditors of the Company for remaining tenure of 2 years commencing from the conclusion of this 13th Annual General Meeting till the conclusion of 15th Annual General Meeting, subject to the statutory auditors satisfying eligibility norms each year, on such remuneration as may be fixed by the management plus re-imbursement of out of pocket expenses incurred and applicable taxes thereon.

RESOLVED FURTHER THAT Mr. Sanjay Chaturvedi, Director or Ms. Rupa Basu, Director or Mr. Shashank Jain, CFO or Ms. Neeta Kamra, Company Secretary of the Company, be and are hereby severally authorised to take, perform and execute such further steps, acts, deeds and matters, as may be necessary, proper or expedient to give effect to above resolution, from time to time including power to settle questions, difficulties, doubts or queries arising out of the subject matter hereof without required to seek any further consent or approval from shareholders."

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SPECIAL BUSINESS:

Item No. 4 – To Offer and Issue Optionally Convertible Debentures by way of Preferential Allotment on a Private Placement Basis and to Approve and circulate the Private Placement Offer Letter Cum Application Form and other ancillary actions:

To consider, review and if thought fit, to pass, with or without modification(s), the following resolutions as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 23(1)(b), 42, 62(1)(c), 71, 179(3)(c) and all other applicable provisions, if any, of the Companies Act, 2013 (the "**Companies Act**"), read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 13 of the Companies (Share Capital and Debenture) Rules, 2014 (including, in each case, any amendments thereto, or re-enactment thereof, for the time being in force), the memorandum of association of the Company, the articles of association of the Company, and other applicable laws and regulations for the time being in force, the consent of the members of the Company be and is hereby accorded to the board of directors of the Company (the "**Board**") to offer, issue and allot an aggregate of: (a) 2,380 (two thousand three hundred and eighty) optionally convertible debentures ("**OCDs**") carrying interest at 8% (eight percent) per annum having a face value of INR 2,829.04 (Indian Rupees Two Thousand Eight Hundred Twenty Nine and Zero Four Paise) to Mr. Sanjay Chaturvedi ("**Sanjay**"); and (b) 17,520 (seventeen thousand five hundred and twenty) OCDs carrying interest at 8% (eight percent) per annum having a face value of INR 2,829.04 (Indian Rupees Two Thousand Eight Hundred Twenty Nine and Zero Four Paise) to Ms. Rupa Basu ("**Rupa**") (Sanjay and Rupa, individually called the "**Promoter**", and collectively called the "**Promoters**") (the "**Subscription Securities**") for a total consideration of INR 5,62,97,896 (Indian Rupees Five Crore Sixty Two Lakh Ninety Seven Thousand Eight Hundred Ninety Six), (the "**Subscription Consideration**"), with the Subscription Securities being on such terms of issuance as have been specified in **Annexure A** (which is deemed to be an integral part of this Resolution), by way of a preferential allotment on a private placement basis, in the manner set out below:

S. No.	Name of the Promoter	Address of the Promoter	Number of Subscription Securities	Issue price per OCD*	Total consideration (INR)**
1.	Sanjay Chaturvedi	D-305, Ground Floor, Sarvodaya Enclave, New Delhi – 110017	2,380 (two thousand three hundred and eighty) OCDs	INR 2,829.04 (Indian Rupees Two Thousand Eight Hundred Twenty Nine and Zero Four Paise)	INR 67,33,115.2 (Indian Rupees Sixty Seven Lakh Thirty Three Thousand One Hundred Fifteen and Two Paise)
2.	Rupa Basu	S-10A, Windsor Court, DLF Phase – IV, Gurgaon – 122002	17,520 (seventeen thousand five hundred and twenty) OCDs	INR 2,829.04 (Indian Rupees Two	INR 4,95,64,780.8 (Indian Rupees Four Crore Ninety Five Lakh

S. No.	Name of the Promoter	Address of the Promoter	Number of Subscription Securities	Issue price per OCD*	Total consideration (INR)**
				Thousand Eight Hundred Twenty Nine and Zero Four Paise)	Sixty Four Thousand Seven Hundred Eighty and Eight Paise)

** Note that each OCD shall be issued by the Company at a face value of INR 2,829.04 (Indian Rupees Two Thousand Eight Hundred Twenty Nine And Zero Four Paise), of which INR 140 (Indian Rupees One Hundred And Forty) shall be payable at the time of application for subscription to such OCD towards OCD allotment, and the remaining INR 2,689.04 (Indian Rupees Two Thousand Six Hundred Eighty Nine And Zero Four Paisa) per OCD may be paid by the OCD holder at its sole discretion at any time during the tenure of the OCD.*

*** The amount of total consideration has been arrived at basis the issue price of INR 2,829.04 (Indian Rupees Two Thousand Eight Hundred Twenty-Nine and Zero Four Paise) per OCD.*

RESOLVED FURTHER THAT subject to the provisions of the Companies Act and other applicable laws, the Board be and is hereby authorized to decide, approve, vary, modify or alter any of the relevant terms and conditions, including the size of the preferential issue to the Promoters, as it may deem expedient.

RESOLVED FURTHER THAT the draft private placement offer letter-cum-application forms in Form No. PAS-4 (the "**Offer Letters**", which term shall mean the Offer Letter as may be modified/finalized by the authorization granted under these resolutions) for the issuance of the relevant Subscription Securities to each of the Promoters, and the draft record of private placement offer letter in Form No. PAS-5 in respect of the issuance of the Subscription Securities, as placed in the meeting and initialed by the Chairman for the purpose of identification, be and are hereby approved.

RESOLVED FURTHER THAT subject to the subsequent filing of these resolutions in this regard with the Registrar of Companies pursuant to Rule 14(8) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, Mr. Shashank Jain, CFO, and Ms. Neeta Kamra, Company Secretary, be and are hereby severally authorized to modify, finalize and sign the Offer Letters on behalf of the Company and to circulate it to the relevant Investors.

RESOLVED FURTHER THAT Mr. Shashank Jain, CFO, and Ms. Neeta Kamra, Company Secretary, be and are hereby severally authorized on behalf of the Company to complete the necessary procedure towards issue of Offer Letters and necessary documents to the Investors to subscribe to the Subscription Securities of the Company and to undertake such other acts, deeds and acts as may be required to give effect to the offer, issue and allotment, executing all such deeds, documents, agreements and writings as may be necessary for the purpose of giving effect to the aforesaid resolutions, taking such further steps as maybe required for the allotment of the Subscription Securities and such other steps that are incidental and ancillary to give effect to the foregoing resolutions (including execution, signing, filing and submission of all documents and forms (including but not limited to Form No. MGT-14 and Form No. PAS-3) with the Registrar of Companies or any other statutory filings with governmental authorities or with any other appropriate authorities), as may be required, recording the name of the members in the register of debenture holders, and acting as compliance officer in connection with the private

placement offer process) and to do, make or accept such alterations, modifications or variations in the foregoing resolutions, as may be considered desirable without being required to seek any further consent or approval of the members.

RESOLVED FURTHER THAT certified true copy of the resolution be furnished under the signature of Mr. Sanjay Chaturvedi, Director, Ms. Rupa Basu, Director, Mr. Shashank Jain, CFO or Ms. Neeta Kamra, Company Secretary, who are hereby severally authorized, to do all such acts and deeds as may be required, as and when demanded, for proper implementation of the aforesaid resolutions and to ensure that all necessary documents are furnished to the requisite statutory authorities or to any other person concerned or interested in the matter.

Item No. 5 – Amendment in the Employee Stock Option Plan, 2013

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

"RESOLVED THAT pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Act") and the applicable Rules framed thereunder, including any amendment thereto or re-enactment thereof and including any regulations, guidelines, circulars and notifications issued thereunder and subject to such other approvals, consents, permissions and/or sanctions as may be required from any appropriate regulatory or statutory authority/institution or body and subject to such terms and conditions as may be prescribed/imposed by any of them, the consent of the Members of the Company be and is hereby accorded for amending the 'Employee Stock Options Plan 2013' (hereinafter referred to as the "ESOP 2013" or the "Scheme"), terms of amendment whereof is set out in Explanatory Statement and draft of revised Scheme, annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT it is hereby noted that the terms of amendments are not prejudicial to the interests of the option holders.

RESOLVED FURTHER THAT without prejudice to the generality of the above the Board or any Committee of Board or any other authority designated by Board be and is hereby authorised to administer, superintend and implement the Scheme, in its absolute discretion and to settle all questions, difficulties or doubts that may arise in relation to the implementation and formulation of the Scheme without being required to seek further shareholders approval.

RESOLVED FURTHER THAT the Board or any other authority delegated by Board, be and is hereby authorised to make further modifications, changes, variations, alterations or revisions in the Scheme, as it may deem fit, from time to time or to suspend, withdraw or revive the Scheme, from time to time, in conformity with the provisions of the Act and other applicable rules, regulations, guidelines and laws, unless such variation, amendment, modification or alteration is detrimental to the interest of the employees who have been granted stock options under the Scheme;

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 be and are hereby severally authorized to do all acts, deeds, matters and things as considered necessary and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolutions."

Item No. 6 - Amendment in the Employee Stock Option Scheme 2020

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

"RESOLVED THAT pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Act") and the applicable Rules framed thereunder, including any amendment thereto or re-enactment thereof and including any regulations, guidelines, circulars and notifications issued thereunder and subject to such other approvals, consents, permissions and/or sanctions as may be required from any appropriate regulatory or statutory authority/institution or body and subject to such terms and conditions as may be prescribed/imposed by any of them, the consent of the Members of the Company be and is hereby accorded for amending the Employee Stock Option Scheme 2020 (ESOP Scheme 2020), terms of amendment whereof is set out in Explanatory Statement and draft of revised Scheme, annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT it is hereby noted that the terms of amendments are not prejudicial to the interests of the option holders.

RESOLVED FURTHER THAT without prejudice to the generality of the above the Board or any Committee of Board or any other authority designated by Board be and is hereby authorised to administer, superintend and implement the Scheme, in its absolute discretion and to settle all questions, difficulties or doubts that may arise in relation to the implementation and formulation of the Scheme, without being required to seek further shareholders approval.

RESOLVED FURTHER THAT the Board or any other authority delegated by Board, be and is hereby authorised to make further modifications, changes, variations, alterations or revisions in the Scheme, as it may deem fit, from time to time or to suspend, withdraw or revive the Scheme, from time to time, in conformity with the provisions of the Act and other applicable rules, regulations, guidelines and laws, unless such variation, amendment, modification or alteration is detrimental to the interest of the employees who have been granted stock options under the Scheme;

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 be and are hereby severally authorized to do all acts, deeds, matters and things as considered necessary and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolutions."

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

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

Place: Delhi
Date: 18.05.2022

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. The relevant Statement made pursuant to Section 102 (1) of the Companies Act, 2013 in respect of Special Business to be transacted at the Meeting, set out in the Notice, is enclosed hereto and forms part of the Notice

6. 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.

7. 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.

8. The road map to the venue of the annual general meeting is enclosed to this Notice.

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

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

Place: Delhi
Date: 18.05.2022

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

Item No. 4

The Board of Directors of the Company (the "**Board**") in its meeting held on May 18, 2022 accorded their approval to offer, issue and allot an aggregate of: (a) 2,380 (two thousand three hundred and eighty) optionally convertible debentures ("**OCDs**") carrying interest at 8% (eight percent) per annum having a face value of INR 2,829.04 (Indian Rupees Two Thousand Eight Hundred Twenty Nine and Zero Four Paise) to Mr. Sanjay Chaturvedi ("**Sanjay**"); and (b) 17,520 (seventeen thousand five hundred and twenty) OCDs carrying interest at 8% (eight percent) per annum having a face value of INR 2,829.04 (Indian Rupees Two Thousand Eight Hundred Twenty Nine and Zero Four Paise) to Ms. Rupa Basu ("**Rupa**") (Sanjay and Rupa, individually called the "**Promoter**", and collectively called the "**Promoters**") (the "**Subscription Securities**"), to the Promoters on such terms and conditions as have been specified in **Annexure A**, by way of a preferential allotment on a private placement basis, in the manner set out below:

S. No.	Name of the Promoter	Address of the Promoter	Number of Subscription Securities	Issue price per OCD*	Total consideration (INR)**
1.	Sanjay Chaturvedi	D-305, Ground Floor, Sarvodaya Enclave, New Delhi – 110017	2,380 (two thousand three hundred and eighty)	INR 2,829.04 (Indian Rupees Two Thousand Eight Hundred Twenty-Nine and Zero Four Paise)	INR 67,33,115.2 (Indian Rupees Sixty-Seven Lakh Thirty-Three Thousand One Hundred Fifteen and Two Paise)
2.	Rupa Basu	S-10A, Windsor Court, DLF Phase – IV, Gurgaon – 122002	17,520 (seventeen thousand five hundred and twenty)	INR 2,829.04 (Indian Rupees Two Thousand Eight Hundred Twenty-Nine and Zero Four Paise)	INR 4,95,64,780.8 (Indian Rupees Four Crore Ninety-Five Lakh Sixty-Four Thousand Seven Hundred Eighty and Eight Paise)

** Note that each OCD shall be issued by the Company at a face value of INR 2,829.04 (Indian Rupees Two Thousand Eight Hundred Twenty Nine And Zero Four Paise), of which INR 140 (Indian Rupees One Hundred And Forty) shall be payable at the time of application for subscription to such OCD towards OCD allotment, and the remaining INR 2,689.04 (Indian Rupees Two Thousand Six Hundred Eighty Nine And Zero Four Paisa) per OCD may be paid by the OCD holder at its sole discretion at any time during the tenure of the OCD.*

*** The amount of total consideration has been arrived at basis the issue price of INR 2,829.04 (Indian Rupees Two Thousand Eight Hundred Twenty-Nine and Zero Four Paise) per OCD.*

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DISCLOSURE AS REQUIRED UNDER RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT) RULES, 2014 FOR THE ISSUANCE OF THE SUBSCRIPTION SECURITIES

Details to be furnished	Response
Particulars of the offer including date of passing of the board resolution	The Company proposes to offer, issue and allot an aggregate of: (a) 2,380 (two thousand three hundred and eighty) OCDs carrying interest at 8% (eight percent) per annum having a face value of INR 2,829.04 (Indian Rupees Two Thousand Eight Hundred Twenty Nine and Zero Four Paise) to Mr. Sanjay Chaturvedi; and (b) 17,520 (seventeen thousand five hundred and twenty) OCDs carrying interest at 8% (eight percent) per annum having a face value of INR 2,829.04 (Indian Rupees Two Thousand Eight Hundred Twenty Nine and Zero Four Paise) to Ms. Rupa Basu for a total consideration of INR 5,62,97,896 (Indian Rupees Five Crore Sixty Two Lakh Ninety Seven Thousand Eight Hundred Ninety Six). The resolution of the Board approving the offer was passed in the meeting of the Board held on May 18, 2022.
Kinds of securities offered and the price at which security is being offered	Optionally convertible debentures at an offer price of INR 2,829.04 (Indian Rupees Two Thousand Eight Hundred Twenty-Nine and Zero Four Paisa) per OCD.
Basis or justification for the price (including premium, if any) at which the offer or invitation is being made	The offer price of the Subscription Securities has been arrived at on the basis of the valuation report. A copy of the valuation report is enclosed as **Annexure D** (the "**Valuation Report**").
Name and address of the valuer who performed the valuation	Name: M/s Sundae Capital Advisors Private Limited Address: 3rd Floor, C-11, Community Centre, Janakpuri, New Delhi-110058
Amount which the company intends to raise by way of such securities	INR 5,62,97,896 (Indian Rupees Five Crore Sixty-Two Lakh Ninety Seven Thousand Eight Hundred Ninety Six). Note that each OCD shall be issued by the Company at a face value of INR 2,829.04 (Indian Rupees Two Thousand Eight Hundred Twenty Nine And Zero Four Paise), of which INR 140 **(**Indian Rupees One Hundred And Forty) shall be payable at the time of application for subscription to such OCD towards OCD allotment, and the remaining INR 2,689.04 (Indian Rupees Two Thousand Six Hundred Eighty Nine And Zero Four Paisa) per OCD may be paid by the OCD holder at its sole discretion at any time during the tenure of the OCD.
Material terms of raising such securities	The terms of the Subscription Securities are set out in **Annexure A** hereto.
Proposed time schedule	The Offer Letter will be valid for a period of 30 (thirty) days from the date of the Offer Letter. The Company intends to complete the process

Details to be furnished	Response
	of allotment at the earliest and in any case within 60 (sixty) days of the receipt of the share application money from the relevant Promoters.
Purpose of offer	For general corporate purpose
Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects	The securities offered in the issue shall be subscribed to by the Promoters as specified below: **Sanjay Chaturvedi**: INR 67,33,115.2 (Indian Rupees Sixty Seven Lakh Thirty Three Thousand One Hundred Fifteen and Two Paise)* **Rupa Basu**: INR 4,95,64,780.8 (Indian Rupees Four Crore Ninety Five Lakh Sixty Four Thousand Seven Hundred Eighty and Eight Paise) * * The amount of consideration has been arrived at basis the issue price of INR 2,829.04 (Indian Rupees Two Thousand Eight Hundred Twenty-Nine and Zero Four Paise) per OCD. Note that each OCD shall be issued by the Company at a face value of INR 2,829.04 (Indian Rupees Two Thousand Eight Hundred Twenty Nine And Zero Four Paise), of which INR 140 **(**Indian Rupees One Hundred And Forty) shall be payable at the time of application for subscription to such OCD towards OCD allotment, and the remaining INR 2,689.04 (Indian Rupees Two Thousand Six Hundred Eighty Nine And Zero Four Paisa) per OCD may be paid by the OCD holder at its sole discretion at any time during the tenure of the OCD.
Principal terms of assets charged as securities	Not applicable as the Subscription Securities offered are optionally convertible debentures which are not secured.

DISCLOSURE AS REQUIRED UNDER RULE 13 OF COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014 IN RELATION TO THE ISSUANCE OF THE SUBSCRIPTION SECURITIES

Details to be furnished	Response
The objects of the issue	For general corporate purposes.
Total number of shares or other securities to be issued	(a) 2,380 (two thousand three hundred and eighty) OCDs to Mr. Sanjay Chaturvedi; and (b) 17,520 (seventeen thousand five hundred and twenty) OCDs to Ms. Rupa Basu.

Price at which the allotment is proposed to be made	INR 2,829.04 (Indian Rupees Two Thousand Eight Hundred Twenty Nine And Zero Four Paisa) per OCD. Note that of the face value of INR 2,829.04 (Indian Rupees Two Thousand Eight Hundred Twenty Nine And Zero Four Paise), INR 140 **(**Indian Rupees One Hundred And Forty) shall be payable at the time of application for subscription to such OCD towards OCD allotment, and the remaining INR 2,689.04 (Indian Rupees Two Thousand Six Hundred Eighty Nine And Zero Four Paisa) per OCD may be paid by the OCD holder at its sole discretion at any time during the tenure of the OCD.
Basis on which the price has been arrived at along with report of the registered valuer	The offer price of the Subscription Securities has been arrived at on the basis of the Valuation Report. A copy of the Valuation Report is enclosed at **Annexure D**.
Relevant date with reference to which the price has been arrived at	31.03.2022
The class or classes of persons to whom the allotment is proposed to be made	Promoters (individuals) cum Whole Time Directors i.e., Mr. Sanjay Chaturvedi and Ms. Rupa basu.
Intention of promoters, directors or key managerial personnel to subscribe to the offer	Sanjay and Rupa - the Promoters and whole time directors of the Company intend to subscribe to the proposed offer. Apart from them, none of directors or key managerial personnel of the Company intend to subscribe to the offer.
The proposed time within which the allotment shall be completed	The Company intends to complete the process of allotment of the Subscription Securities at the earliest and in any case within 60 (sixty) days of the receipt of the share application money.
The names of the proposed allottees and the percentage of post preferential offer capital that may be held by them	Please refer to **Annexure B**.
Change in control, if any, in the company that would occur consequent to the preferential offer	The allotment of the Subscription Securities pursuant to the proposed preferential offer will not result in a change in control in the Company. While such allotment will result in a change in the *inter-se* shareholding pattern of the shareholders on a fully diluted basis (assuming conversion of the OCDs), no single shareholder will as a result, acquire a controlling stake in the Company.

Number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price	There have been no allotments made on a preferential basis / private placement / rights issue during the financial year 2022-23 (till May 18, 2022)
Justification for allotment proposed to be made for consideration other than cash together with valuation report of registered valuer	Not applicable, as the allotment will be made for cash consideration.
Pre and post issue shareholding pattern of the company in the following format	Please refer to **Annexure C**.

Section 42 read with Section 62(1)(c) of the Companies Act requires the Company to obtain the approval of its members by way of special resolution for the issuance of the Subscription Securities by way of preferential allotment through a private placement basis. The Board approved the offering of, and the issuance of the Subscription Securities subject to the approval of the members of the Company in its meeting held on May 18, 2022, and recommends that the accompanying notice be passed as a special resolution.

Relevant documents (including the draft Offer Letter, the draft record of private placement offer in Form No. PAS-5 and the Valuation Report) will be open for inspection by the members of the Company at the registered office of the Company at D - 305, Ground Floor, Sarvodaya Enclave, New Delhi – 110017 on all working days , during business hours up to the date of the meeting, and will also be made available at the meeting.

Except Sanjay and Rupa (who are the Promoters of the company, whole-time directors and the proposed allotees), none of the directors or key managerial personnel of the Company, or the relatives thereof, are concerned or interested (financially or otherwise) in the proposed special resolution

Item No. 5

Shubham Housing Development Finance Company Limited **("Company")** has an Employee Stock Option Plan 2013 **("Scheme")** to create, offer, issue and allot at any time to or for the benefit of the employees of the Company under the Scheme such number of stock options exercisable into equity shares, not exceeding 1,19,047 Equity Shares in aggregate, at such price and on such terms and conditions as may be fixed or determined by the Board or Recruitment, Compensation and Nomination Committee of Board **("Committee")**, as the case may be, in accordance with the provisions of law prevailing at that time. The Scheme is administered through the Shubham Employees Welfare Trust ("Trust").

The objective of the Scheme is to facilitate employee participation in the ownership of the Company by offering Equity Shares of the Company to Eligible Employees of Company.

The Committee at its meeting held on 17th May 2022, passed a resolution amending certain provisions of the Scheme in order to add more clarity to the existing provisions of the Scheme and remove any ambiguity, if any, therein. Amendments made by the Committee has been approved by the Board in its meeting held on 18th May 2022 and hence same being recommended to shareholders for their approval by passing Special Resolution for Item No. 5 set out in the Notice to the meeting.

Further, in terms of Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, it is hereby confirmed that amendments in the Scheme are not prejudicial to the interests of the option holders.

A full draft copy of the amended Scheme would be available for inspection, by the Members without any fee, at the Registered Office of the Company during normal business hours on any working day upto the date of meeting and during the continuance of meeting.

The mentioned changes in the Scheme will be applicable to all existing and future holders of employee stock option.

Salient Features of the Scheme [Disclosures under Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014] given below:

Total number of stock options to be granted	A maximum of 1,19,047 (One Lakh Nineteen Thousand Forty-Seven) stock options. Each stock option is exercisable into 1 (one) equity share of the Company.
Identification of classes of employees entitled to participate in the ESOP 2013	As may be decided by the Committee from time to time, in accordance with the Scheme.
Appraisal process for determining the eligibility of employees to the ESOP 2013	As may be deemed fit by the Committee from time to time in accordance with the Scheme
Requirements of vesting and vesting period	Exact period shall be determined by the Committee subject to minimum period of one year and maximum period of four years between the grant of options and vesting of options. Except in case of death and permanent incapacity, Option Grantee should continue to be in employment of the Company on the date Options granted are due to vest
Maximum period within which the options shall be vested	As may be determined by the Committee subject to maximum of four years within which the options granted should be vested.
Exercise price or the formula for arriving at the same	Face value of equity share or any other price as may be determined by the Committee
Exercise period and Exercise Process	As may be determined by the Committee from time to time
Lock-in period	As may be determined by the Committee in accordance with the Scheme
Maximum number of options to be granted per employee and in aggregate	Such number as may be decided by the Board in accordance with the Scheme.
Method which the company shall use to value its options	As per the Scheme.
Conditions under which options vested in employee(s) may lapse	Vested Options shall lapse:- (a) In the event of abandonment of employment by an Option Grantee without the Company's

	consent (b) In the event of termination of employment of Option Grantee for the Cause Cause means:- • the act of willful or gross misconduct or neglect • the commission of felony, fraud, misappropriation, embezzlement, breach of trust or an offence involving moral turpitude, • gross or willful insubordination or • any other act detrimental to the interest of the Company.
Specified Time Period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee	In the event of resignation or termination except in case of abandonment of employment by employee without Company's consent or termination for the cause, all the options vested till the date of notice of resignation or date of notice of termination shall be exercised within one month from last working day or the date of termination, as the case may be.
Statement to the effect that the company shall comply with the applicable accounting standards	The company will comply with the applicable accounting standards

Comparatives of New (Proposed) clauses vs. Old (Existing) clauses

The following changes are being made to the scheme:

Existing Clause	**New Clause**
Not provided	Clause 2.1(xxvi) "Founder" and "Promoter" are interchangeable
Clause 7.5 In the event of separation from employment for reasons of normal retirement or a retirement specifically approved by the Company, (i) all Vested Options should be exercised by the Option Grantee immediately after, but in no event later than 6 (Six) months from the date of such Option Grantee's retirement, and (ii) all Unvested Options will stand cancelled as on the date of such retirement, unless otherwise determined by the Compensation Committee whose determination will be final and binding	Clause 7.5 In the event of separation from employment for reasons of normal retirement or a retirement specifically approved by the Company, i) all Vested Options should be exercised by the Option Grantee immediately after, but in no event later than 6 (Six) months from the date of such Option Grantee's retirement, and ii) all Unvested Options will stand cancelled as on the date of normal retirement or date on which company specifically approves a retirement, unless otherwise determined by the Compensation Committee whose determination will be final and binding

The Key Managerial Persons (KMPs) of the Company may be deemed to be concerned or interested in the Resolution to the extent of the employee stock options granted to them. None of the Directors, except to the extent of their shareholding or relatives of Directors or KMPs of the Company are concerned or interested in the passing of the resolution at Item No. 5.

The Board of Directors of the Company recommends the passing of the resolution in Item No. 5 of the notice as Special Resolution.

Item No. 6

Shubham Housing Development Finance Company Limited ("Company") has an Employee Stock Option Scheme 2020, **("ESOP Scheme 2020")** to create, offer, issue and allot at any time to or for the benefit of the employees of the Company under the ESOP Scheme 2020 such number of stock options exercisable into equity shares, not exceeding 1,27,889 Equity Shares in aggregate, at such price and on such terms and conditions as may be fixed or determined by the Board or Recruitment, Compensation and Nomination Committee of Board **("Committee")**, as the case may be, in accordance with the provisions of law prevailing at that time. Unlike the Employee Stock Option Plan 2013, the ESOP Scheme 2020 is not administered through the Shubham Employees Welfare Trust ("Trust") and shares pursuant to the exercised stock options are directly issued and allotted by the Company to the employees.

The objective of the Scheme is to facilitate employee participation in the ownership of the Company by offering Equity Shares of the Company to Eligible Employees of Company.

The Committee at its meeting held on 17th May 2022, passed a resolution amending certain provisions of the Scheme in order to add more clarity to the existing provisions of the Scheme and remove any ambiguity, if any, therein. Amendments made by the Committee has been approved by the Board in its meeting held on 18th May, 2022 and hence same being recommended to shareholders for their approval by passing Special Resolution for Item No. 6 set out in the Notice to the meeting.

Further, in terms of Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, it is hereby confirmed that amendments in the Scheme are not prejudicial to the interests of the option holders.

A full draft copy of the amended Scheme would be available for inspection, by the Members without any fee, at the Registered Office of the Company during normal business hours on any working day upto the date of meeting and during the continuance of meeting.

The mentioned changes in the Scheme will be applicable to all existing and future holders of employee stock option.

Salient Features of the ESOP Scheme 2020 [Disclosures under Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014] given below

Total number of stock options to be granted	A maximum of 127,889 (One Lakh Twenty-Seven Thousand Eight Hundred Eighty-Nine) stock options. Each stock option is exercisable into 1 (one) equity share of the Company
Identification of classes of employees entitled to participate in the ESOP Scheme, 2020	As may be decided by the Committee from time to time, in accordance with the Scheme.
Appraisal process for determining the eligibility of employees to the ESOP Scheme, 2020	As may be deemed fit by the Committee from time to time in accordance with the Scheme
Requirements of vesting and period of vesting	Exact period shall be determined by the Committee subject to minimum period of one year and maximum period of four years between the grant of options and vesting of options. Except in case of death and permanent incapacity, Option Grantee should continue to be

	in employment of the Company on the date Options granted are due to vest
Maximum period within which the options shall be vested	As determined by the Committee subject to maximum of four years within which the options granted should be vested.
Exercise price or the formula for arriving at the same	Rs. 1166.41/- rounded off to Rs. 1166/- or any other price as may be determined by the Committee.
Exercise period and process of exercise	As may be determined by the Committee from time to time
Lock-in period	As may be determined by the Committee in accordance with the ESOP Scheme 2020
Maximum number of options to be granted per employee and in aggregate	Such number as may be decided by the Board in accordance with the ESOP Scheme 2020.
Method which the company shall use to value its options	As per the ESOP Scheme 2020.
Conditions under which option vested in employees may lapse	Vested Options shall lapse:- (a) In the event of abandonment of employment by an Option Grantee without the Company's consent (b) In the event of termination of employment of Option Grantee for the Cause Cause means:- • the act of willful or gross misconduct or neglect • the commission of felony, fraud, misappropriation, embezzlement, breach of trust or an offence involving moral turpitude, • gross or willful insubordination or • any other act detrimental to the interest of the Company.
Specified Time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee;	In the event of resignation or termination except in case of abandonment of employment by employee without Company's consent or termination for the cause, all the options vested till the date of notice of resignation or date of notice of termination shall be exercised within one month from last working day or the date of termination, as the case may be.
Statement to the effect that the company shall comply with the applicable accounting standards	The company will comply with the applicable accounting standards

Comparatives of New (Proposed) clauses vs. Old (Existing) clauses

The following changes are being made to the ESOP Scheme 2020:

Existing Clause	**New Clause**
Not Provided	Clause 2.1(xxv) "Founder" and "Promoter" are interchangeable
Clause 7.5	Clause 7.5

In the event of separation from employment for reasons of normal retirement or a retirement specifically approved by the Company, (i) all Vested Options should be exercised by the Option Grantee immediately after, but in no event later than 6 (Six) months from the date of such Option Grantee's retirement, and (ii) all Unvested Options will stand cancelled as on the date of such retirement, unless otherwise determined by the Compensation Committee whose determination will be final and binding	In the event of separation from employment for reasons of normal retirement or a retirement specifically approved by the Company, i) all Vested Options should be exercised by the Option Grantee immediately after, but in no event later than 6 (Six) months from the date of such Option Grantee's retirement, and ii) all Unvested Options will stand cancelled as on the date of normal retirement or date on which company specifically approves a retirement, unless otherwise determined by the Compensation Committee whose determination will be final and binding

The Key Managerial Persons (KMPs) of the Company may be deemed to be concerned or interested in the Resolution to the extent of the employee stock options granted to them. None of the Directors, except to the extent of their shareholding or relatives of Directors or KMPs of the Company are concerned or interested in the passing of the resolution at Item No. 6.

The Board of Directors of the Company recommends the passing of the resolution in Item No. 6 of the notice as Special Resolution

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

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

Place: Delhi
Date: 18.05.2022

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 CHANDRA

- **Date of first appointment on the Board of Company**
  Mr. Rahul Chandra was appointed as a Member of Board of Shubham Housing Development Finance Company Ltd. with effect from April 18, 2012.

- **Age, experience and qualification that qualify him for Board membership**
  He aged 50 and he holds an MBA from University of California, Berkeley and graduated from Birla Institute of Technology & Science, Pilani in 1993. Mr. Chandra is a co-founder of Helion and has 17 years of venture capital investing and corporate development experience in technology product and services companies in India and the US. He serves on the Boards of Seclore, UnitedLex, Netambit, Mindworks and manages investments in Cucumber Town, EzeTap, Spandana and Equitas.
  Between 2000 and 2006, Mr. Chandra was based in Silicon Valley as part of the investment team at Walden International, a global venture capital firm with more than $2B under management. Between 2004 and 2005 he also led the M&A efforts at e4e Inc., a Santa Clara, CA based BPO company with more than 4,000 employees across the globe.

- **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 2021-22**
  He attended 6 (Six) out of 7(Seven) 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/chairmanships as on 31st March 2022. (Other than Shubham Housing Development Finance Company Ltd.)**

  Directorships
  1. Greenizon Agritech Consultancy Private Limited
  2. Seclore Technology Private Limited
  3. Stelling Technologies Private Limited
  4. Changejar Technologies Private Limited
  5. Skookum Education Consultants Private Limited
  6. Unitary Investment Management LLP.
  7. Moengage Inc.
  8. RC Holding International Ltd.

  Chairmanship/Membership of Committees of Board of Directors of Other Companies

  Nil

- **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., Helion Venture Partners II LLC). 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.

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 : ……

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 13th Annual General Meeting of the company, to be held on Tuesday the 31st day of May 2022 at 10 a.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 2022, together with the Directors' and Auditors' Reports thereon.

Resolution No.2
To re-appoint Mr. Rahul Chandra as a Director, who retires by rotation and being eligible, offers himself, for re-appointment.

Resolution No. 3
To appoint Statutory Auditors from the conclusion of this Annual General Meeting until the conclusion of the 15th Annual General Meeting and to fix their remuneration.

Resolution No. 4
To Offer and Issue Optionally Convertible Debentures by way of Preferential Allotment on a Private Placement Basis and to Approve and circulate the Private Placement Offer Letter Cum Application Form and other ancillary actions

Resolution No. 5
Amendment in the Employee Stock Option Plan, 2013

Resolution No. 6
Amendment in the Employee Stock Option Scheme 2020

Signed this ……. 2022

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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Annexure A

TERMS OF ISSUANCE OF OCDs

1. **Face value and issue price**

Face value: Each OCD shall be issued by the Company at a face value of INR 2,829.04 (Indian Rupees two thousand eight hundred twenty nine and four paise).

Application amount: Per OCD, INR 140 (Indian Rupees one hundred and forty) shall be payable at the time of application for subscription & allotment of such OCD,

Balance Amount : Remaining INR 2,689.04 (Indian Rupees two thousand six hundred eighty nine and four paisa) per OCD may be paid by the OCD holder at its sole discretion at any time; provided, that an OCD is required to be made fully paid-up prior to conversion of such OCD into Equity Share(s) in accordance with Paragraph 3 below.

2. **Interest**

On and from the date of allotment of the OCDs, the holder of OCDs shall be entitled to receive interest on each OCD held by it, at an interest rate of 8% (eight percent) per annum on the paid- up amount of the OCD. Subject to the Business day convention, The interest shall be payable on a quarterly basis, on the last date of each calendar quarter.

3. Conversion and redemption

3.1. Every OCD is eligible to be converted into one Equity Share of the face value of Rs 10 each. At any time after 30 (thirty) days from the date of allotment of the OCDs and subject to approval of the Board, but only upon the OCD becoming fully paid-up, the OCD holder shall have the right ("Conversion Option"), which may be exercised at its sole discretion (subject to the approval mentioned above), to convert any or all of the OCDs held by it and which are so fully paid-up, into Equity Shares by issuing a written notice to the Company (the "Conversion Notice"). Each OCD shall, subject to Paragraphs 6 and 7 below, be convertible into one Equity Share. The Company shall, within 30 (thirty) days from the date of receipt of Conversion Notice (and subject to the approval of the Board mentioned above), issue and allot such number of Equity Shares as determined based on the conversion ratio specified in this Paragraph 3.1.

3.2. The Equity Shares, if any, issued and allotted to the OCD holder pursuant to the conversion of the OCDs in accordance with the terms and conditions hereof will be identical to and rank pari-passu in all respects with the then existing Equity Shares, with reference to all rights and benefits appertaining thereto, including but not limited to voting rights, dividends, stock splits, bonus and/or rights issuance and so on and shall be subject to the provisions of the Restated Shareholders Agreement dated 24.12.2021 ("**SHA**").

3.3. If the conversion of the OCDs is not approved by the Board (such OCDs, the "Outstanding OCDs"), then the Company shall redeem the Outstanding OCDs on a date that is the 2nd (second) Business Day ("Redemption Date"), and pay a redemption amount equal to the aggregate of the amount paid- up on, and any accrued but unpaid interest payable in respect of, the Outstanding OCDs.

3.4. Without prejudice to the obligation of the Company to mandatorily redeem all the OCDs on the Redemption Date, the OCD holder shall have the right (but not the obligation) to require the Company to redeem, at any time after 30 (thirty) days from the date of allotment of the OCDs, any or all of the OCDs held by such OCD holder, by issuing a written notice to the Company (the "Redemption Notice"). The Company shall, within 30 (thirty) days from the date of receipt of the Redemption Notice, redeem such number of OCDs as specified in the Redemption Notice and pay a redemption amount equal to the aggregate of the amount paid-up on such OCDs and any accrued but unpaid interest payable in respect of such OCDs.

3.5. It is clarified that OCDs shall not be required to be made fully paid up prior to redemption and the Company shall be required to redeem OCDs in accordance with Paragraph 3.3 or Paragraph 3.4 above (as applicable) above, irrespective of whether the OCDs are fully paid up or not.

3A It is further clarified that if the due date with respect to: (a) the repayment of any principal outstanding with respect to the OCDs falls on a day which is not a Business Day, then the repayment shall be due on the immediately preceding Business Day; and (b) any interest payment with respect to the OCDs falls on a day which is not a Business Day, then the interest payment shall become due on the immediately succeeding Business Day ("Business day convention").

4. **Voting Rights**

The OCDs shall not carry any voting rights, except upon their conversion into Equity Shares in accordance with Paragraph 3 above.

5. **Transferability**

The OCDs may be transferred subject to the provisions of the SHA.

6. Adjustment

If the Company undertakes any form of restructuring of its share capital ("Capital Restructuring") including but not limited to: (a) consolidation or sub-division or splitting up of its Shares; (b) issue of bonus shares; (c) issue of Shares in a scheme of arrangement (including merger, amalgamation or demerger); (d) capital reduction, buy-back; (e) reclassification of Shares or variation of rights into other kinds of securities; (f) any distribution to holders of Equity Shares (other than dividend by way of cash); (g) cancellation, recapitalization; or (h) creation of a new class of Shares, then, the number of Equity Shares that each OCD shall convert into shall be adjusted accordingly in a manner that the holders of the OCDs receive such number of Equity Shares as would represent the same economic interest in the Company that the holders of OCDs would have been entitled to receive immediately after occurrence of any such Capital Restructuring had the conversion of the OCDs occurred immediately prior to the occurrence of such Capital Restructuring.

7. Anti-dilution

A broad based weighted average anti-dilution protection will be available to the holders of the OCDs in the manner provided in Clause 5.5 of the SHA, which shall apply mutatis mutandis to the holders of the OCDs, and shall be implemented through an adjustment to the conversion ratio of the OCDs set out in Paragraph 3.1 above.

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8. Amendment

(a) The rights, privileges and conditions attached to the OCDs may not be varied, modified or abrogated without prior written consent of the OCD holder, and the same shall be undertaken in accordance with the provisions of Applicable Law and the SHA.

(b) If, at any time any OCDs held by an OCD holder are required to be relinquished for reasons not attributable to such holder, and as a result, corresponding optionally convertible debentures or other securities are subsequently issued to such OCD holder in lieu of such relinquishment at an issue price which exceeds the issue price set forth in Paragraph 1 above (such excess amount, the "Excess"), then, the Excess shall be to the account of the Company and not the relevant OCD holder.

9. Stamp Duty

The Company shall pay all stamp, issue, registration, documentary or other similar Taxes and duties, and other expenses payable on or in connection with the creation, issue and allotment of the OCDs and the Equity Shares issuable upon conversion of the OCDs or the admissibility in evidence in India of the terms and conditions set out herein.

Annexure –B

NAMES OF THE PROPOSED ALLOTTEES AND THE PERCENTAGE OF THE POST PREFERENTIAL OFFER CAPITAL THAT MAY BE HELD BY THEM

S. No.	Name of the proposed allottee	Number of securities offered	% of shareholding post-issue
1.	Sanjay Chaturvedi	2,380 (two thousand three hundred and eighty) OCDs	0.04
2.	Rupa Basu	17,520 (seventeen thousand five hundred and twenty) OCDs	0.30

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Annexure – C

THE PRE ISSUE AND POST ISSUE SHAREHOLDING PATTERN OF THE COMPANY

(Per sub clause (xiii) of clause (d) sub-rule 2 of rule 13 of Companies (Share capital and Debentures) Rules, 2014)

Sl. No.	Category	Pre Issue					Post Issue				
		No. of equity shares held	No. of preference shares held	Shareholding %	No. of optionally convertible debentures held	Shareholding % on fully diluted basis	No. of equity shares held	No. of preference shares held	% of Shareholding	No. of optionally convertible debentures held	Shareholding % on fully diluted basis
A	Promoter's Holding										
1	Indian										
	Individual	500,000	0	8.75	1,43,324	2.51	500,000	0	8.72	1,63,224	2.84
	Body Corporate	-	-	-	-	-	-	-	-		
	Sub Total	500,000	0	8.75	143,324	2.51	500,000	0	8.72	1,63,224	2.84
2	Foreign Promoters	-	-				-	-		-	-
	Sub Total (A)	500,000	0	8.75	1,43,324	2.51	500,000	0	8.72	1,63,224	2.84
Sl. No.	Category	Pre Issue					Post Issue				
		No. of equity shares held	No. of preference shares held	% of Shareholding			No. of equity shares held	No. of preference shares held	% of Shareholding		
B	Non- Promoters holding										
1	Institutional investors	-	-	-	-	-	-	-	-	-	-
2	Non-institutional investors										
	Private Corporate bodies +	2,47,821	21,11,521	41.28	-	-	7,46,515	12,09,766	34.11	-	-
	Directors and relatives	-	-	-	-	-	-	-	-	-	-
	Indian Public	-	-	-	-	-	-	-	-	-	-
	Others (Including Non-resident Indians (NRIs))++	1,95,869	23,88,848	45.22	-	-	7,67,667	22,20,111	52.10	-	-
	ESOP pool	127,889	-	2.24	-	-	127,889	-	2.23	-	-
	Sub -total (B)	5,71,579	45,00,369	88.74	-	-	16,42,071	34,29,877	88.44	1,63,224	2.84
	Grand Total	10,71,579	45,00,369	97.49	143,324	2.51	21,42,071	34,29,877	97.16	1,63,224	2.84

SUNDAE
Sundae Capital Advisors Private Limited
CIN: U65990DL2016PTC305412

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Janak Puri, New Delhi-110 058

Ph.: +91 11 4914 9740
E-mail: info@sundaecapital.com
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Annexure D

May 04, 2022

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

Subject: Report on fair valuation of shares of Shubham Housing Development Finance Company Limited

Dear Members,

This is in accordance with the terms of reference set out in our engagement letter (referred to as "EL"), wherein Sundae Capital Advisors Private Limited (referred to as "**Sundae**" or "**We**") has been requested by Shubham Housing Development Finance Company Limited ("SHDFCL" or "the Client") in relation to carrying out a valuation of shares of Shubham Housing Development Finance Company Limited (or the "**Company**").

INTRODUCTION: SUNDAE CAPITAL ADVISORS PRIVATE LIMITED

Sundae Capital Advisors Private Limited is registered with SEBI as Category I Merchant Banker "Merchant Banker" and with IBBI as Registered Valuer (Securities or Financial Assets) "Registered Valuer". We are engaged in providing Merchant Banking, Valuation, Corporate Advisory and Transaction services and Stock Incentive Plan Advisory services to our clients.

PURPOSE OF VALUATION AND APPOINTING AUTHORITY

With reference to discussion with Management of the Company, we have been appointed in the capacity of Registered Valuer to derive the fair value of Shares of the Company. We understand that the management requires the valuation report for the purpose of calculating fair value of its securities in terms of the provisions of provisions of Section 42 of the Companies Act, 2013 "CA-2013" and the rules issued thereunder for the proposed issuance of Optionally Convertible Debentures "OCDs" also this report can be relied upon by receiver, seller and issuer of shares along with their respective advisors/consultants.

BACKGROUND INFORMATION OF THE ASSET BEING VALUED

Shubham Housing Development Finance Company Limited incorporated on 23 February 2010. It is classified as non-govt company and is registered at Registrar of Companies, Delhi. Shubham is a leader in providing housing finance solutions to those with informal incomes. They are amongst the first organizations in India to transcend from document-based underwriting to customized credit programs for each customer and have become a leading home loan provider at low interest.

IBBI Regn. No.: IBBI/RV-E/03/2021/136

BASIS & PREMISE OF VALUE

This Valuation is based on "Fair Value" as at the Valuation Date and the Premise of Value is "Going concern".

The basis of value describes the type of value being measured and considers the perspectives of the parties to the assumed transaction.

The premise of value is driven by the purpose of the valuation and basis of value used, and generally falls into the following categories:

- A going concern premise is the most common premise of value; it presumes the continued use of the assets, and that the company would continue to operate as a business.
- An orderly or forced liquidation premise incorporates an in-exchange assumption (i.e., the assets are operated or sold individually or as a group, not as part of the existing business).

The generally accepted definition of "Fair Value" or "Market Value" is the value as applied between a hypothetical willing vendor and a hypothetical willing prudent buyer in an open market and with access to all relevant information.

DISCLOSURE AND VALUER INTEREST / CONFLICT

We do not have any interest or conflict of interest of any kind with the Company, with respect to the valuation being undertaken by us, except the shareholding of our Company / the Director signing this report in the Client as under:

Name	No. of shares held
Sundae Capital Advisors Private Limited	N/A
Sourabh Garg	N/A

Our fee for this assignment is based on the engagement with the Client and not contingent upon the result or the value of business or in any other manner.

DATE OF APPOINTMENT, VALUATION AND REPORT

Date of Appointment	April 27, 2022
Date of Valuation	March 31, 2022
Date of Report	May 04, 2022

SOURCE OF INFORMATION AND REPRESENTATIONS

For the purpose of deriving the fair value of Shares of the Company, we have relied on the discussions with the Management of the Company and the following information and documents made available to us:

- Audited Financials of the Company as on March 31, 2021
- Provisionals financial statements of the Company as on March 31, 2022
- Projected financials of the Company till FY 31.
- Shareholding on fully diluted basis as on Valuation date.

- Information and explanations given by management.
- Other information as available in public domain.

We have appropriately reviewed, obtained explanations and information considered reasonably necessary for exercise from the executives and representatives of the Company. We have also obtained explanations on the basis of key assumptions used in financial projections of the Company.

The Company has been provided with the opportunity to review the draft valuation report (excluding the fair value) for this engagement to make sure that factual inaccuracies are avoided in our final valuation report. Our analysis considers those facts and circumstances present at the Company at the valuation date. Our opinion would most likely to be different if another valuation date was used.

Further, this report is subject to the scope, assumptions, exclusions, caveats, limitations and **disclaimers** detailed hereinafter in Annexure A. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.

INSPECTIONS AND /OR INVESTIGATIONS UNDERTAKEN INCLUDES

- Analysis of the Company's historical operating results;
- Review of general financial market conditions, including those for its industry;
- Review of its website;
- Such other information we considered relevant to forming our opinion.

The investigation also included discussions with the Company's management concerning the history and nature of the business, its financial condition, and its future prospects. In the course of the study, we used financial and other information provided by the Company, or obtained from private and public sources we believe to be reliable. Our conclusions are dependent on such information being complete and accurate in all material respects. However, we have not examined such information and, accordingly, do not express an opinion or any other form of assurance thereon.

PROCEDURE ADOPTED IN CARRYING OUT THE VALUATION AND VALUATION STANDARDS

We performed the following procedures and relied upon International Valuation standards and ICAI Valuation Standards to arrive at the value of the Company

- Identified the nature of the business and reviewed the history of the Company.
- Researched the general economic outlook and the outlook for the specific industry at the date of the valuation.
- Collected the Company's relevant financial statements.
- Compared the Company's financial ratios and common-size financial statements to industry guideline data to identify any significant variances.
- In the absence of Audited Financials of the Company, the reports as provided by the management of the Company was relied upon.
- Developed risk-adjusted Capitalization and Discount Rates to apply to the Company's historic and projected earnings, respectively.

APPROACHES TO VALUATION

In developing the valuation, the three most common valuation approaches used globally are:

- Income (Income-based) approach
- Market (Market-based) approach
- Asset (Asset-based) approach (used for businesses, business ownership interests, and securities) or cost approach (used for intangible assets)

Income Approach

A general way of determining a value indication of a business, business ownership interest, security, or intangible asset by using one or more methods through which anticipated benefits are converted into value. Methods include discounted cash flow.

Market Approach

A general way of determining a value indication of a business, business ownership interest, security, or intangible asset by using one or more methods that compare the subject to similar businesses, business ownership interest, securities, or intangible assets that have been sold, or if shares are frequently trading, traded price of same can be considered. Methods include Peer trading multiple and frequently traded share price.

Asset Approach

A general way of determining a value indication of a business, business ownership interest, security, or intangible asset using one or more methods based on the value of the assets net of liabilities. Methods include net asset value.

SELECTION OF APPROACH AND VALUATION METHOD

With reference to discussion with management and explanations provided by them along with our assessment, keeping in mind the context and purpose of valuation, we considered DCF method (based on financial information prepared by the management of company) for valuation, as it captures the growth potential of business going forward and in case of entity with continuing operations on going concern basis value lies in future.

The calculation for the same is enclosed as Annexure B to this report. The said valuation is based on the generally accepted principles and methods followed internationally and on arms-length basis.

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CONCLUSION

Based on our analysis, as described in the valuation report, and subject to the assumptions presented herein, in our opinion the estimated fair value per share on fully diluted basis of the Company as on March 31, 2022 is **INR 2,829.04** (Indian Rupees Two Thousand Eight-Hundred Twenty-Nine and Paisa Four Only).

We have no obligation to update this report or our conclusion of value for information that comes to our attention after the date of report.

for ***Sundae Capital Advisors Private Limited***
(IBBI Regn. No IBBI/RV-E/03/2021/136)

Digitally signed by
SOURABH GARG
Date: 2022.05.04
17:26:24 +05'30'

Sourabh Garg
Director
Registered Valuer (S&FA)
Reg. No. IBBI/RV /03/2020/12806

Annexure A

Caveats, Limitations and Disclaimers

- This is only a valuation report and not to be used for undertaking any buy or sell decision.
- While carrying out the valuation We have relied upon and considered the information and representations made available by the management.
- We have assumed such representations to be reliable and our conclusions are dependent on such information being complete and accurate in all material respects and nothing has come to our attention to cause us to believe that the facts and data taken for the purpose are not correct. We neither required, nor have independently verified, or carried out a due diligence or detailed appraisal of the management's information, explanations and data submitted to us for the purpose of this valuation. We have reviewed these information & data for broad consistency.
- While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the client existing business records. Accordingly, we express no audit opinion or any other form of assurance on this information.
- The conclusion of value arrived at herein is based on the assumption that the current level of management expertise and effectiveness would continue to be maintained, and that the character and integrity of the enterprise through any sale, reorganization, exchange, or diminution of the owners' participation would not be materially or significantly changed. We do not provide assurance on the achievability of the results forecasted by the client because events and circumstances frequently do not occur as expected; differences between actual and expected results may be material; and achievement of the forecasted results is dependent on actions, plans, and assumptions of management.
- It has been confirmed to us that there are no events and / or demands, decisions - legal or otherwise against the company, which are likely to affect materially the state of the balances of accounts as on the valuation date and/or the future profits of the Companies.
- This report has been prepared on the understanding that the management has drawn our attention to all the matters concerning the company's financial position and other matters, which may have an impact on the company's future business.
- Our views are necessarily based on economic, market, and other conditions currently in effect, and the information made available to us, as of the date hereof. It should be understood that subsequent developments may affect our views and that we do not have any obligation to update, revise, or reaffirm the views expressed in the Report. Nothing contained within the Report is or should be relied upon as a promise or representation as to the future. Due to possible changes in market forces and circumstances, this valuation report can only be regarded as relevant as at the Valuation date.
- For the purpose of this assignment, we have not attempted a detailed due diligence review for various aspects i.e., commercial, operational, financial, legal, environmental, etc.
- We have not audited or carried out any detailed analysis of the profitability and cash flow projections as made available to us by the management.
- No investigation of the title of the assets and liens / encumbrances thereon has been made and owner's claim to the assets has been assumed to be valid.
- This report does not constitute an offer or invitation to any section of the public to subscribe for or to purchase any securities in or assets or liabilities of the above-mentioned companies.
- While we have provided the valuation report based on information available to us and within the scope of our limitations solely for the purpose as mentioned in the report. The decision to agree upon the final valuation lies solely with the Company.

- We have acted as independent entity for this engagement and will receive professional fees for our services. In the ordinary course of business, Sundae is engaged in merchant banking business including corporate advisory, re-structuring, etc and valuations. We may be providing various other unrelated independent professional advisory services to the Client in the ordinary course of our business.
- This report is confidential for use of the persons to whom it is issued and can be used and relied upon by other parties involved and may be produced before regulatory authorities, as may be required, in connection with the purpose outlined above. It must not be copied, disclosed, circulated or quoted without our prior consent for reasons other than mentioned in the Purpose section of this report.
- In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the client or companies, their directors, employees or agents, we have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context.
- The report assumes that the company complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the companies will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded/reflected in the balance sheet provided to me.
- We are fully aware that based on the opinion of value expressed in this report, We may be required to give testimony or attend court / judicial proceedings with regard to the subject assets, although it is out of scope of the assignment, unless specific arrangements to do so have been made in advance, or as otherwise required by law. In such event, the party seeking our evidence in the proceedings shall bear the cost/professional fee of attending court / judicial proceedings and our tendering evidence before such authority shall be under the applicable laws.
- The Fair Valuation have been performed on the basis of financial information provided by management. In the absence of financials as of the valuation date and based on representation given by the management, we have considered financials as on the last available financial statements as a base year for the valuation, valuation report may change post availability of financials as on the valuation date or such information.
- The valuation report is tempered by the exercise of judicious discretion by us and judgment taking into account the relevant factors. There will always be several factors, e.g., management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which may not be apparent from the Balance Sheet but could strongly influence the value.

Annexure B

All Figures in INR Crore

Particulars	FY23	FY24	FY25	FY26	FY27
Discounting Factor- Mid Year	0.50	1.50	2.50	3.50	4.50
PAT	80.26	143.06	256.40	392.21	610.48
Add: ESOP Expenses	6.08	6.26	6.59	1.86	4.77
Add: Depreciation	3.27	3.64	3.20	3.26	3.57
Capex	-6.40	-5.80	-6.79	-6.19	-5.94
Changes in Debt	780.53	1,488.70	2,826.72	2,153.35	2,811.02
Changes in Loans and Advances	-1,157.45	-1,702.80	-2,777.01	-4,008.70	-3,497.62
Changes in Non-Cash Working Capital	-50.10	46.72	-114.52	-17.11	171.02
FCFE	-343.81	-20.22	194.58	-1,481.32	97.30
Terminal value					
Discount Rate	16.90%	16.90%	16.90%	16.90%	16.90%
Discounting Factor- Mid Year	0.92	0.79	0.68	0.58	0.50
Discounted Cash flows	-317.99	-16.00	131.69	-857.63	48.19

Particulars	FY28	FY29	FY30	FY31	Sustainable Annualized Cash flows
			Perpetuity Growth %		5%
Discounting Factor- Mid Year	5.50	6.50	7.50	8.50	
PAT	812.27	1,034.70	1,372.24	1,914.02	2,161.77
Add: ESOP Expenses	5.73	6.87	8.25	9.90	9.90
Add: Depreciation	3.95	4.47	5.36	6.43	6.43
Capex	-6.53	-7.84	-8.62	-9.48	-6.43
Changes in Debt	4,736.71	5,617.39	6,452.06	8,768.79	8,700.00
Changes in Loans and Advances	-5,422.98	-6,323.68	-7,517.10	-10,084.45	-10,000.00
Changes in Non-Cash Working Capital	35.39	10.68	37.72	9.48	-
FCFE	164.54	342.58	349.90	614.70	871.67
Terminal value					7,324.95
Discount Rate	16.90%	16.90%	16.90%	16.90%	16.90%
Discounting Factor- Mid Year	0.42	0.36	0.31	0.27	0.27
Discounted Cash flows	69.71	124.16	108.48	163.02	1,942.59

Sum of Discounted Cash flows	1,396.22
Add: Cash	158.65
Add: Non-current investments (Investment in SR)	51.35
Add: Cash inflow on exercise of ESOPs	14.91
Add: Tax Benefit on Depreciation	1.37
Equity Value	1,622.50
Number of Shares in Fully diluted basis	57,35,172
Value per share (INR)	2,829.04

Calculation of Cost of Equity

Particulars	
Risk-Free Rate (Rf)	7.1%
Equity Risk Premium (Rp)	8.7%
Re- levered Beta (B)	0.90
Cost of Equity (A) = (Rf + Rp*(B))	14.9%
Company specific risk premium (C)	2.0%
Cost of Equity (D) = ((A)+(C))	16.9%

shubham

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 31.03.2022.

1. FINANCIAL RESULTS:

Brief summary of the audited financials of the Company for the year ended 31.03.2022:

(Figures in Rs. Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Revenue from Operations	346.87	336.55
Other Income	2.85	4.23
Total Income	**349.72**	**340.78**
Profit before Depreciation	**36.36**	**83.44**
Less: Depreciation	5.42	5.33
Profit after depreciation	30.94	78.11
Provision for Tax including Deferred Tax	6.03	17.33
Total Tax Expense	6.03	17.33
Profit after Tax	24.91	60.77

2. STATE OF COMPANY'S AFFAIRS:

Your Company faced many headwinds including due to business disruptions across housing finance industry brought in by the second wave of Covid-19 pandemic followed by localized lock-downs imposed by various States/Union Territories (UTs) during the Q1FY'22 and thereafter round the year. Increasing inflation and intense competitions from Banks and other larger NBFCs in affordable housing finance segment, where your Company operates, impacted profitability of the Company vis-à-vis previous year. Nevertheless, your Directors report that Company, driven by its strong management, continued sponsorship and professional expertise of institutional investors, has been able to record profits for the FY22 with PAT of Rs. 24.91 crores, after providing Rs. 6.03 crores for tax (FY21 PAT of Rs. 60.77 Crores after providing Rs. 17.33 Crores for tax).

Reserves and Surplus stood at Rs. 544.41 Crores (previous year Rs. 519.37 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 Company was poised to stage a come-back from the unprecedented impact of first wave of Covid 19 pandemic. But in Q1FY'22, came the second wave of pandemic followed by local lockdowns which not only impacted disbursements and loan book growth but also impacted collection efficiency as the borrowers cash flows were impacted which in turn led to weakening of

asset quality of the Company. However, as the impact of second wave of pandemic began to recede, Company started seeing improvement in business numbers and collection efficiency from end of June'21 onwards.

Company was able to offer some respite to the borrowers, who were reeling under the monetary impact of pandemic, under restructuring scheme 2.0 of the Company framed in line with Resolution framework 2.0 issued by RBI on 05.05.2021. Consequently, the Company's overall restructured portfolio increased to 1.6% of the AUM as on 31.03.2022. Besides coping up with the challenges on business front posed by pandemic, Company also ensured safety of its employees as well as their families. Company continued to serve the needs of un-served sections of society, being the core customer segment of Company, by activating its business continuity plan (BCP) and leveraging all its resources to ensure continuity of business by work from home. The business performance of the Company in H1FY'22 was muted due to impact of higher provisioning, dampening of collection efficiency and higher costs, which however was set straight in H2FY'22 through a slew of measures taken up by the Company to scale up its business performance.

5. DIVIDEND:

Your Directors do not recommend any dividend for the year ended 31.03.2022.

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. 4.98 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:

Company did not raise funds by issuing Non-Convertible Debentures (NCDs) during the year under review. However, the outstanding balance of principal under NCDs issued during previous years stood at Rs. 87.50 Crores of which NCDs amounting to Rs. 67.50 Crores are listed on Debt Segment of Bombay Stock Exchange as on 31.03.2022. The detailed break-up of NCDs as on 31.03.2022 and the ratings assigned by the rating agencies are as under:

S. No.	ISIN	Amount (in Crores)	Ratings	Listed/ Unlisted
1	INE967Q08021	37.50	[ICRA]A- (Stable)	Listed
2	INE967Q08013	20	[ICRA]A- (Stable)	Unlisted
3	INE967Q07023	10	[CRISIL]A- (Stable)	Listed
4	INE967Q07031	20	[CRISIL]A- (Stable)	Listed
Total				

The instruments with these ratings 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. The Company further affirm that

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

(b) The total amount in respect of such debentures remaining unclaimed or unpaid beyond the date referred to in above para (a) - Nil

b) Optionally Convertible Debentures (OCDs)

During the year under review, the Company did not raise funds by way of issuance of Convertible Debentures. However, the outstanding balance of principal under 8% Partly paid up Optionally Convertible Debentures (OCDs) issued to the Directors of the Company during previous years stood at Rs. 0.86 Crores as on 31.03.2022.

9. COMMERCIAL PAPERS:

During the period under review, Company tapped cheaper funds from the market by way of issue of Commercial Papers worth Rs. 115 Crores. Total outstanding balance under Commercial Paper (CPs) as on 31.03.2022 stood at Rs. 40 crores. The Company is regular in redemption of commercial papers and there was no instance of default(s) during the year under review. As on date, none of commercial paper is lying with the Company in respect of which redemption amount has not been claimed by the investors or not paid by the Company.

10. DEPOSITS:

Your Company is registered as a non-deposit taking Housing Finance Company with NHB and hence does not accept deposits. Company further confirms that no deposits were accepted from the public during the year under review. Company further affirms that:-

(a) the total number of accounts of public deposit of the company which have not been claimed by the depositors or not paid by the company after the date on which the deposit became due for repayment; and - N.A.

(b) the total amount due under such accounts remaining unclaimed or unpaid beyond the date referred to in above para (a). - N.A.

11. SHARE CAPITAL:

Authorized Share Capital

During the financial year under review, the Company has been able to successfully sign off certain binding agreements with institutional investors, namely, (i) Asian Development Bank (ii) British International Investment Plc (formerly known as CDC Group plc), (iii) Topaz Inclusion Pte. Ltd. And (iv) PI Opportunities Fund – I Scheme II to infuse funds to the tune of Rs. 600 crores by subscribing to the equity shares or compulsorily convertible preference shares of the Company.
Accordingly to accommodate fresh issue of shares to these investors, Company increased its authorized share capital from Rs. 7.5 Crores to Rs. 12.00 Crores, which as at 31.03.2022 stands divided into -

(i) 27,00,000 Equity Shares of Rs. 10/- each aggregating to Rs. 2,70,00,000;

(ii) 50,00,000 Compulsory Convertible Preference Shares (CCPS) of Rs. 10/- each aggregating to Rs. 5,00,00,000

(iii) 21,50,000 CCPS of Rs. 20/- each aggregating to Rs. 4,30,00,000/

Issued and Paid up Share Capital

Equity Shares

The issued and paid up equity share capital of the Company as at 31.03.2022 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 22.

Compulsorily Convertible Preference Shares

The issued and paid up preference share capital of the company as at 31.03.2022 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 22.

12. REFINANCE FROM NHB

As on 31.03.2022, the outstanding balance under refinance facility schemes of NHB stood at Rs. 307.92 Crores, which helped the Company to reduce cost of its incremental borrowings.

13. 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 Chandra, Director, 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.

Directors whose appointment was confirmed in AGM held in FY'22

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

Board appointed Mr. Manoj Dattatraya Rane as an Additional Director designated under Independent Director category to hold the office with effect from 11.11.2020 till the next AGM of the Company. Company in its next AGM held thereafter confirmed the appointment of Mr. Rane as an Independent Director to hold the office for a period of 5 years term effective from 11.11.2020 to 10.11.2025.

Directors who stepped down during the FY'22

(i) Cessation of Mr. Sandeep Marian Farias as a Non-Executive Director (Nominee of Helion, Investor)

Mr. Sandeep Marian Farias resigned as a Non-Executive Director (Nominee of Helion, Investor of the Company) w.e.f. the conclusion of the board meeting held on 16.09.2021. Board placed on record its sincere appreciation for the significant contributions made by Mr. Farias on the Board and on its various committees.

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).

14. 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.

15. 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.

16. AUDITORS:

Statutory Auditors

During the year under review, M/s S.R. Batliboi & Associates LLP, Chartered Accountants, (Firm Registration No. 101049W/E300004) resigned from the office of statutory auditors of the Company w.e.f. 16.08.2021 citing reasons that pursuant to guidelines No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated 27.04.2021 issued by RBI for appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs) of Commercial Banks, UCBs, and NBFCs (including HFCs) ("the RBI Auditors' Appointment Guidelines"), they are unable to continue as auditors of more than eight entities as specified therein and hence consequently had to resign as statutory auditors of the Company.

In order to fill such Casual vacancy caused in the office of statutory auditors, Company held Extra-Ordinary General Meeting on 27.08.2021 to appoint M/s MSKA & Associates, Chartered Accountants (Firm Registration No. 105047W) as statutory auditors to hold the office for financial year under review till conclusion of ensuing AGM of the Company. The statutory auditors, being eligible, is being proposed in the ensuing AGM for the re-appointment for remaining tenure of 2

years till the conclusion of 15th Annual General Meeting (AGM) of the Company to be held in the year 2024, subject to auditors satisfying eligibility norms as per the requirements of RBI Auditors' Appointment Guidelines.

The Report of Statutory Auditor on accounts and financial statements for Financial Year 2021-22, 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 22. Being eligible, they have been re-appointed for the FY 23.

The Report of Secretarial Auditor for FY 22 is annexed to this Report.

Internal Auditors

M/s S.S. Kothari Mehta & Co., Chartered Accountants, (Firm Registration No. 000756N), have been working as the Internal Auditors of the Company since April'15 and doing an excellent work. To maintain high standard of Corporate Governance standards, it was felt prudent to change the Internal Auditors of the Company for FY 23. Mandate was given to the management of the Company to recommend a new Internal Auditors of the Company for FY 23 and beyond, in consultation with the Audit Committee.

Auditor's qualification/reservation/adverse remark

Neither of the aforesaid statutory auditors and secretarial auditors have expressed any adverse qualification/ reservation/ remark in their Report for financial year 2021-22 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.

17. 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.

18. 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. Further it is confirmed that except as provided under notes to accounts and herein, none of the directors had any pecuniary relationship or transactions with the Company during the year under review. Company entered into shareholders' agreement

and certain other transaction documents executed on 24.12.2021 during Series E funds raise with promoters, being the whole time directors also and investors to which MOPE Investment Advisors Pvt. Ltd. is also a party whose Director Mr. Vishal Tulsyan is also a Director in the Company.

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

19. PARTICULARS OF EMPLOYEES:

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 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.

20. 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.

21. 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	13,370
Options Vested during the year	25,850
Options Exercised during the year	0
Total number of shares arising out of exercise of options	0
Options lapsed during the year	1000
Exercise Price	Rs. 10/- (ESOP 2013) & Rs. 1166/- (ESOP Scheme 2020)
Variation of Terms of Options	No
Money realized by exercise of Options	Nil
Total number of Options in force	1,34,324
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:	4800
(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

22. 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. 0.11 Crores/-

23. 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.

24. 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.

25. 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. 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.

26. 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 FY'22 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 : NIL
b) Number of complaints disposed of during the year : N.A.

c) Number of cases pending more than ninety days : N.A.
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 : N.A.

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.

27. 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.

28. EVALUATION

Pursuant to the provisions of the Act and Rules made thereunder, the Board carried out an annual evaluation of its own performance, Board's Committees and of individual Directors.

The performance evaluation of Non-Independent Directors, Board as a whole and that of Chairman, was carried out in Independent Directors' Meeting and of Independent Directors and Board's Committees 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 respectively. Its main objectives were 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.

29. NHB GUIDELINES

Your Company is having a valid NHB License for carrying on business of a Housing Finance Company. Company endeavors to ensure full compliance with RBI/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 RBI/NHB reports/returns, intimation of opening/closing (shifting/relocation) of branches, within the 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. Your Company satisfies the criteria of being a "Financial Institution" under SARFAESI Act notified by RBI in its notification dated 25.08.2021. Hence, being eligible, Company can take action against defaulting borrower(s) under SARFAESI Act.

Penalties imposed by NHB

No Fines/Penalties have been levied by the NHB/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/disbursed. 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, periodicity of which has been decided by the 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 31.03.2022	Previous Year ended 31.03.2021
1	No. of complaints pending at beginning of the year.	0	1
2	No. of Complaints received during the year.	45	37
3	No. of Complaints redressed during the year	44	38
4	No. of complaints pending at end of the year.	1	0

36. ANNUAL RETURN:

The Annual Return of the Company for the financial year ended 31.03.2022 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 have 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, 2022.

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 2022 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, RBI, 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: 18.05.2022

ANNEXURE TO THE DIRECTORS' REPORT
MANAGEMENT DISCUSION AND ANALYSIS REPORT

1. ECONOMY AND INDUSTRY OVERVIEW

[1]The Indian economy is estimated to grow by 9.2 percent in real terms in 2021-22 (as per first advanced estimates) after a contraction of 7.3 percent in 2020-21. The COVID-19 pandemic has affected the fastest growing economy in the world - the Indian economy and has derailed its growth trajectory.

The housing finance companies (HFCs), which were already facing growth moderation and asset quality woes brought upon by the first wave of Covid-19 ever since it started in March 2020 through November 2020, seemed poised for a rebound, when the second wave of Covid-19 hit hard in the first quarter of current fiscal, significantly impacting even the most resilient loan portfolios of Indian Banks and NBFCs across the retail segments. As the collection efficiencies dropped and borrowers' cash inflows were impacted during these times, the asset quality of most HFCs dropped sharply, besides registering dismal growth in loan book portfolio. However, business started bouncing back from the end of June 2021 onwards as the pick-up in economic activities, traction in demand in housing industry and relentless vaccination drives in the country helped stage a recovery from the shock of the second wave of Covid-19.

Earlier this fiscal year, the Supreme Court lifted the ban on classification and reporting of non-performing assets (NPAs) followed by RBI notification in April 2021 instructing all the HFCs to resort to the extant NPA classification and provisioning guidelines of RBI which ballooned further the already burgeoning stressed assets of HFCs. However, HFCs got some respite from RBI which came up with Resolution framework 2.0 on May 05, 2021 under which eligible borrower(s) were given relief through restructuring schemes of HFCs within the resolution framework of RBI and helped HFCs to contain their stressed assets to some extent. Then in later half of current fiscal, RBI issued a Circular on 12.11.2021 notifying the rules regarding classification and upgradation of NPA. The implementation of this circular was later on postponed till September 30, 2022. However, your Company has implemented the circular from Dec'21 onwards.

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

a) Extension of ECLGS up to March 2023.
b) Guarantee cover under ECLGS to be expanded Rs. 50,000 crores to total cover of Rs. 5 lakh crores.
c) Rs. 48,000 crores allocated for completion of 80 lakh houses in 2022-23 under PMAY.
d) Extension of the income tax rebate of Rs 1.5 lakh for affordable home loans till March 2022.
e) Historically low repo rates during FY'21 which helped HFCs to raise incremental borrowing(s) at cheaper rates.

Apart from sector specific initiatives, the Government is also thrusting on Production Linked Scheme and capital expenditure to boost employment, help housing infrastructure and enhance ease of doing business, among others. As per the RBI Governor's Statement released on February 10, 2022, capacity utilisation is rising, and the outlook on business and consumer confidence is optimistic, which should support investment as well as consumption demand besides government's thrust on capital expenditure and robust exports which eventually are casting projections of real GDP growth at 7.8% for FY 2022-23.

[1] Economic survey 2021-22

However, global spill overs in the form of protracted and intensifying geopolitical tensions; elevated commodity prices; COVID-19 related lockdowns or restrictions in some major economies; slowing external demand; and tightening Indian financial conditions on the back of monetary policy normalisation by RBI poses risks to the outlook.

Nonetheless, [2]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.

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

2. INDUSTRY STRUCTURE AND DEVELOPMENTS

Housing finance market in India 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
- Ability of HFCs to recover from accounts restructured within RBI's resolution framework 1.0 & 2.0.
- Ability to improve profitability while containing the impact of pandemic.
- Ability to contain Covid-19 induced further slippages by those HFCs who are in affordable housing, like ours, whose customer segment is highly vulnerable.

Regulatory Structure & Developments

Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and other regulations issued by RBI, by and large, regulates the HFCs. However, responsibility of enforcement of RBI regulations lies with the NHB through its routine inspections of HFCs. Hence, it can be said that for HFCs, there is two-fold regulatory structure, i.e., RBI and NHB.

[2] Source: ICRA press release 17.02.2021 on affordable housing finance

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

- 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.
- Deferment of implementation of rules of NPA up-gradation enumerated in Circular dated 12.11.2021 until September 30, 2022.
- Scale based Regulations (SBR) to be effective from October 01, 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:

The housing sector is set for robust growth with a slight turnaround in consumer sentiment, which has been hit by Covid-19. After the second wave of the Covid-19 pandemic- started receding, Housing Loans witnessed revival– pent-up demand, lower interest rates, favourable government incentives and discounts from developers, helped in the sector's growth. [3] 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.

Further, tighter norms introduced by RBI on capital adequacy, NPA up-gradation and provisioning requirements will remove weaker NBFCs/HFCs, leaving the NBFCs/HFCs strongly poised to tap cheaper funds to compete in the industry. Shubham Housing has demonstrated its ability in the past to raise cheaper funds even in challenging times. Shubham in Dec'21 has executed binding agreements with some new institutional investors to tap equity funds which shall give it further impetus to scale up its operations as well as a cushion to absorb any shock which may unfold during uncertain times.

Post equity funds infusion, Shubham can leverage its increased liquidity to unflinchingly disburse funds in this highly competitive market and acquire a bigger share in the market.

Threats:

Some HFCs cater largely to the economically weaker sections and lower to middle-income borrowers who, having low income buffers, are vulnerable to economic shocks. With the Covid-19-induced disruptions impacting the cash flows of some borrowers, some HFCs may see higher vulnerability of their portfolio and higher volatility in delinquencies especially in softer buckets, consequently keeping them on their toes to keep extra buffer. The higher work force to keep increased diligence on portfolio and stress resolution can increase the operational costs of the HFCs, given the repeated waves of Covid-19 occurring intermittently.

[3] Source article published in financial express on 20.05.2021

Company expects 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 life to date, aggregated to ₹ 5104 Cr. (₹ 4100 Cr. at end of the previous financial year) – mainly to middle and lower income urban families who are generally excluded from the mainstream banking sector. The AUM was ₹ 2269.63 Crs. (₹ 1938.61 Cr. at end of the previous financial year) as per 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.

The Company had 1525 loan accounts as on year end - 31.03.2022 - which were classified as non-performing assets ("NPAs") per the prudential guidelines issued by the NHB. The amount of such Gross NPAs was ₹ 81.41 Crores (PY ₹ 42.46 Crores) which was 3.59% (PY 2.19%) of the AUM as at March 31, 2022. The Company has created necessary provisions in accordance with the NHB Directions, after which Net NPAs stood at ₹ 55.79 Crores (PY ₹ 27.59 Crores) and 2.46 % (PY 1.43%) of the AUM as at 31.03.2022. 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 is likely to improve in the FY 2023.

In terms of portfolio quality, the Company had 1525 loan accounts as on year end - 31.03.2022 - which were classified as non-performing assets ("NPAs") per the prudential guidelines issued by the NHB. The amount of such Gross NPAs was ₹ 81.41 Crores (PY ₹ 42.46 Crores) which was 3.59% (PY 2.19%) of the total loan portfolio of the Company as at March 31, 2022. The Company has created necessary provisions in accordance with the NHB Directions, after which Net NPAs stood at ₹ 55.79 Crores (PY ₹ 27.59 Crores) and 2.46 % (PY 1.43%) of the total loan portfolio as at 31.03.2022. 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 -19 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 ₹ 549.85 Crores (PY ₹ 524.82 Crores). However, your Company has signed binding agreements with (i) Asian Development Bank (ii) British International Investment Plc (formerly known as CDC Group plc), (iii) Topaz Inclusion Pte. Ltd. And (iv) PI Opportunities Fund – I Scheme II to infuse funds to tune of Rs. 600 crores by subscribing to equity shares and instruments convertible into equity shares of the Company.

Your Company enjoys the patronage from various lending partners which includes the State Bank of India, largest nationalized bank, HDFC Ltd, leading private sector housing finance provider, HDFC Bank, Kotak Mahindra Bank, Axis Bank, DCB Bank, Yes Bank, etc., leading private sector commercial banks and National Housing Bank under its various refinance schemes. 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 lenders 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 36.97 % of risk weighted assets, as against the minimum requirement of 15%.

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, 2022 the Company had INR 1800 crores of debt on its balance sheet. During the year under review, the Company managed to successfully raise INR 994 Crores from leading private banks, public sector banks, financial institutions and NHB through borrowings and INR 24.01 crores through sale of its loan receivables (direct assignment). The Company's cost of funds also declined from 9.93% in FY'21 to 9% in FY'22.

5. OUTLOOK

The outbreak of second wave of COVID-19 pandemic in Q1FY'22 and the resultant lockdown and halt to economic activities, disrupted the Company's business mainly in terms of fresh loan disbursements and increased delinquencies as the borrowers' cash flows, who were already reeling under the pressure of first pandemic wave, were severely impacted.

However, with the second wave of pandemic receding and pick-up in the economic activities coupled with relentless vaccination drives in the Country, boosted consumer confidence which reinforced motivation in workforce ably led by resilient leadership, Company witnessed good recovery in its business during the second half of FY'22 and same momentum is expected to continue in FY'23 as well. Company's strong liquidity position and onboarding of big institutional investors, namely, (i) Asian Development Bank (ii) British International Investment Plc (formerly known as CDC Group plc), (iii) Topaz Inclusion Pte. Ltd. And (iv) PI Opportunities Fund – I Scheme II during FY'23 will lay the strong foundation for the Company in the coming years. The Company disbursed loans amounting to Rs. 975.83 Crores (PY Rs. 808.55 Crores). The Company expects to further improve its performance in FY'23.

The Company has leveraged technology 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 the 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, 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 FY'22

The financial performance during the period under review, is as under:

i. Company earned an income of Rs. 346.87 Crores from its operations (PY Rs. 336.55 crores).
ii. Company made a profit before tax (PBT) of Rs. 30.94 Crore (PY Rs. 78.11 Crores).
iii. After providing Rs. 6.03 Crores for tax, net profit after tax (PAT) of the company is Rs. 24.91 Crore (PY Rs. 60.77 Crores, after providing Rs. 17.34 Crores for tax).
iv. Reserves and Surplus as at 31.03.2022 for Company is Rs. 544.41 Crores (PY Rs. 519.38 Crores). Company has transferred Rs. 4.98 Crores to Special Reserve u/s 29C of NHB Act.
v. Company has availed of Rs. 124 Crores from NHB as refinance under regular refinance scheme of NHB and Rs. 50 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 2022, the assets under management grew by about 17.08 % over FY21 (as per owned loans prepared in terms of IndAS). The number of active loans grew by over 10.39%. The business has witnessed a disbursement momentum of more than Rs. 100 crores per month Dec 2021 onwards and achieved high monthly disbursement of Rs. 151.27 crores in the month of March 2022.

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 through the various stages of the pandemic after our experienced risk & credit policy leaders conducted exhaustive research and impact assessment of COVID-19, associated lockdowns and subsequent unlocking phases on various industry and portfolio segments. Credit policy advisory has been published to origination teams on a regular and frequent basis incorporating modifications commensurate with changes 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 second wave of the COVID-19 pandemic did cause an increase in portfolio delinquency, the expertise and strength of our collections, recovery, sales and service teams combined with the superior quality of our recent portfolio ensured that we staged a far speedier recovery than what we achieved the previous year and ended the year with a collection efficiency in excess of 98% thus surpassing pre-COVID levels.

Company ended the year with a NNPA of 2.46 % and continues to follow a provisioning policy that is highly prudent. Company has adopted the revised definition of NPA as per the Reserve Bank of India's guidelines issued in November 2021 in its expected credit loss methodology for provisions and maintained a healthy provision coverage ratio of 45%.

Asset Liability Management:

Even before the beginning of covid-19 pandemic, NBFC/HFC sector has been facing headwinds, having to negotiate through the liquidity squeeze triggered by the IL&FS default. Then, the COVID-19 pandemic and the resulting worsening macro-economic environment posed new challenges. However, 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 157 Crores in cash, bank balances and liquid investments as on March 31, 2022. 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 these uncertain times.

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. 1800 Crores as on 31 March 2022. 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 7 days and 8 to 14 days and 15 to 30/31 days individually, and cumulative mismatch up to 1-year bucket under the extant NHB norms. Its liquid investments as on 31 March 2022 were Rs.70.4 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 enriched from time to time. The manual intervention has been initiated to enhance information accuracy, reduce rework, eliminate process duplication, rationalize turnaround time in responding to loan requests and strengthen 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. Specialized Training and Development Department, headed by a senior officer, setup 4-5 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.

The number of permanent employees on the rolls of Company as on 31.03.2022 was 2026.

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: 18.05.2022

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 its 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. In addition, the Company has, inter-alia, adopted a Policy against Sexual Harassment in the Workplace, a Fit and Proper Policy for ascertaining the fit and proper criteria of the directors, an Anti-Bribery and Anti-Corruption Policy, an Anti Money Laundering Policy, a Gifts and Hospitality Policy, Code of Conduct for employees and Vigil Mechanism to enhance the levels of Corporate Governance in the Company. This 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 and other applicable statutory Guidelines.

A step towards Environment, Social and Governance

Shubham Housing, being one of the earlier entrants in the affordable housing space, has been at the forefront of bringing the underserved segment to the formal credit fold. At Shubham Housing, we realized that there is a huge population that has the ability to pay but cannot evidence that on paper. Through our innovative underwriting mechanisms, digital first processes, strong risk parameters and a diversified distribution, we have been able to disburse loans to 60,000+ customers amounting to over Rs. 5000 crores life to date till March 2022. We are committed to providing housing finance solutions to millions of Indians and ensuring that they build better lives through our products and services.

As a growing business we are cognizant of the importance of Environmental and Social elements in our business operations. This is gaining immense traction amongst businesses that care, incorporating practices that address the triple bottom line of people, planet, and profit.

By taking a loan from Shubham, our customers aspire to build a better life for themselves and their families. They do this through a) better living standards, b) access to quality education, c) access to better sanitation, d) better financial management. Through our business model, Shubham is

directly or indirectly contributing to the following UN Sustainable Development Goals (SDGs) – 1) No Poverty, 3) Good Health and Well Being, 4) Quality Education, 6) Clean Water and Sanitation, 8) Decent Work and Economic Growth, 11) Sustainable Cities and Communities.

We have always been a financially inclusive organization. In FY 22, our portfolio to lower income segment groups[4] stood at 75%, while our annual disbursements to them was at 67%. This goes to show the growing appetite of lower income households in purchasing an asset class that was traditionally unavailable to them. This also allows more households to start building their Bureau score history that further enables them to secure other types of loans. The importance of this cannot be undermined given that 20% of our customers are New to Credit[5]

Women empowerment is one of the key priorities for sustainable and inclusive development. At Shubham, we pride ourselves in having 92% of women customers[6] in our Portfolio as of FY 22 and 91% of new loans disbursed in FY 22 were to women borrowers. We will continue to make efforts and promote women-based applications through our special programs and activities.

We have always invested in Digital enabled tools that benefit our customers and our internal processes. In FY 22, a perfect example of digitization that also reduces our carbon footprint was the digitization of our Customer Welcome Kit. We stopped using paper-based kits that were sent to customers post disbursal and instead shifted to sharing Welcome Kits through WhatsApp. This has led to the saving of 1,30,000 sheets of paper. We have also digitized our annual Statement of Accounts, annual Interest Certificates and some other Letters. These cumulatively have led to the saving of 2,45,000 sheets of paper. In addition, this has also reduced our distribution cost through post.

We have minimized our energy use in our Corporate Office at Gurgaon by installing Solar rooftop Panels. Our monthly consumption has reduced by ~7900 units (KWH). This translates to a reduction in dependency on the power company by ~35%. During the period of Aug ’21 – Mar ’22, we had also given excess units generated from solar back to the power company. We as an organization are powering our way towards a greener future.

We also conduct regular informational programs on specific days such as Earth Day, World Water Day, World Heart Day, World Health Day, Nutrition Week. We have ensured that we are compliant on Fire Safety and that our people are adequately trained.

Furthermore, for our employee safety and security, we have provided an in-built Life Insurance cover that is 5 times their annual compensation. The company also contributes a portion of the Health Insurance premium of our employees. During the pandemic, we also ensured that regular trainings and safety requirements were imparted to ensure the security of our staff. All our branches are sanitized regularly.

In a growing organization, e- waste management needs to be addressed through an E-waste management policy. Through the implementation of this policy, we have safely handled and disposed of 445 kg of e-waste. This is done through a certified organization that specialize in e-waste disposal.

To ensure our operations are further integrated with our Environmental and Social goals, we have developed an Environment and Social Management System that we intend to implement in the

[4] EWS and LIG customers

[5] Based on average Credit Bureau match rate in the last 12 months

[6] Where women are either the main applicant or co-applicant

coming financial year. This shows our commitment in ensuring that our loans and our customers are contributing positively towards the external environment.

While we have initiated our Environmental and Social journey, Shubham is committed towards bringing best practices on board that impact the lives of our stakeholders in the most sustainable way. We are building a responsible and inclusive business portfolio by financing customers who are building the next phase of their lives, ensuring the wellbeing of our employees and contributing to society through our CSR initiatives. Our focus will continue to be on building a business that brings value to all our stakeholders.

2. BOARD OF DIRECTORS

Composition and size of the Board:

The Board of Directors comprises of Ten Directors, 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 eight non-executive Directors, four are Independent Directors. The Independent Directors have confirmed that they satisfy the criteria prescribed for an Independent Director as stipulated under the provisions of the Section 149(6) of the Companies Act, 2013 and rules made under Companies (Appointment and Qualification of Directors) Rules, 2014. Except as disclosed in Notes to Accounts, none of the Directors have any pecuniary relationships. 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 31.03.2022 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, Promoter and WTD. Re-appointed on 23.02.2010.
2. Ms. Rupa Basu : Promoter and WTD. Appointed on 13.11.2018.
NON-EXECUTIVE DIRECTORS (NOMINEE DIRECTORS)
1. Mr. Rahul Chandra : Re-appointed on 18.04.2012
2. Mr. Rahul Garg : Appointed on 24.01.2018
3. Mr. Vishal Tulsyan : Appointed on 13.11.2018
4. 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 and Chief Financial Officer. Members of the Senior Management team are invited in the meetings to provide additional information and clarification, if required. During the FY 2021-22, seven (7) 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.

Meetings of Board during the financial year ended 31.03.2022 were held as follows:

Sr. No.	Date of Meeting	Directors as on the date of Meeting (Nos.)	Directors present (Nos.)
1	26.05.2021	11	11
2	16.09.2021	11	10
3	27.09.2021	10	5
4	13.11.2021	10	8
5	20.12.2021	10	8
6	25.01.2022	10	6
7	11.02.2022	10	9

Board Meeting wise attendance of each director during the financial year ended 31.03.2022 given as follows:-

Name of Director	Board Meetings held (Nos.)	Board Meeting attended (Nos.)*
Executive Directors		
Mr. Sanjay Chaturvedi	7	7
Ms. Rupa Basu	7	7
Non-Executive Directors (Nominee Directors)		
Mr. Sandeep Marian Farias*	2	2
Mr. Rahul Chandra	7	6
Mr. Vishal Tulsyan	7	2
Mr. Rahul Garg	7	5
Mr. Manoj Jaiswal	7	6
Non-Executive & Independent Directors		
Mr. Vinod Rai	7	6
Mr. Rakesh Rewari	7	5
Ms. Latika Thukral	7	6
Mr. Manoj Dattatraya Rane	7	5

****Mr. Sandeep Marian Farias, Nominee Director of Elevar Equity (Selling Investor in Series E Funds raise round), resigned from the directorship of the Company w.e.f. the conclusion of Board meeting dated 16.09.2021.***

As per the requirement of Schedule IV of the Companies Act, 2013, during the year under review, a separate meeting of the independent directors of the Company was held on 28.03.2022 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, considering 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 as may be fixed by the Board from time to time, is paid to the Independent Directors for the 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 the 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 Chandra, Nominee of Helion Ventures (Investor of the Company), being longest in office, shall retire by rotation at the ensuing Annual General Meeting (AGM) and, being eligible, offer himself for re-appointment.

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

Mr. Rahul Chandra-
Mr. Rahul Chandra was re-appointed as a Non-Executive Director of the Company w.e.f., 18.04.2012.

Mr. Rahul Chandra is a nominee Director of the Company. He has more than 20 years of venture capital investing and corporate development experience in technology product and services companies in India and the US. He serves on the Boards of Seclore, UnitedLex, Netambit, Mindworks and manages investments in Cucumber Town, EzeTap, Spandana and Equitas. Between 2000 and 2006, Rahul was based in Silicon Valley as part of the investment team at Walden International, a global venture capital firm with more than $2B under management. Between 2004 and 2005 he also led the M&A efforts at e4e Inc., a Santa Clara, CA based BPO company with more than 4,000 employees across the globe. Mr. Rahul started Venture Capital investing in 1996 in India as the first hire at Walden's India office. In this role he managed investments for Walden's India dedicated Fund between 1996 and 2000. Mr. Chandra has an MBA from University of California, Berkeley and graduated from Birla Institute of Technology & Science, Pilani in 1993.

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 nine (9) 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,
VIII. Review Committee and
IX. 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 auditors 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.
- ✓ Audit report with specific reference to qualifications therein, if any.

(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) monitoring the end use of funds raised through public offers and related matters

(viii) Reviewing, with the management, performance of auditors, and their independence and adequacy of the internal control systems and effectiveness of audit process.

(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/Vigil Mechanism, in case the same is exists.

(xv) Review of KYC policy, procedure and mechanism of the company and ensure compliance of the company with Statutory KYC Guidelines.

(xvi) Further, the Audit Committee shall mandatorily review the following information

- ✓ Management discussion and analysis of financial condition and results of operations;

- ✓ Statement of related party transactions (as defined under the provisions of Companies Act, 2013), submitted by management;
- ✓ Management letters / letters of internal control weaknesses issued by the statutory auditors;
- ✓ Internal audit reports relating to internal control weaknesses;
- ✓ Transactions of Inter-corporate loans and investments, if any.
- ✓ Valuation of undertakings or assets of the company, wherever it is necessary

(xvii) 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 27.05.2021, 16.09.2021, 13.11.2021 and 11.02.2022. 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 31.03.2022 are given below:

Name of the Members	Designation	Category of Directorship	Meetings held (Nos.)	Meetings attended (Nos.)
Mr. Rakesh Rewari	Chairman	Independent Director	4	4
Mr. Rahul Garg	Member	Non-Executive Director	4	4
Mr. Vinod Rai	Member	Independent Director	4	2

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 27.05.2021, 19.08.2021, 18.11.2021 and 10.02.2022. Constitution of the Assets Liability Management Committee and attendance details during the financial year ended 31.03.2022 are given below:

Name of the Members	Designation	Category of Directorship	Meetings held (Nos.)	Meetings attended (Nos.)
Mr. Sanjay Chaturvedi	Chairman	Executive Director	4	4
Mr. Rakesh Rewari	Member	Independent Director	4	4
Mr. Rahul Chandra	Member	Non-Executive Director	4	4
Mr. Manoj Jaiswal [1]	Member	Non-Executive Director	3	2
Mr. Manoj Dattatraya Rane [2]	Member	Independent Director	3	3

[1] ***Mr. Manoj Jaiswal was appointed as a member of the committee w.e.f. Board Meeting dated 28.05.2021.***

[2] ***Mr. Manoj Dattatraya Rane was appointed as a member of the committee w.e.f. Board Meeting dated 28.05.2021.***

III. Anti-Sexual Harassment Committee

The Company is committed to uphold and maintain the dignity of women, whether these are Company's own woman employees (permanent, contractual, temporary, trainees) or women working on the rolls of third party providing services to the Company or the women customers of the Company. Towards this end, Company has laid down a policy called 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. The Policy provides for protection of women against the incidence of sexual harassment at workplace and redressal of such complaints. Under the policy, Company has constituted an Anti-Sexual Harassment Committee ["Internal Complaints Committee" (ICC)] at Head Office and its sub-committee(s), namely Sub-Committee (West) and Sub-Committee (North) to institutionalize and redress complaints regarding sexual harassment at all levels.

During the period under review, this Committee met 4 times on 20.04.2021, 29.09.2021, 22.12.2021 and 29.03.2022.

Terms of Reference

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

- ✓ To address all cases/complaints of alleged sexual harassment occurring at workplace.
- ✓ 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	Designation	Meetings held (Nos.)	Meetings attended (Nos.)
Head- Credit & Service[1]	Chairperson	01	01
Woman Executive Director[2]	Chairperson	03	03
HR Head[3]	Member	03	03

Senior Manager HR-OD[4]	Member	01	01
Head- Risk Containment Unit (Member)	Member	04	04
NGO Member and Social Worker	Member	04	04

[1] Head- Credit & Service was appointed as Member and Chairperson of the Committee wef 07.02.2022

[2] Woman Executive owing to the expiry of tenure ceased to be the member of the Committee & consequently the Chairperson of the Committee wef 07.02.2022.

[3] HR-Head owing to the expiry of tenure ceased to be the member of the Committee wef 07.02.2022.

[4] Senior Manager HR- OD was appointed as Member of the Committee wef 07.02.2022.

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

- ✓ **No. of Complaints received** **:** NIL
- ✓ **No. of Complaints disposed off** **:** NA

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 borrow funds from Banks/Institutions within the overall limits set by the board of directors/shareholders.
- ✓ To open/close bank accounts, addition/deletion of signatories thereof and other matters related thereto.
- ✓ To assign, sell or otherwise dispose off the loan receivables of the Company by Direct assignment, Securitization or any other manner within the threshold limit as approved by the Board/Shareholders.

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

During the period under review, the Banking & Borrowing Committee met 16 times on 21.05.2021, 17.06.2021, 23.06.2021, 14.07.2021, 18.08.2021, 09.09.2021, 23.09.2021, 29.09.2021, 20.10.2021, 23.11.2021, 13.12.2021, 28.12.2021, 14.02.2022, 09.03.2022, 19.03.2022 and 30.03.2022. Constitution of the Banking & Borrowing Committee and attendance details during the financial year ended 31.03.2022 are given below:

Name of the Members	Designation	Category of Directorship	Meetings held (Nos.)	Meetings attended (Nos.)
Mr. Sanjay Chaturvedi	Chairman	Executive Director	16	16

Ms. Rupa Basu	Member	Executive Director	16	16
Mr. Rahul Chandra	Member	Non-Executive Director	16	0

V. Corporate Social Responsibility Committee (CSR Committee)

The Corporate Social Responsibility (CSR) committee monitors implementation of the CSR Policy and apprises the Board accordingly. The CSR budget of the company and actual spent on CSR activity during the FY22 is enclosed hereto in CSR report of the Company.

Terms of Reference

The terms of reference for the CSR Committee include:

- ✓ To formulate and recommend to the Board of Directors the CSR Policy and activities to be undertaken thereunder.
- ✓ To approve and recommend to Board of Directors the CSR Projects to be undertaken
- ✓ To recommend allocation of amount of expenditure amongst CSR projects.
- ✓ To monitor utilization of CSR funds disbursed amongst projects.

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

During the period under review, the CSR Committee met 1 time on 11.02.2022. Constitution of the CSR Committee and attendance details during the financial year ended 31.03.2022 are given below:

Name of the Member	Designation	Category of Directorship	Meetings held (Nos.)	Meetings attended (Nos.)
Mr. Sanjay Chaturvedi	Member	Executive Director	1	1
Mr. Sandeep Marian Farias*	Member	Non-Executive Director	0	N.A.
Ms. Rupa Basu	Chairperson	Executive Director	1	1
Ms. Latika Thukral	Member	Independent Director	1	1

**** Mr. Sandeep Marian Farias, Nominee Director of Elevar Equity (the selling investor in Series E Funds raise round) ceased to be the member of the committee w.e.f. 16.09.2021***

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 16.07.2021 and 14.01.2022.

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.
- Reviewing of IT related outsourced activities.
- Other IT governance items like BCP drill, IS Audit, etc.

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

Name of the Member	Designation	Category of Directorship	Meetings held (Nos.)	Meetings attended (Nos.)
Mr. Rahul Chandra	Member	Non-Executive Director	2	2
Ms. Rupa Basu	Member	Executive Director	2	2
Mr. Sanjay Chaturvedi	Member	Executive Director	2	2
Mr. Rakesh Rewari	Chairman	Independent Director	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 08.09.2021 and 10.02.2022. Constitution of the Risk Management Committee and attendance details during the financial year ended 31.03.2022 are given below:

Name of the Members	Designation	Category of Directorship	Meetings held (Nos.)	Meetings attended (Nos.)

Mr. Vinod Rai	Chairman	Independent Director	2	2
Mr. Sanjay Chaturvedi	Member	Executive Director	2	2
Ms. Rupa Basu	Member	Executive Director	2	2
Mr. Rahul Garg	Member	Non-Executive Director	2	1

VIII. REVIEW COMMITTEE

The Company has set up Review Committee to identify the willful defaulters and to take appropriate action against them.

Terms of Reference

The terms of reference for the Review Committee includes:

- ✓ To review the order passed by the Identification Committee and decide whether to declare the party to be a willful defaulter
- ✓ To approve for the appropriate penal action including initiating criminal proceedings based on the facts of individual case if required

Details of the composition of the Review Committee and attendance:

During the period under review, the Review Committee was not required to hold its meeting as no case was identified as willful defaulter by the Identification Committee for being reviewed by the Review Committee.

Name of the Members	Designation	Category of Directorship	Meetings held (Nos.)	Meetings attended (Nos.)
Mr. Sanjay Chaturvedi	Chairman	Executive Director	0	NA
Mr. Rahul Garg	Member	Non-Executive Director	0	NA
Ms. Latika Thukral	Member	Independent Director	0	NA

IX. 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 2 times on 27.05.2021 and 17.09.2021. Constitution of the Committee and attendance details during the financial year ended 31.03.2022 are given below:

Name of the Members	Designation	Category of Directorship	Meetings held (Nos.)	Meetings attended (Nos.)
Mr. Vinod Rai	Member	Independent Director	2	2
Mr. Sandeep Marian Farias [1]	Member	Non-Executive Director	1	1
Mr. Rahul Garg [2]	Member	Non-Executive Director	1	1
Ms. Latika Thukral	Member	Independent Director	2	2
Mr. Rahul Chandra	Member	Non-Executive Director	2	2

[1] Mr. Sandeep Marian Farias ceased to be the member of the Committee w.e.f. 16.09.2021.
[2] Mr. Rahul Chandra was appointed as member of the committee w.e.f. 28.05.2021.

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.

3. 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 March 28, 2022, 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.

4. RELATED PARTY TRANSACTION POLICY

The policy on the related party transactions is annexed herewith.

5. CODE OF CONDUCT:

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

6. DISCLOSURES UNDER SECTION II OF PART II OF SCHEDULE V

(i) all elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the Directors;

S. No.	Name of Director	Salary	Benefits	Bonuses	Stock Options	Pensions	Other Particulars
		(₹ in crores)					
1.	Mr. Sanjay Chaturvedi	1.75	0.011	0.31	Nil	Nil	Nil
2.	Ms. Rupa Basu	1.72	0.011	0.31	Nil	Nil	Nil

(ii) details of fixed component. and performance linked incentives along with the performance criteria;

S. No.	Name of Director	Fixed Component	Performance Linked Incentives	Performance Criteria
1.	Mr. Sanjay Chaturvedi	1.75	0.31	Linked Company's performance on all parameters
2.	Ms. Rupa Basu	1.75	0.31	Linked Company's performance on all parameters

(iii) service contracts, notice period, severance fees; and

S. No.	Name of Director	Service Contracts	Notice Period	Severance fees
1.	Mr. Sanjay Chaturvedi	Executed	90 days	Nil
2.	Ms. Rupa Basu	Executed	90 days	Nil

(iv) stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

S. No.	Name of Director	No. of Stock Options (Granted/Vested/Exercised)	Details
1.	Mr. Sanjay Chaturvedi	Nil	N.A.
2.	Ms. Rupa Basu	Nil	N.A.

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 website (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 31.03.2022. 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 30.09.2021 in Board Meeting dated 13.11.2021 and thereafter started approving quarterly and year to date financial results from Dec.'21 quarter onwards. 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	**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: 18.05.2022

ANNEXURE TO THE DIRECTORS' REPORT
DISCLOSURES UNDER RULE 5 OF COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

I. Names of the top ten employees in terms of remuneration drawn:*

Names of person	Designation of Employee	Remuneration received (Amount in ₹) in crores	Qualifications of employee	Experience of employee (in years)	Date of commencement employment	Age of the employee (YY.MM)	Last employment held by the employee before joining the company	the percentage of equity shares held by the employee in the company
Sanjay Chaturvedi	CEO	2.08	Post Graduation	34	01-Aug-10	57.3	Reliance Retail	NIL
Rupa Basu	Executive Director	2.04	ACA	26	30-Sep-15	51.9	India Mortgage Guarantee Corporation Pvt. Ltd.	NIL
Rajesh Sood	COO	1.52	Post Graduation-Marketing & Finance IIM Lucknow	30	01-Oct-19	53.8	DHFL Pramerica Life Insurance Co. Ltd	NIL
Shashank Jain	CFO	1.16	CA, CS, Alumni - Kellogg School of Management	39.6	16-Nov-15	61.9	GVK Group	NIL
Sanjeev Mittal	Chief Business Officer	0.96	LLB/PGCBM	31.3	24-Feb-15	52.0	RAAS HOUSING FINANCE INDIA PVT LTD	NIL
Anil Rathore	Head-HR	0.63	PGDBA	36	08-May-18	56.5	Indiabulls	NIL

Jagrit Joshi	National Sales Head	0.67	PGDM/ PGDMM	19.1	25-Jul-16	40.8	DHFL	NIL
Manjari Jhingran	Head of Credit & Service	0.49	Indian Institute of Finance/ PGDBF, Finance	21.8	15-Sep-10	47.1	GE Money	NIL
Nishant Bansal	Head - Operations & Collections	0.45	Graduation-Commerce/ Hotel Management (IHMCT&N, GOI)	22.6	17-Sep-12	46.0	Tech Process	NIL
Tejbir Singh	Head-Finance, Accounts & Taxation	0.41	CA	14.2	18-Mar-14	38.9	Rico Auto Industries Ltd	NIL

***Nature of employment, whether contractual or otherwise:- Each of the employee is holding permanent employment**
***None of the employee is a relative of any director or manager of the company.**

II. Name of every employee who-

a) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees;

Mentioned in above table

b) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month;

NIL

c) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

NIL

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

At Shubham Housing, we intend to make a positive difference to society and contribute our share towards the social cause for betterment of society.

The Company's Corporate Social Responsibility Policy ("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	Meetings held during the year (Nos.)	Meetings attended during the year (Nos.)
1	Ms. Rupa Basu	Executive Director	1	1
2	Mr. Sanjay Chaturvedi	Executive Director	1	1
3.	Mr. Sandeep Marian Farias	Non-Executive Director	0	N.A.
4.	Ms. Latika Thukral	Independent Director	1	1

[1] **Mr. Sandeep Marian Farias, Nominee Director of Elevar Equity (the selling investor in Series E Funds raise round) resigned wef 16.09.2021**

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. 46,00,95,616 /-.

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	92,01,912/-	Nil	Nil	92,01,912/-

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 2021-22	Amount	Date of Transfer	Name of the fund	Amount	Date of Transfer
Rs. 92,68,400/-	-	-	-	-	-

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.	Education	Sch. VII (ii) - Education	Yes	Delhi	Delhi	4,18,400	No	Asha Hai	CSR00020083
2.	Healthcare	Sch. VII (i) – Healthcare	Yes	Haryana	Palwal	58,50,000	No	Sri Sathya Sai Health & Education Trust	CSR00001048
3.	Reducing inequalities	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
4.	Special education	Sch. VII (ii) – Special education and vocational skills	Yes	UP	Noida	5,00,000	No	TATSAT Global Education &	CSR00022168

								Welfare Foundation	
5.	Healthcare	Sch. VII (i) – Healthcare	Yes	Maharashtra	Mumbai	15,00,000	No	St. Jude India Childcare Centres	CSR00001026

***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 39 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.
4. **TATSAT Foundation: -** TATSAT Foundation is an NGO regd. since 2018. TATSAT shall work in collaboration with Saksham, an NGO based out of Noida for the Project. This NGO works to impart education, skills training, and vocational training to special needs children. During the year under review, Shubham Housing has sponsored a project which impacted thousands of children from under privileged families.
5. **St. Jude India Child Care Centers: -** It is an NGO regd. since 2006 which provide following facilities to under privileged families who come to cities for cancer treatment of their children (a) provide accommodation for child & parents (b) Transport to and From Treatment (c) Cooking Facilities & Rations Education (d) Recreation (e) Counselling for Children & Parents. During the year under review, Shubham Housing sponsored a project to provide supportive healthcare and education to the cancer patient children and their parents who come to cities for treatment of their children.

(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. 92,68,400/-

(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)	92,01,912
(ii)	Total amount spent for the Financial Year	92,68,400
(iii)	Excess amount spent for the financial year [(ii)-(i)]	66,488
(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)]	66,488

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

Sanjay Chaturvedi
CEO/Director

Rupa Basu
Chairperson of CSR Committee

Place: New Delhi
Date: 18.05.2022

NAVEEN NARANG & ASSOCIATES
COMPANY SECRETARIES

OFFICE: H-3/63, FIRST FLOOR,
VIKASPURI, NEW DELHI – 110018
PHONE: 91-11-45113039, 9818005476
e-mail: naveen@csnaveennarang.com

SECRETARIAL AUDIT REPORT
For the financial year ended 31st March, 2022

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, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

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

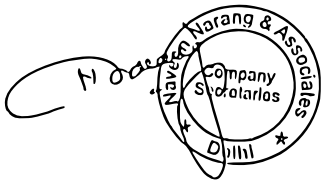
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(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:



(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; **Not applicable to the Company during the audit period**

(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; **Not applicable to the Company during the audit period**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not applicable to the Company during the audit period**

and

(h) 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:

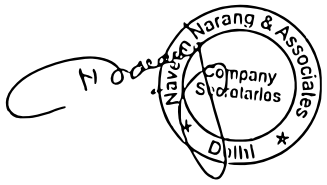
National Housing Bank Act, 1987 (including Regulatory Framework for Housing Finance Companies (HFCs) issued by RBI)

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.



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 there were no material events in the Company, which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc

For Naveen Narang & Associates
Company Secretaries

(Naveen Narang)
Partner
Membership No. 6193, C.P. No. 6621
UDIN: F006193D000312411

Place: Delhi
Date: May 12, 2022

(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.

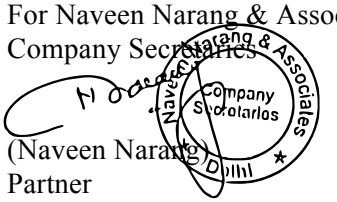
3. We have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.

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 Secretaries



(Naveen Narang)
Partner
Membership No. 6193, C.P. No. 6621
Place: Delhi
Date: May 12, 2022

MSKA & Associates
Chartered Accountants

HO
602, Floor 6, Raheja Titanium
Western Express Highway, Geetanjali
Railway Colony, Ram Nagar, Goregaon (E)
Mumbai 400063, INDIA
Tel: +91 22 6831 1600

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 financial statements of Shubham Housing Development Finance Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss, Statement of Changes in Equity and the Statement of Cash Flows 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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 (ICAI) 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 opinion.

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 year ended March 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	Impairment of loans including Expected Credit Losses Total Loans (gross) as at March 31, 2022: Rs 2,28,883.42 lacs Impairment Provision as at March 31, 2022: Rs. 3,692.19 lacs (Refer Note 7 of the Ind As financial statements) Ind AS 109- 'Financial Instruments', 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 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: a) Grouping of loan portfolio under various categories on the basis of homogeneity and thereby expected to demonstrate similar credit characteristics; b) Estimation of losses in respect of groups of loans which had no/ minimal defaults in the past; c) Staging of loans and estimation of behavioural life; and d) Management overlay for macro-economic factors and estimation of their impact on the credit quality. The Company has Board approved policy on ECL to ensure the compliance with Ind AS 109 requirements and the basis of all assumptions for underling inputs to ECL model.	Our audit procedures in respect of this area included: a) Understood the Company's accounting policies for impairment of loan and other receivables and evaluated the appropriateness of the same with the principles of Ind AS 109 - 'Financial Instruments'. b) Verified 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. c) Obtained an understanding of Management's process of ECL computation and verified design and the operating effectiveness of the controls for staging of loans based on their past due status on a test check basis. Verified samples of performing loans (stage 1) to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3. d) Verified the input data used for determining the PD and LGD rates and further verified the data with the underlying books of accounts and records on a test check basis. e) Inquired with the Company's management and its risk management function to assess the impact of Covid-19 on the business activities of the Company. f) Verified the ECL provision on restructured cases pursuant to the RBI circular on a test check basis. g) Assessed the additional considerations applied by the management for staging of loans as Significant Increase in Credit Risk (SICR) / default in view of Company's policy on moratorium and reschedulement /restructuring of loans in accordance with the regulations issued in this respect. i) Verified the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets.

	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). Given the high degree of management's judgement involved in estimation of ECL, we have identified this as a key audit matter.	j) Assessed the adequacy and appropriateness of the disclosures included in the Ind AS financial statements in respect of expected credit losses in accordance with the requirements of Ind AS 107 - 'Financial Instruments: Disclosures' and Ind AS 109. Reviewed specific disclosures made in the Ind AS financial statements with regards to the impact of Covid-19 on ECL estimation.
2	Information Technology General Control (ITGC) The financial accounting and reporting systems of the Company are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. The reliability and security of IT systems plays a key role in the business operations of the Company. Since large volume of transactions are processed daily, the IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner. Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting. Therefore, on account of the pervasive nature of the IT environment and the dependence for preparation of financial statements, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is identified as a key audit matter.	Our audit procedures in respect of this area included: a) Involvement of our specialized experts on the IT infrastructure and applications relevant to financial reporting. b) Verified the design and operating effectiveness of IT access controls over the information systems. c) Obtained an understanding of IT applications landscape implemented at the Company followed by process understanding, mapping of applications to the same and understanding financial risks posed by people-process and technology. d) Verified IT general controls (logical access, changes management and aspects of IT operational controls). This included verifying that access to systems were reviewed and authorized. e) Verified key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations on a test check basis.

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		f) Verified the Company's periodic review of access rights. We also verified requests of changes to systems for approval and authorization. d) Verified the design and operating effectiveness of certain automated and IT dependent manual controls that were considered as key internal controls over financial reporting.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises of the Director's Report and annexures thereto but does not include the financial statements and our auditor's report thereon. The Director's report 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 will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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

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

Other Matter

The financial statements of the Company for the year ended March 31, 2021, were audited by another auditor whose report dated May 28, 2021 expressed an unmodified opinion on those statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

(d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(g) 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, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 40 to the financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company does not have any derivative contracts - Refer Note 7 to the financial statements; and

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

iv.

(1) The Management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries - Refer Note 53(ix) to the financial statements;

(2) The Management has represented that, to the best of it's knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries - Refer Note 53(x) to the financial statements;

(3) Based on our audit procedures which we have considered reasonable and appropriate in the circumstances and according to the information and explanations provided to us by the Management in this regard, nothing has come to our notice that has caused us to believe that the representations made by the Management under sub-clause (i) and (ii) contain any material misstatement.

v. The Company has neither declared nor paid any dividend during the year.

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3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits prescribed under Section 197 of the Act and the rules thereunder.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration Number: 105047W

Swapnil Kale

Swapnil Kale
Partner
Membership Number: 117812
UDIN: 22117812AJDTEM2181

Mumbai
May 18, 2022

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ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SHUBHAM HOUSING DEVELOPMENT FINANCE COMPANY LIMITED FOR THE YEAR ENDED MARCH 31, 2022

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report]

i.

(a)

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

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

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

(c) According to the information and explanations given to us, there are no immovable properties, and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company. However, the Company has repossessed properties under The Securitisation And Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 from the borrowers who have defaulted their loan repayments. Such properties are acquired to recover the loans from the borrower and accordingly disclosed as Assets held for sale.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and equipment (including Right of Use assets) and its intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i)(e) of the Order are not applicable to the Company.

ii.

(a) The Company is involved in the business of rendering services. Accordingly, the provisions stated in paragraph 3(ii)(a) of the Order are not applicable to the Company.

(b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from Banks on the basis of security of loans. Quarterly returns / statements are filed with such Banks are in agreement with the books of account.

iii.

(a) Since the Company's principal business is to give loans, the provisions stated in paragraph 3(iii)(a) of the Order are not applicable to the Company.



(b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made, guarantees provided, securities given and the terms and conditions of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the interest of the Company.

(c) The Company, being a Non-Banking Financial Company - Housing Finance Company, is registered under provisions of The National Housing Bank Act, 1987 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/ Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms and generally accepted business practices by the lending institutions, repayments scheduled are stipulated basis the nature of the loan products. The repayment of the principal and the payment of interest by the borrower's are as per the stipulated repayment schedule except in case of default cases - Refer Note 7.1 to the financial statements.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the details of amount overdue for more than ninety days are as follows:

No. of Cases	Total overdue (Amount in Rs.) *	Remarks (specify whether reasonable steps have been taken by the Company for recovery of principal amount and interest)
1,588	81,40,54,301	Yes #

* Amount overdue classified under Stage 3 - Refer Note 7.1(i) to the financial statements.
The Company has taken all reasonable steps including legal actions to ensure recovery of principal and interest.

(e) Since the Company's principal business is to give loans, the provisions stated in paragraph 3(ii)(e) of the Order are not applicable to the Company.

(f) According to the information and explanations provided to us, the Company has not any granted loans and / or advances in the nature of loans which are either repayable on demand or without specifying any terms or period of repayment. Hence, the requirements under paragraph 3(iii)(f) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.

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vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3(vi) of the Order are not applicable to the Company.

vii.

(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax and cess have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(b) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Income tax	1,11,20,710	A.Y 2018-19	CIT(A)	-

viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix.

(a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiaries, associates or joint ventures. Accordingly, the provisions stated in paragraph 3(ix)(e) of the Order are not applicable to the Company.

(f) The Company does not have any subsidiaries, associates or joint ventures. Accordingly, the provisions stated in paragraph 3(ix)(f) of the Order are not applicable to the Company.

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x.

(a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.

xi.

(a) During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company nor on the Company.

(b) In our opinion and according to the information and explanations given to us, no report under section 143(12) of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the course of audit. Accordingly, the provisions stated in paragraph 3(xi)(c) of the Order is not applicable to company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

xiv.

(a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered internal audit reports issued by internal auditors during our audit in accordance with the guidance provided in SA 610 - 'Using the work of Internal Auditors'.



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xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to Company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi.

(a) The Company is required to and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as Non-Banking Financial Company - Housing Finance Company.

(b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from National Housing Bank. Hence, the reporting under paragraph clause 3 (xvi)(b) of the Order are not applicable to the Company.

(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) of the Order are not applicable to the Company.

(d) The Company does not have any CIC as part of its group. Hence the provisions stated in paragraph clause 3 (xvi) (d) of the order are not applicable to the Company.

xvii. According to the information explanation provided to us, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph 3 (xvii) of the Order are not applicable to the Company.

xviii. There has been resignation of the statutory auditors during the year in compliance with RBI circular on 'Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs)' vide ref. no. RBI/2021-22/25 Ref.No.DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021. There were no issues, objections or concerns raised by the outgoing auditors.

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

xx. According to the information and explanations given to us, the provisions of section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred as on March 31, 2022 to any Fund specified in Schedule VII to the Act or to the special account. Accordingly, the provisions of paragraph 3(xx) (a) and (b) of the Order are not applicable to the Company.

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xxi. According to the information and explanations given to us, the Company does not have any Subsidiary, Associate or Joint Venture. Accordingly, reporting under clause 3(xxi) of the Order is not applicable.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

Swapnil Kale
Swapnil Kale
Partner
Membership Number: 117812
UDIN: 22117812AJDTEM2181

Mumbai
May 18, 2022

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ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SHUBHAM HOUSING DEVELOPMENT FINANCE COMPANY LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the Members of Shubham Housing Development Finance Company Limited on the Financial Statements for the year ended March 31, 2022]

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

Opinion

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

In our opinion, the Company has, in all material respects, internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

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 with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness

of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls With reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls With reference to financial statements

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

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

Swapnil Kale

Swapnil Kale
Partner
Membership Number: 117812
UDIN: 22117812AJDTEM2181

Mumbai
May 18, 2022

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Shubham Housing Development Finance Company Limited
Balance Sheet as at March 31, 2022
(All amount in Rs. lakhs, unless stated otherwise)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial assets			
Cash and cash equivalents	6A	12,724.49	30,299.84
Bank balance other than cash and cash equivalents	6B	3,032.61	4,388.44
Loans	7	2,25,191.23	1,93,110.25
Investments	8	5,135.40	487.69
Other financial assets	9	3,090.12	3,741.41
Non-financial assets			
Current tax assets (net)		727.25	205.56
Deferred tax assets (net)	34	1,028.86	894.77
Property, plant and equipment	10	479.12	390.67
Intangible assets under development	11	33.30	11.79
Intangible assets	12	105.27	141.87
Right-of-use assets	38	612.33	433.66
Other non-financial assets	13	533.17	435.38
Assets held for sale	14	1,384.30	2,829.42
Total assets		**2,54,077.45**	**2,37,370.75**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivative financial instruments			
Payables	15		
Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises		2.26	1.22
b) total outstanding dues of creditors other than micro enterprises and small enterprises		501.71	445.59
II) Other payables			
a) Total outstanding dues of micro enterprises and small enterprises		-	-
b) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
Debt securities	16	12,736.20	11,278.35
Borrowings (other than debt securities)	17	1,67,329.48	1,48,867.47
Other financial liabilities	18	16,851.58	22,866.03
Non-financial liabilities			
Provisions	19	535.29	466.67
Other non-financial liabilities	20	1,135.67	963.50
Total liabilities		**1,99,092.19**	**1,84,888.83**
Equity			
Equity share capital	21	94.37	94.37
Instruments entirely equity in nature	22	450.03	450.03
Other equity	23	54,440.86	51,937.52
Total equity		**54,985.26**	**52,481.92**
Total liabilities and equity		**2,54,077.45**	**2,37,370.75**

Significant accounting policies 1-5
The accompanying notes are an integral part of the financial statements.

As per our report of even date

For M S K A&Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Swapnil Kale
Partner
Membership No. 117812

Place: Mumbai
Date: May 18, 2022

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

Sanjay Chaturvedi
Director
DIN :01636432

Rupa Basu
Director
DIN : 08068918

Shashank Jain
Chief Financial Officer

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

Place: Gurugram
Date: May 18, 2022

Shubham Housing Development Finance Company Limited
Statement of profit and loss for the year ended March 31, 2022
(All amount in Rs. lakhs, unless stated otherwise)

Particulars	Note	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations			
Interest income	24	32,458.75	29,687.53
Fee and commission income	25	1,052.41	1,089.85
Net gain on fair value change	26	566.89	304.62
Net gain on derecognition of financial instruments at amortised cost	27	394.83	2,452.57
Net gain on derecognition of financial instruments under amortised cost category		-	-
Other operating income	28	214.04	120.58
Total revenue from operations		**34,686.92**	**33,655.15**
Other income	29	285.36	422.84
Total income		**34,972.28**	**34,077.99**
Expenses			
Finance costs	30	15,789.36	14,017.95
Impairment on financial instruments	31	2,603.04	954.51
Employee benefits expenses	32	10,115.90	8,585.04
Depreciation, amortization and impairment	10, 12, 38	541.58	533.38
Other expenses	33	2,828.14	2,176.53
Total expenses		**31,878.02**	**26,267.41**
Profit before tax		**3,094.26**	**7,810.58**
Tax expense:	34		
(1) Current tax		724.12	1,487.52
(2) Tax for earlier years		-	(14.60)
(3) Deferred tax (credit)/charge		(120.97)	260.67
Profit for the year		**2,491.11**	**6,076.99**
Other comprehensive income			
Items that will not be reclassified to statement of profit or loss			
a) Remeasurements of defined employee benefit plans		(52.09)	(46.84)
b) Income tax relating to items that will not be reclassified to profit or loss		13.11	11.79
Other comprehensive income (net of tax)		**(38.98)**	**(35.05)**
Total comprehensive income for the year		**2,452.13**	**6,041.94**
Earnings per equity share	35		
Basic (Rs.)		45.76	111.63
Diluted (Rs.)		44.62	108.78
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 M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Partner
Membership No. 117812

Place: Mumbai
Date: May 18, 2022

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

Sanjay Chaturvedi
Director
DIN : 01636432

Rupa Basu
Director
DIN : 08068918

Shashank Jain
Chief Financial Officer

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

Place: Gurugram
Date: May 18, 2022

Shubham Housing Development Finance Company Limited
CIN - U65921DL2010PLC199469
Registered office: D-305, Ground Floor, Sarvodaya Enclave, New Delhi - 110017
Corporate office: Shubham House, 425, Udyog Vihar Phase IV, Gurugram - 122015
Statement of Cash Flow as at March 31, 2022

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

Particulars	March 31, 2022	March 31, 2021
Cash flow from operating activities		
Profit before tax	3,094.26	7,810.58
Adjusted for:		
Depreciation and amortisation	541.58	533.38
Interest in lease liability	44.75	46.50
Provision for expected credit loss	828.95	484.00
EIR adjustment	494.06	(1,755.78)
Net gain on sale of investments	(566.89)	(304.62)
Provision for loss on asset held for sale	(456.27)	75.05
Loss on sale of fixed assets	2.99	0.80
Loan assets written off	235.56	222.81
Acquired properties written off	4.62	-
Loss on sale/settlement of acquired properties	1,749.77	157.30
OCI impact of Gratuity	(52.09)	(46.84)
Share based payments expense	280.21	294.61
Operating profit before working capital changes	**6,201.50**	**7,517.79**
Adjusted for net changes in working capital:		
Increase in financial assets and other assets	(32,235.10)	(31,602.53)
(Decrease)/Increase in financial liability and other liabilities	(5,844.85)	7,239.56
Cash used in operating activities	**(31,878.45)**	**(16,845.18)**
Taxes paid (net off refunds)	(1,244.26)	(1,609.62)
Net Cash used in operating activities	**(33,122.71)**	**(18,454.80)**
Cash flows from investing activities		
Purchase of investments	(1,44,100.00)	(59,600.00)
Purchase of security receipts	(4,899.37)	-
Proceeds from sale of investments	1,44,666.89	59,904.62
Proceeds from redemption of security receipts	251.66	258.70
Purchase of property, plant and equipment including intangible assets under development	(326.25)	(284.37)
Proceeds from sale of property, plant and equipment	1.25	1.14
Net Cash (used in)/generated from investing activities	**(4,405.82)**	**280.09**
Cash flows from financing activities		
Proceeds from borrowings including debts securities	99,400.00	63,278.49
Repayment of borrowings including debts securities	(79,073.16)	(31,011.19)
Payment of principal portion of lease liabilities	(328.92)	(296.75)
Payment of interest on lease liabilities	(44.75)	(46.50)
Net Cash generated from financing activities	**19,953.17**	**31,924.05**





Shubham Housing Development Finance Company Limited
CIN - U65921DL2010PLC199469
Registered office: D-305, Ground Floor, Sarvodaya Enclave, New Delhi- 110017
Corporate office: Shubham House, 425, Udyog Vihar Phase IV, Gurugram - 122015

Statement of Cash Flow as at March 31, 2022

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

Particulars	March 31, 2022	March 31, 2021
Net increase in cash and cash equivalents	**(17,575.36)**	**13,749.34**
Cash and cash equivalents at the beginning of the year	30,299.84	16,550.50
Cash and cash equivalents at the end of the year	**12,724.49**	**30,299.84**
Cash and bank balance include:		
Cash-on-hand	305.64	331.38
Cheques in hand	70.00	382.27
Balance with banks		
In current accounts	8,342.07	12,403.93
Deposits with original maturity of less than three months	2,005.04	17,119.74
Balance with cash credit facilities	2,001.74	62.52
Cash and cash equivalents at the end of the year	**12,724.49**	**30,299.84**

The accompanying notes are an integral part of the financial statements

As per our report of even date

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Partner
Membership No. 117812

Place: Mumbai
Date: May 18, 2022

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

Sanjay Chaturvedi
Director
DIN:01636432

Rupa Basu
Director
DIN : 08068918

Shashank Jain
Chief Financial Officer

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

Place: Gurugram
Date: May 18, 2022

Shubham Housing Development Finance Company Limited
Statement of changes in equity for the year ended March 31, 2022
(All amount in Rs. lakhs, unless stated otherwise)

A. Equity Share Capital

Particulars	March 31, 2022		March 31, 2021	
Equity shares of Rs. 10 each issued, subscribed and fully paid	**Nos.**	**Amount**	**Nos.**	**Amount**
Balance beginning of the year	9,43,690	94.37	9,43,690	94.37
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the year	-	-	-	-
Changes in equity share capital during the year	-	-	-	-
Balance at end of the reporting year	9,43,690	94.37	9,43,690	94.37

B. Instruments entirely equity in nature

Particulars	March 31, 2022		March 31, 2021	
Compulsorily convertible preference shares ('CCPS')				
CCPS of Rs. 10 each issued, subscribed and fully paid	**Nos.**	**Amount**	**Nos.**	**Amount**
Balance at the beginning of the reporting year	45,00,369	450.03	45,00,369	450.03
Changes in Equity Share Capital due to prior year errors	-	-	-	-
Restated balance at the beginning of the year	-	-	-	-
Changes in equity share capital during the year	-	-	-	-
Balance at end of the reporting year	45,00,369	450.03	45,00,369	450.03

C. Other equity

	Reserve and surplus					
Particulars	**Securities premium**	**Statutory Reserve**	**Share based payment reserve**	**Retained earnings**	**Equity Component of compound financial Instrument**	**Total**
As at April 1, 2021	**39,690.27**	**2,492.87**	**1,109.08**	**8,634.28**	**11.02**	**51,937.52**
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the year	-	-	-	-	-	-
Profit for the year	-	-	-	2,491.11	-	2,491.11
Other comprehensive income for the year	-	-	-	(38.98)	-	(38.98)
Total Comprehensive Income for the year	-	-	-	**2,452.13**	-	**2,452.13**
Equity component of compound financial Instrument	-	-	-	-	-	-
Share issue Expense	(229.00)	-	-	-	-	(229.00)
Share based Payments	-	-	**280.21**	-	-	**280.21**
Dividends	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-
Any other change (to be specified)	-	498.22	-	(498.22)	-	-
As at March 31, 2022	**39,461.27**	**2,991.09**	**1,389.29**	**10,588.19**	**11.02**	**54,440.86**

	Reserve and surplus					
Particulars	**Securities premium**	**Statutory Reserve**	**Share based payment reserve**	**Retained earnings**	**Equity Component of compound financial Instrument**	**Total**
As at April 1, 2020	**39,690.27**	**1,277.47**	**814.47**	**3,807.74**	**7.09**	**45,597.04**
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the year	-	-	-	-	-	-
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	-	-	-	**6,041.94**	-	**6,041.94**
Equity component of compound financial Instrument					**3.93**	**3.93**
Share based Payments	-	-	294.61	-	-	**294.61**
Dividends	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-
Any other change (to be specified)	-	1,215.40	-	(1,215.40)	-	-
As at March 31, 2021	**39,690.27**	**2,492.87**	**1,109.08**	**8,634.28**	**11.02**	**51,937.52**

The accompanying notes are an integral part of the financial statements
As per our report of even date

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Swapnil Kale
Partner
Membership No. 117812

Place: Mumbai
Date: May 18, 2022

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

Sanjay Chaturvedi
Director
DIN : 00136432

Rupa Basu
Director
DIN : 08068918

Shashank Jain
Chief Financial Officer

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

Place: Gurugram
Date: May 18, 2022

Shubham Housing Development Finance Company Limited

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

(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 BSE Limited.

Note 2: Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Companies Act, 2013 (the "Act"), other relevant provisions of the Act, guidelines issued by the National Housing Bank and Reserve bank of India as applicable to an HFCs and other accounting principles generally accepted in India. Any application guidance / clarifications / directions issued by NHB/RBI or other regulators are implemented as and when they are issued / applicable, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment. Accounting policies have been consistently applied except where a newly issued Ind AS is initially adopted or a revision to an existing Ind AS required a change in the accounting policy hitherto in use.

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 Balance Sheet, Statement of Profit and Loss and Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III of the Companies Act, 2013 (the 'Act'). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS-7.

A summary of the significant accounting policies and other explanatory information is in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as specified under Section 133 of the Companies Act, 2013 (the 'Act') including applicable Indian Accounting Standards (Ind AS) and accounting principles generally accepted in India. The Company presents its balance sheet in order of liquidity.

Financial assets and financial liabilities are generally reported gross in the balance sheet. 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 rate 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 recognise the interest on receipt basis. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income.

Payment hierarchy

For all loans we will follow the following payment hierarchy on monthly basis:

a. First adjustment will be against principal due

b. Second adjustment will be against interest due

c. Amount received will be adjusted on FIFO basis (first in fist out basis)against fees/charges and penal interest only after all the principal due and interest due are paid off. Same payment hierarchy will be followed on loan account becoming 91 days overdue (NPA) and even thereafter

4.1.2 Fee and commission income not integral to effective interest rate (EIR) method under Ind AS 109 and income from services and distribution of financial products

The Company recognises the fee and commission income like application fees, penal interest, cheque bounce charges, notice pay recovery from employee, other income etc. not integral to EIR under Ind AS 109 in accordance with the terms of the relevant customer contracts / agreement and when it is confirmed that the Company will collect the consideration for items. Revenue in the form of income from financial advisory (other than for those items to which Ind AS 109 - Financial Instruments are applicable) is measured at fair value of the consideration received or receivable, in accordance with Ind AS 115- Revenue from contracts with customers.

Other Income includes marketing support income, represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

4.1.3 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.

4.1.4 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 rate 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.

4.2. 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 the 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

On initial recognition, depending on the Company's business model for managin g the financial assets and its contractual cash flow characteristics, a financial asset is classified as measured at;

1) amortised cost;
2) fair value through other comprehensive income (FVTOCI); or
3) fair value through profit and loss (FVTPL).

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost using Effective Interest Rate (EIR) method if it meets both of the following conditions and is not recognised as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVTOCI – equity investment). This election is made an investment –b y –investment basis. All financials assets not classified and measured at amortized cost or FVTOCI as described above are measured at FVTPL.

On initial recognition, the Company may irrevocably designate the financials assets that otherwise meets the requirements to be measured at amortized cost or at FVTOCI or at FVTPL, if doing so eliminates or significantly reduces the accounting mismatch that would otherwise arise.

Financial assets at amortised cost:

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses if any and impairment are recognised in the statement of profit or loss. Any gain or loss on de-recognition is recognised in the statement of profit or loss.

Financial assets at FVTPL:

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit or loss. The transaction costs and fees are also recorded related to these instruments in the statement of profit and loss.

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.

Financial assets(other than Equity Investments) at FVTOCI:

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the statement of Profit and Loss.

Equity investments at FVTOCI and FVTPL:

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.

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.

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.

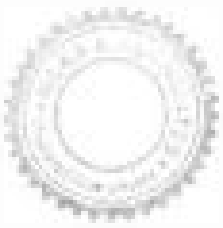
If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Company would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent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

Securitization and Assignment

In case of transfer of loans through securitisation and direct assignment transactions, the transferred loans are de-recognised and gains/losses are accounted for, only if the Company transfers substantially all risks and rewards specified in the underlying assigned loan contract.
In accordance with the Ind AS 109, on de-recognition of a financial asset under assigned transactions, the difference between the carrying amount and the consideration received are recognised in the Statement of Profit and Loss.

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, 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 group 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 Computation 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 including interest accrued but not due and charges if any 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 inclusive of all loan classified as NPA pursuant to the RBI circular RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22 dated November 12, 2021 the Company recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 3 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, Unemployment rates, 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 books of accounts. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on periodic 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 repossess properties or other assets in its portfolio but to mitigate the credit risk on financial assets, the Company seeks to use collateral, where possible as per the powers conferred on the Non-Banking Finance Companies under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 ("SARFAESI"). The Company generally engages external or internal agents to recover funds at auctions in compliance of SARFAESI by way of repossession of properties 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 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 inception of the contract 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 except for Computer and data processing units where the management's estimates of the useful life of such fixed assets is higher than the life arrived at on the basis of Schedule II of the ACT. Accordingly based on the internal technical evaluation, the Company has depreciated computer and data processing units over a period of 5 years. The management believes that said useful lives best represent the period over which management expect to use these assets. 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. Capital work-in-progress

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress" and carried at cost, comprising direct cost, related incidental expenses and attributable interest.

4.13. Other 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.

4.14. Intangible assets under development

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

4.15. Investment in Security receipts

These assets are subsequently measured at fair value and net gains and losses, are recognised in the statement of profit or loss. The transaction costs and fees are also recorded related to these instruments in the statement of profit and loss.

4.16. 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.





4.17. 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.

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 period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in statement of profit and loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve.





4.18. 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.

4.19. 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.

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the Statement of Profit and Loss except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case tax is also recognized outside profit or loss.

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:

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 assets/liabilities expense is recognized in the statement of profit and loss except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case tax is also recognized outside profit or loss.

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.





4.20. 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 Company 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. 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.

4.21. 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.

4.22. 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.

4.22 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).

4.23. 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

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 except investment in security receipts 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 behavioral 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 behavior 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 Life Time Expected Credit Loss (LTECL) basis and the qualitative assessment.
- The segmentation of financial assets when their ECL is assessed on a collective basis.
- Development of ECL models, including the various formulas and the choice of inputs.
- Determination of associations between macroeconomic scenarios and, economic inputs, and the effect on PDs, 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.





Note 6: Cash and cash equivalents

Particulars	March 31, 2022	March 31, 2021
6A. Cash and cash equivalents		
Cash-on-hand	305.64	331.38
Balance with banks		
In current accounts	8,342.07	12,403.93
Deposits with original maturity of less than three months	2,005.04	17,119.74
Cheques in hand	70.00	382.27
Balance with cash credit facilities	2,001.74	62.52
Total	**12,724.49**	**30,299.84**

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, 2022	March 31, 2021
Bank deposits (more than 3 months & upto 12 months)	2,832.61	4,188.44
Bank deposits with maturity of more than 12 months	200.00	200.00
Total	**3,032.61**	**4,388.44**
The above bank deposits include deposits under lien as per following details:		
Pledge with bank for obtaining bank overdraft facilities	305.00	4,300.00
Pledge with bank as cash collateral for securitization transactions	-	132.27
For bank guarantee to National Housing Bank for refinance	200.00	3,950.00





Shubham Housing Development Finance Company Limited
Notes to Financial Statements for the year ended March 31, 2022
(All amount in Rs. lakhs, unless stated otherwise)

Note 7: Loans

Particulars	March 31, 2022	March 31, 2021
At Amortised cost:		
Loan assets	2,28,869.06	1,95,951.84
Staff advances	14.36	27.50
Total Gross	**2,28,883.42**	**1,95,979.34**
Less: Impairment loss allowance	3,692.19	2,869.09
Total Net	**2,25,191.23**	**1,93,110.25**
Secured by tangible assets		
(Hypothecation of equitable mortgage of immovable property etc.)	2,28,764.51	1,95,904.17
Covered by bank/government guarantees	66.53	4.70
Unsecured	52.38	70.47
Total Gross	**2,28,883.42**	**1,95,979.34**
Less: Impairment loss allowance	3,692.19	2,869.09
Total Net	**2,25,191.23**	**1,93,110.25**
Loan in India		
Public sector	-	-
Others	2,28,883.42	1,95,979.34
Total Gross	**2,28,883.42**	**1,95,979.34**
Less: Impairment loss allowance	3,692.19	2,869.09
Total Net	**2,25,191.23**	**1,93,110.25**

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 hypothecation of assets and/or assignments of life insurance policies.

iii) Loan commitment amount is Rs. 7,476.76 lakhs as on March 31, 2022 (Rs. 7,932.17 lakhs as on March 31, 2021)
(Refer note 19.1)

iv) During the year, the Company has assigned a pool of certain loans amounting to Rs. 2,667.78 lakhs and Rs. 983.63 lakhs by way of direct assignment transactions and stressed loans transferred to asset reconstruction company respectively. 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 and transfer of stressed loans on behalf of assignee/transferee. In terms of the assignment agreement, the Company pays to assignee, on a monthly basis, the pro-rata collection amounts.

v) No loan carried at fair value.

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

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

viii) Breakup of loans assets

Particulars	March 31, 2022	March 31, 2021
Term Loans	2,26,963.08	1,93,860.68
Minimum retention requirement ("MRR") of securitised loans	179.89	230.19
Minimum retention requirement ("MRR") of assigned loans	1,726.09	1,860.97
Total	**2,28,869.06**	**1,95,951.84**





ix) Breakup of Impairment loss allowance

Particulars	March 31, 2022	March 31, 2021
Impairment loss allowance		
On term Loans	3,666.14	2,841.22
On MRR of securitised loans	2.54	2.79
On MRR of assigned loans	23.51	25.08
Total	**3,692.19**	**2,869.09**

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, 2022

Risk categorisation	Home loans and Self Construction	Home Improvement and LAP	Plot plus Self Construction	LAP for Construction	Total
Stage 1	1,50,495.99	48,703.29	2,987.70	5,831.62	2,08,018.60
Stage 2	7,015.11	3,659.55	129.28	-	10,803.94
Stage 3	4,615.88	3,292.09	232.57	-	8,140.54
Total	**1,62,126.98**	**55,654.93**	**3,349.55**	**5,831.62**	**2,26,963.08**

ii) 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**

iii) Impairment allowance for loans to customers as of March 31, 2022

Risk categorisation	Home loans and Self construction	Home Improvement and LAP	Plot plus Self Construction	LAP for Construction	Total
Stage 1	296.61	237.67	13.51	29.21	577.00
Stage 2	338.35	182.23	6.84	-	527.42
Stage 3	1,452.55	1,035.98	73.19	-	2,561.72
Total	**2,087.51**	**1,455.88**	**93.54**	**29.21**	**3,666.14**

iv) 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**





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, 2022

Risk Categorisation	Stage 1	Stage 2	Stage 3	Total
Low risk	1,02,137.42	6,507.53	3,756.07	1,12,401.02
Medium risk	48,131.59	268.97	247.72	48,648.28
High risk	226.98	238.61	612.09	1,077.68
Total	**1,50,495.99**	**7,015.11**	**4,615.88**	**1,62,126.98**

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**

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

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2021	**1,26,257.07**	**9,328.40**	**2,159.92**	**1,37,745.39**
New assets originated or purchased	52,466.46	23.44	-	52,489.90
Assets derecognised or repaid (excluding write offs)	(21,326.34)	(2,292.03)	(1,952.07)	(25,570.44)
Transfers from Stage 1	(5,922.21)	3,847.69	2,074.52	-
Transfers from Stage 2	1,372.39	(4,086.61)	2,714.22	-
Transfers from Stage 3	72.48	3.59	(76.07)	-
Changes to contractual cash flows due to modifications not resulting in derecognition	(2,423.86)	190.63	(425.25)	(2,658.48)
Amounts written off	-	-	120.61	120.61
Gross carrying amount as at March 31, 2022	**1,50,495.99**	**7,015.11**	**4,615.88**	**1,62,126.98**

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**

7.1.1.3 Impairment allowance for loans to customers

As at March 31, 2022

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 1, 2021	**400.12**	**364.28**	**739.10**	**1,503.50**
Assets derecognised or repaid	(68.15)	(91.37)	(668.26)	(827.78)
New assets originated	103.28	0.32	-	103.60
				1,308.19
Impact on ECL of Exposures transferred between stages during the year	(192.41)	202.50	1,298.10	
Transfers from Stage 1	(27.21)	17.04	10.17	-
Transfers from Stage 2	56.27	(155.64)	99.37	-
Transfers from Stage 3	24.71	1.22	(25.93)	-
Impairment allowance for loans to customers as at March 31, 2022	**296.61**	**338.35**	**1,452.55**	**2,087.51**

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
	(213.14)	174.27	476.01	437.14
Impact on ECL of Exposures transferred between stages during the year				
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**

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, 2022

Risk categorisation	Stage 1	Stage 2	Stage 3	Total
Low risk	26,726.89	3,281.42	2,607.55	32,615.86
Medium risk	21,714.36	105.87	200.76	22,020.99
High risk	262.04	272.26	483.78	1,018.08
Total	**48,703.29**	**3,659.55**	**3,292.09**	**55,654.93**

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**





7.1.2.2 Reconciliation of gross carrying amount

As at March 31, 2022

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2021	**41,765.01**	**5,499.54**	**2,021.42**	**49,285.97**
New assets originated or purchased	22,275.89	21.70	1.15	22,298.74
Assets derecognised or repaid (excluding write offs)	(7,921.86)	(1,461.52)	(1,752.65)	(11,136.03)
Transfers from Stage 1	(3,864.91)	2,175.77	1,689.14	-
Transfers from Stage 2	806.69	(2,627.09)	1,820.39	(0.01)
Transfers from Stage 3	127.67	5.93	(133.60)	-
Changes to contractual cash flows due to modifications not resulting in derecognition	(4,485.20)	45.22	(456.20)	(4,896.18)
Amounts written off	-	-	102.44	102.44
Gross carrying amount as at March 31, 2022	**48,703.29**	**3,659.55**	**3,292.09**	**55,654.93**

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**

7.1.2.3 Impairment allowance for loans to customers

As at March 31, 2022

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 1, 2021	**348.04**	**207.27**	**716.44**	**1,271.75**
Assets derecognised or repaid	(67.34)	(44.95)	(624.83)	(737.12)
New assets originated	112.11	0.43	0.36	112.90
Impact on Year end ECL of Exposures transferred between stages during the year	(204.25)	108.68	903.92	808.35
Transfers from Stage 1	(35.17)	19.57	15.60	-
Transfers from Stage 2	40.75	(110.79)	70.04	-
Transfers from Stage 3	43.53	2.02	(45.55)	-
Impairment allowance for loans to customers as at March 31, 2022	**237.67**	**182.23**	**1,035.98**	**1,455.88**

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**





7.1.3 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, 2022

Risk categorisation	Stage 1	Stage 2	Stage 3	Total
Low risk	1,709.58	129.28	209.61	2,048.47
Medium risk	1,278.12	-	2.53	1,280.65
High risk	-	-	20.43	20.43
Grand Total	**2,987.70**	**129.28**	**232.57**	**3,349.55**

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
Total	**2,799.71**	**372.09**	**65.18**	**3,236.98**

7.1.3.2 Reconciliation of gross carrying amount

As at March 31, 2022

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2021	**2,799.71**	**372.09**	**65.18**	**3,236.98**
New assets originated or purchased	944.94	-	-	944.94
Assets derecognised or repaid (excluding write offs)	(689.54)	(68.84)	(65.17)	(823.55)
Transfers from Stage 1	(188.43)	75.13	113.28	(0.02)
Transfers from Stage 2	47.53	(230.28)	182.73	(0.02)
Transfers from Stage 3	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	73.49	(18.82)	(75.96)	(21.29)
Amounts written off	-	-	12.51	12.51
Gross carrying amount as at March 31, 2022	**2,987.70**	**129.28**	**232.57**	**3,349.55**

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**





7.1.3.3 Impairment allowance for loans to customers

As at March 31, 2022

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 1, 2021	**14.35**	**9.80**	**22.24**	**46.39**
Assets derecognised or repaid	(3.49)	(2.38)	(22.22)	(28.09)
New assets originated	4.44	-	-	4.44
Impact on year end ECL of Exposures transferred between stages during the year	(1.57)	4.32	68.09	70.84
Transfers from Stage 1	(1.22)	0.51	0.71	-
Transfers from Stage 2	1.00	(5.41)	4.37	(0.04)
Transfers from Stage 3	-	-	-	-
	13.51	**6.84**	**73.19**	**93.54**

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**

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, 2022

Risk categorisation	Stage 1	Stage 2	Stage 3	Total
Low risk	243.74	-	-	243.74
Medium risk	5,587.88	-	-	5,587.88
High risk	-	-	-	-
Total	**5,831.62**	-	-	**5,831.62**

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**

7.1.4.2 Reconciliation of gross carrying amount

As at March 31, 2022

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2021	**3,592.34**	-	-	**3,592.34**
New assets originated or purchased	4,464.59	-	-	4,464.59
Assets derecognised or repaid (excluding write offs)	(1,561.12)	-	-	(1,561.12)
Transfers from Stage 1	-	-	-	-
Transfers from Stage 2	-	-	-	-
Transfers from Stage 3	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	(664.19)	-	-	(664.19)
Amounts written off	-	-	-	-
Gross carrying amount as at March 31, 2022	**5,831.62**	-	-	**5,831.62**

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)
Changes to contractual cash flows due to modifications not resulting in derecognition	6.31	-	-	6.31
Gross carrying amount as at March 31, 2021	**3,592.34**	-	-	**3,592.34**

7.1.4.3 Impairment allowance for loans to customers

As at March 31, 2022

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 1, 2021	**19.58**	-	-	**19.58**
Assets derecognised or repaid	(8.50)	-	-	(8.50)
New assets originated	22.35	-	-	22.35
Impact on ECL of Exposures transferred between stages during the year	(4.22)	-	-	(4.22)
Impairment allowance for loans to customers as at March 31, 2022	**29.21**	-	-	**29.21**

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**





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 91 days past due on contractual payments or classified as NPA as per RBI directions. 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.

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, 2022 and March 31, 2021. There was no change in the Company's collateral policy during the year.





Note 8: Investments

Particulars	As at March 31,2022				
	Amortised Cost	Fair Value through other comprehensive income	Fair Value through profit or loss	Others	Total
Others (Security receipts)	350.54	-	4,784.86	-	5,135.40
Total (A)	**350.54**	-	**4,784.86**	-	**5,135.40**
Investments outside India	-		-		-
Investments in India	350.54	-	4,784.86	-	5,135.40
Total (B)	**350.54**	-	**4,784.86**	-	**5,135.40**
Total (A) to tally with Total (B)	350.54	-	4,784.86	-	**5,135.40**
Less: Allowance for Impairment loss(C)	-	-	-	-	-
Total Net D = (A) -(C)	**350.54**	-	**4,784.86**	-	**5,135.40**

Particulars	As at March 31,2021				
	Amortised Cost	Fair Value through other comprehensive income	Fair Value through profit or loss	Others	Total
Note 8: Investments					
Others (Security receipts)	487.69	-	-	-	487.69
Total (A)	**487.69**	-	-	-	**487.69**
Investments outside India	-		-	-	-
Investments in India	487.69	-	-	-	487.69
Total (B)	**487.69**	-	-	-	**487.69**
Total (A) to tally with Total (B)	487.69	-	-	-	**487.69**
Less: Allowance for Impairment loss (C)	-	-	-	-	-
Total Net D = (A)-(C)	**487.69**	-	-	-	**487.69**

Note 9: Other financial assets

Particulars	March 31, 2022	March 31, 2021
Excess Interest Spread (EIS) Receivable*	2,670.72	2,760.68
Security deposit	206.80	184.55
Receivables from employees	77.07	65.77
Balance with government authorities	22.30	527.48
Other receivables	165.40	251.70
Gross	**3,142.29**	**3,790.18**
Impairment loss allowance on EIS receivable	(37.70)	(33.42)
Impairment loss allowance on receivable from employees	(14.47)	(15.35)
Net	**3,090.12**	**3,741.41**

*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.





Shubham Housing Development Finance Company Limited
Notes to Financial Statements for the year ended March 31, 2022
(All amount in Rs. lakhs, unless stated otherwise)

Note 10: Property, plant and equipment

Particulars	Computers	Office equipment	Furniture and fittings	Total
Cost:				
As at April 1, 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**
Additions	266.12	12.25	16.47	294.84
Disposals	(9.55)	(3.27)	(2.15)	(14.97)
As at March 31, 2022	**800.04**	**122.92**	**156.71**	**1,079.67**
Accumulated Depreciation:				
As at April 1, 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**
Additions	153.79	21.21	27.15	202.15
Disposals	(6.90)	(2.58)	(1.25)	(10.73)
As at March 31, 2022	**439.51**	**88.34**	**72.70**	**600.55**
Net book value				
As at March 31, 2021	**250.85**	**44.23**	**95.59**	**390.67**
As at March 31, 2022	**360.53**	**34.58**	**84.01**	**479.12**

Note 1:- No asset revalued during the year
Note 2:- No asset acquired through business combination

Title deeds of immovable property not held in name of the Company

Relevant line item in the Balance Sheet	PPE	Investment property	Non-current asset held for sale	Others
Description of item of property	**Land I Building**	**Land I Building**	**Land I Building**	**Land I Building**
Gross carrying value (Refer Note 14)	-	-	1,507.61	-
Title deeds held in the name of	-	-	Borrowers	-
Whether title deed holder is a promoter*, director or relative **of promoter/director or employee of promoter/director	-	-	No	-
Property held since which date#	-	-	-	-
Reason for not being held in the name of the company#	-	-	-	-

*Promoter here means promoter as defined in the Companies Act, 2013.

**Relative here means relative as defined in the Companies Act, 2013.

#in its normal course of business, the Company does not repossess properties or other assets in its portfolio but to mitigate the credit risk on financial assets, the Company seeks to use collateral, where possible as per the powers conferred on the Non-Banking Finance Companies under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities interest Act, 2002 ("SARFAESI"). The Company generally engages external or internal agents to recover funds at auctions in compliance of SARFAESI Act 2002 by way of repossession of properties to settle possible outstanding debt but not to acquire the above said property in satisfaction of debt. Any surplus funds are returned to the customers/obligors and also reserve the rights to recover the balance amount post settlement of the property in auction, settlement with customer, private treaty or any other method of settlement. 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 are shown above.





Note 11: Intangible assets under development and Capital work in progress

Particulars	Intangible assets under development	Capital work in progress	Total
Cost:			
As at April 1, 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**
Additions	31.32	-	31.32
Capitalised during the year	(9.81)	-	(9.81)
As at March 31, 2022	**33.30**	**-**	**33.30**

(a) Intangible assets under development ageing schedule

Intangible assets under	Amount in Intangible asset under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	31.73	-	1.57	-	33.30

(b) For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan,

Intangible assets under	To be completed in				
	Less than 1 year	1-2years	2-3 years	More than 3 years	Total
Training module upgrade and customisation	1.57	-	-	-	1.57

Note 12: Intangibles

Particulars	Softwares	Brand and Trade Marks	Total
Cost:			
As at April 1, 2020	**339.38**	**0.32**	**339.70**
Additions	48.60	-	48.60
Capitalised during the year	-	-	-
Disposals	-	-	-
As at March 31, 2021	**387.98**	**0.32**	**388.30**
Additions	9.81	-	9.81
Capitalised during the year	-	-	-
Disposals	(9.83)	-	(9.83)
As at March 31, 2022	**387.96**	**0.32**	**388.28**
Accumulative amortisation:			
As at April 1, 2020	**157.21**	**0.06**	**157.27**
Amortisation charge for the year	89.10	0.06	89.16
Disposals	-	-	-
As at March 31, 2021	**246.31**	**0.12**	**246.43**
Amortisation charge for the year	46.35	0.06	46.41
Disposals	(9.83)	-	(9.83)
As at March 31, 2022	**282.83**	**0.18**	**283.01**
Net book value:			
As at March 31, 2021	**141.67**	**0.20**	**141.87**
As at March 31, 2022	**105.13**	**0.14**	**105.27**

Note 13: Other non-financial assets

Particulars	March 31, 2022	March 31, 2021
Prepaid expenses	418.86	164.23
Advances to vendors	7.26	24.81
Other advances #	70.58	194.40
Deferred lease expenses	36.47	51.94
Total	**533.17**	**435.38**

#includes mainly branch imprest and recoverable from parties





Note 14: Assets held for sale

Particulars	March 31, 2022	March 31, 2021
Assets held for sale	1,507.61	3,409.00
Less: Impairment loss allowance (refer note 31)	(123.31)	(579.58)
Total	**1,384.30**	**2,829.42**

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, 2022	March 31, 2021
Residential properties acquired under SARFAESI	1,507.61	3,409.00
Total assets obtained by taking possession of collateral	**1,507.61**	**3,409.00**

Note 15: Payables

Particulars	March 31, 2022	March 31, 2021
Trade payables		
Total outstanding dues of Micro Enterprises and Small Enterprises*	2.26	1.22
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	501.71	445.59
Other payables*	-	-
Total outstanding dues of Micro Enterprises and Small Enterprises*	-	-
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	-	-
Total	**503.97**	**446.81**

*The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated August 26, 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, 2022	March 31, 2021
Principal amount remaining unpaid to supplier as at the end of the year	2.26	1.22
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	-	-

Trade Payables ageing schedule

	Outstanding for following periods from due date of payment				
Particulars	**Less than 1 year**	**1-2 years**	**2-3years**	**More than 3 years**	**Total**
(i)MSME	0.45	-	-	-	**0.45**
(ii)Others	75.68	-	-	6.55	**82.23**
(iii) Unbilled dues- MSME	1.81	-	-	-	**1.81**
(iv) Unbilled dues- Others	416.06	-	-	-	**416.06**
(v) Payment due date not specified	-	-	-	3.42	**3.42**

Shubham Housing Development Finance Company Limited
Notes to Financial Statements for the year ended March 31, 2022
(All amount in Rs. lakhs, unless stated otherwise)

Note 16: Debt Securities

Particulars	March 31, 2022	March 31, 2021
At Amortised Cost:		
Secured		
Redeemable non-convertible debentures		
- From Other parties	2990.68	2,983.94
Unsecured		
Optionally convertible debentures#		
- From Other parties	74.97	74.97
Redeemable non-convertible debentures		
- From Other parties	5,739.07	8,219.44
Commercial papers	3,931.48	
Total	**12,736.20**	**11,278.35**
Debt securities including commercial papers in India	8,997.08	5,057.75
Debt securities outside India	3,739.12	6,220.60
Total	**12,736.20**	**11,278.35**

Detail of Redeemable Non-Convertible Debentures (inclusive of Interest accrued on debentures)

Particulars/ISIN No.	INE967Q08013	INE967Q08021	INE967Q07023	INE967Q07031
Date of allotment	28-Mar-2016	21-Jun-2016	12-Jun-2020	25-Jun-2020
Date of redemption	15-Apr-2022	21-Jun-2023	12-Jun-2023	29-Jun-2023
Total number of debentures (Nos.)	200	750	100	200
Face value (Rs.)	10	10	10	10
Rate of Interest P.A.	13.00%	12.3%##	10.00%	10.00%
Interest Type	Fixed	Fixed	Fixed	Fixed
Listed/unlisted	Unlisted	Listed on BSE	Listed on BSE	Listed on BSE
Secured/unsecured	Unsecured	Unsecured	Secured*	Secured*
Outstanding as at March 31, 2022 ^	**2,000.00**	**3,876.37**	**1,005.21**	**2,150.68**
Outstanding as at March 31, 2021 ^	**2,000.00**	**6,460.58**	**1,005.20**	**2,150.68**

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.

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".

excluding withholding tax

^Outstanding as per contractual repayment schedule.

Note 17: Borrowings (other than debt securities)

Particulars	March 31, 2022	March 31, 2021
At Amortised Cost		
Secured		
Term loans		
- from National Housing Bank#	32,423.80	46,342.57
- from Banks^	1,10,085.16	68,336.05
- from Financial institution*	24,600.56	30,713.69
Loan repayable on demand		
Bank overdraft	219.96	500.00
Unsecured		
Term loans		
- from Financial Institutions		2,975.16
Total	**1,67,329.48**	**1,48,867.47**
Borrowings in India	1,67,329.48	1,48,867.47
Borrowings outside India		
Total	**1,67,329.48**	**1,48,867.47**

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 7,476.24 lakhs (Previous year Rs 23,315.89 lakhs) have been guaranteed by Bank guarantee of HDFC Bank Limited (Rs. 200.00 lakhs).

^ Secured term loans from Banks and various financial institutions carries rate of interest in the range of 8.00% to 12.25% 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 rate of 10.45%.

Personal Guarantees from Promoters amount to Rs. 1,14,126.22 lakhs (Previous year Rs. 77,632.53 lakhs).

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

The Company has not utilized any funds raised on short-term basis for long term purposes.





Note 17: Borrowings (other than debt securities) (continued)

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

Repayments	Monthly repayment schedule		Quarterly repayment schedule		Total	
	No.of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount
Due within 1 Year	932	27,947.53	127	17,253.80	1059	45,201.33
Due 1 to 3Years	1161	42,111.99	220	28,434.36	1381	70,546.35
Due 3 to 5 Years	542	23,109.90	114	11,184.97	656	34,294.87
>5 Years	180	7,072.57	97	10,941.34	277	18,013.91
Total	2815	1,00,241.99	558	67,814.47	3373	1,68,056.46

- Interest rate ranges from 4.86% p.a. to 12.25% p.a. as at March 31, 2022.
- Installment and amount are as per actual repayment schedule.

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 3Years	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.
- Installment and amount are as per actual repayment schedule.

Note 18: Other financial liabilities

Particulars	March 31, 2022	March 31, 2021
interest accrued but not due		
On debentures	289.97	378.27
On term loans from Banks	261.01	277.28
On term loans from Financial institutions	30.07	172.60
On refinance from National Housing Bank	-	682.32
On overdraft facilities from Banks	3.47	4.46
Loan liabilities	696.33	2,490.95
Book overdraft	13,246.02	16,949.11
Advances from customers	195.58	264.03
Payable towards collections in derecognised assets	649.94	483.01
Employee benefits payable	871.04	643.18
Lease liability	607.96	520.55
Others	0.19	0.27
Total	16,851.58	22,866.03

Note 19: Provisions

Particulars	March 31, 2022	March 31, 2021
Provision for employee benefits		
- Compensated absences (refer note 36)	337.02	334.20
- Gratuity (refer note 36)	168.35	104.12
ECL for undisbursed loan commitment (refer note 19.1)	29.92	28.35
Total	535.29	466.67





Note 19.1: 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 19.1.1: Credit quality of exposure

As at March 31, 2022

Risk Categorisation	Stage 1	Stage 2	Stage 3	Total
Low risk	2,541.94	61.21	59.56	2,662.71
Medium risk	4,801.89	-	-	4,801.89
High risk	2.19	-	9.97	12.16
Total	**7,346.02**	**61.21**	**69.53**	**7,476.76**

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**

Note 19.1.2: 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, 2022

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at March 31, 2021	7,796.64	109.35	26.18	7,932.17
New assets originated or purchased	6,024.87	-	-	6,024.87
Assets derecognised or repaid (excluding write offs)	(5,652.16)	(34.90)	(26.18)	(5,713.24)
Transfers from Stage 1	(62.76)	27.14	35.62	-
Transfers from Stage 2	4.50	(38.41)	33.91	-
Transfers from Stage 3	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	(765.07)	(1.97)	-	(767.04)
Amounts written off	-	-	-	-
Gross carrying amount as at March 31, 2022	**7,346.02**	**61.21**	**69.53**	**7,476.76**

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	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)
Amounts written off	-	-	-	-
Gross carrying amount as at March 31, 2021	**7,796.64**	**109.35**	**26.18**	**7,932.17**

Note 19.1.2: 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, 2022

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at April 1, 2021	21.48	1.50	5.37	28.35
Assets derecognised or repaid	(15.39)	(0.32)	(5.38)	(21.09)
New assets originated	11.69	-	-	11.69
Impact on ECL of exposures transferred between stages during the year	(3.32)	1.31	12.99	10.98
Transfers from Stage 1	(0.19)	0.08	0.10	(0.01)
Transfers from Stage 2	0.21	(0.55)	0.34	-
Transfers from Stage 3	-	-	-	-
ECL allowance as at March 31, 2022	**14.48**	**2.02**	**13.42**	**29.92**

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**

Note 20: Other non-financial liabilities

Particulars	March 31, 2022	March 31, 2021
Statutory dues payable	236.99	238.68
Other payables	898.68	724.82
Total	**1,135.67**	**963.50**

Note 21: Equity Share Capital

Details of authorized, issued, subscribed and paid up share capital

Particulars	March 31, 2022	March 31, 2021
Authorised:		
27,00,000 (Previous year 25,00,000) Equity Shares of Rs.10/- Each	270.00	250.00
	270.00	**250.00**
Issued, Subscribed and Paid-up:		
Issued and Subscribed Capital		
9,43,690 (Previous year 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 (Previous year 9,43,690) Equity Shares of Rs.10/- Each Fully paid	94.37	94.37
Total	**94.37**	**94.37**

Shares held by promoters at March 31, 2022

Equity Shares held by promoters* at March 31, 2022				
S.NO	**Promoter Name**	**No of Shares**	**% of Total Shares**	**% Change during the year**
1	Mr. Sanjay Chaturvedi	2,50,000	26.49	-
2	Ms. Rupa Basu	2,50,000	26.49	-
Total		**5,00,000**	**52.98**	-

*Promoter here means promoter as defined in the Companies Act, 2013





Note 21.1 The reconciliation of equity shares outstanding at the beginning and at the end of the reporting year:

Particulars	As at March 31, 2022		As at March 31, 2021	
	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	-	-	-	-
Add: Shares issued pursuant to conversion of convertible share warrants	-	-	-	-
Add: Bonus Shares issued during the year	-	-	-	-
Less: Shares bought back 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, 2022		As at March 31, 2021	
	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 22: Instruments entirely equity in nature

Particulars	March 31, 2022	March 31, 2021
Authorised :		
50,00,000 (Previous year 50,00,000) Preference Shares of Rs. 10/- Each	500.00	500.00
21,50,000 (Previous year Nil) Preference Shares of Rs. 20/- Each	430.00	
	930.00	**500.00**
Issued, Subscribed and Paid-up:		
5,71,328 (Previous year 5,71,328) Compulsorily convertible preference shares of Rs. 10 each-Series A	57.13	57.13
5,29,424 (Previous year 5,29,424) Compulsorily convertible preference shares of Rs. 10 each-Series B	52.94	52.94
13,84,888 (Previous year 13,84,888) Compulsorily convertible preference shares of Rs. 10 each-Series C	138.49	138.49
20,14,729 (Previous year 20,14,729) Compulsorily convertible preference shares of Rs. 10 each-Series D	201.47	201.47
Total	**450.03**	**450.03**

Note 22: Instruments entirely equity in nature (continued)

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 if decided by the board 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 July 31, 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 July 25, 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 July 25, 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 January 23, 2037, whichever is earlier.

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, 2022		As at March 31, 2021	
	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 22.1 The reconciliation of compulsorily convertible preference shares outstanding at the beginning and at the end of the reporting year:

Particulars	As at March 31, 2022		As at March 31, 2021	
	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	5,29,424	52.94	5,29,424	52.94
Add: shares issued during the year	-	-	-	-
Share at the end of year	**5,29,424**	**52.94**	**5,29,424**	**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	**45,00,369**	**450.03**	**45,00,369**	**450.03**

Note 23: Other equity

Particulars	March 31, 2022	March 31, 2021
Share premium account		
Opening balance	39,690.27	39,690.27
Addition/(Deduction)	(229.00)	
Closing balance	39,461.27	39,690.27
Statutory reserve under Section 29C of the NHB Act, 1987		
Opening balance	2,492.87	1,277.47
Addition/(Deduction)	498.22	1,215.40
Closing balance	2,991.09	2,492.87
Share based payment reserve		
Opening balance	1,109.08	814.47
Addition/(Deduction)	280.21	294.61
Closing balance	1,389.29	1,109.08
Retained earnings		
Opening balance	8,634.28	3,807.74
Profit for the year	2,491.11	6,076.99
Transfer to other reserves	(498.22)	(1,215.40)
Remeasurement of defined employee benefit plans	(38.98)	(35.05)
Closing balance	10,588.19	8,634.28
Equity component of compound financial instrument	11.02	11.02
Total	**54,440.86**	**51,937.52**

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 *(refer note 2 of annexure 1)*

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, 2022, the Company has transferred an amount of Rs. 484.34 lakhs (Previous year: Rs. 992.92 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. 13.88 lakhs (Previous year: Rs. 222.47 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 Share Premium Account on exercise of vested options.

Note 24: Interest income

Particulars	March 31, 2022	March 31, 2021
On financial assets measured at amortised cost		
Interest on term loans	32,108.90	29,040.36
Interest income on deposits with banks	342.14	631.09
Others	7.71	16.08
Total	**32,458.75**	**29,687.53**

Note 25: Fee and commission income

Particulars	March 31, 2022	March 31, 2021
Application fee	688.45	684.96
Other fee income	363.96	404.89
Total	**1,052.41**	**1,089.85**

Credit compliance and loan 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	1,052.41	1,089.85
Outside India	-	-
Total revenue from contracts with customers	**1,052.41**	**1,089.85**
Timing of revenue recognition		
Services transferred at a point in time	1,052.41	1,089.85
Services transferred over time	-	-
Total revenue from contracts with customers	**1,052.41**	**1,089.85**

Note 26: Net gain on fair value change

Particulars	March 31, 2022	March 31, 2021
Net gain on instruments at fair value through profit or loss		
-Realised	566.89	304.62
Total	**566.89**	**304.62**

Note 27: Net gain on dereCognition of financial instruments at amortised cost

Particulars	March 31, 2022	March 31, 2021
Net gain on derecognition of financial instruments	394.83	2,452.57
Total	**394.83**	**2,452.57**

Note 28: Other operating income

Particulars	March 31, 2022	March 31, 2021
Recovery from assets written off	214.04	120.58
Total	**214.04**	**120.58**

Note 29: Other income

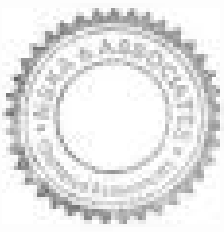
Particulars	March 31, 2022	March 31, 2021
Marketing support income	277.10	401.59
Interest on income tax refund	-	2.45
Miscellaneous income	8.26	18.80
Total	**285.36**	**422.84**

Note 30: Finance costs

Particulars	March 31, 2022	March 31, 2021
On financial liabilities measured at amortised Cost:		
Interest on debt securities	1,240.21	1,521.69
Interest on borrowings (other than debt securities)	14,464.16	12,387.04
Interest on cash credit facilities and overdraft	40.24	62.72
Interest on lease liability	44.75	46.50
Total	**15,789.36**	**14,017.95**

Note 31: Impairment on financial instruments

Particulars	March 31, 2022	March 31, 2021
Loans		
Loans assets and EIS receivable	827.38	476.46
Recoverable from employees	(0.88)	15.35
Loan commitment (refer note 19)	1.57	7.54
Loans write off	235.56	222.81
Loss on sale of loan assets to ARC	245.91	-
Others		
Assets held for sale (refer note 14)	(456.27)	75.05
Loss on sale and settlement of assets acquired	1,749.77	157.30
Total	**2,603.04**	**954.51**





Note 32: Employee benefits expenses

Particulars	March 31, 2022	March 31, 2021
Salaries and wages	9,052.05	7,586.94
Share based payments to employees	280.21	294.61
Contribution to provident and other funds (refer note 36)	503.89	460.16
Provision for Gratuity	116.26	57.28
Provision for Compensated Absences	59.38	116.36
Staff welfare expenses	104.11	69.69
Total	**10,115.90**	**8,585.04**

Note 33: Other expenses

Particulars	March 31, 2022	March 31, 2021
Rent	204.84	254.09
Rates and taxes	29.21	12.44
Printing and stationery	66.53	56.85
Brokerage & commission	3.40	2.98
Advertisements and sales promotion	70.49	42.18
Legal and professional	395.66	308.90
Auditor's fees and expenses	66.65	49.22
Loan acquisition	213.96	187.05
Information technology support	634.97	442.97
Postage, telegrams and telephones	64.42	51.03
Corporate social responsibility (refer note 45)	92.68	44.18
Storage	19.25	15.95
Communication	71.12	71.85
Travelling and conveyance	155.53	86.45
Repairs and maintenance	116.40	94.34
Insurance	84.54	53.46
Offices Supplies	34.84	42.02
Bank charges	198.48	116.05
Net loss on derecognition of property, plant and equipment	2.99	0.80
Electricity and water charges	83.20	69.52
Acquired properties written off	4.62	-
Director's sitting fees	27.14	25.23
Miscellaneous	187.22	148.97
Total	**2,828.14**	**2,176.53**

(A) Payment to auditor:

Particulars	March 31, 2022	March 31, 2021
- Statutory audit	50.00	22.50
- Limited review	8.50	6.00
- Certification fee	6.50	12.10
- Other fee	0.75	7.50
- Outlays#	0.90	1.12
Total	**66.65**	**49.22**

#paid to predecessor auditor





Note 34: Income tax

The components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are:

Profit or loss section	March 31, 2022	March 31, 2021
Current income tax:		
Current income tax charge	724.12	1,487.52
Adjustments in respect of current income tax of previous year	-	(14.60)
Deferred tax:		
Relating to origination and reversal of temporary differences	(120.97)	260.67
Income tax expense reported in the statement of profit or loss	**603.15**	**1,733.59**

Other Comprehensive Income section	March 31, 2022	March 31, 2021
Deferred tax:		
Relating to origination and reversal of temporary differences	13.11	11.79
Income tax expense reported in the Other Comprehensive section	**13.11**	**11.79**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2022 & March 31, 2021

Particulars	March 31, 2022	March 31, 2021
Accounting profit before tax from continuing operations	**3,094.26**	**7,810.58**
Tax at statutory income Tax rate of @25.17% (Previous year 25.17%)	778.76	1,965.77
Other permanent difference	106.29	(37.68)
Impact of tax deduction under Section 36(1)(viii) of Income-tax Act 1961	(121.90)	(249.90)
Others (including rate change)	(173.11)	43.61
Tax on other comprehensive income	13.11	11.79
Tax at effective income Tax rate of @ 19.49% (Previous year 22.20%)	**603.15**	**1,733.59**
Income tax expense reported in the statement of profit and loss	**603.15**	**1,733.59**

Deferred Tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

Particulars	Deferred tax assets	Deferred tax liabilities	Net Deferred tax asset	Income statement	OCI
	March 31,2022	March 31,2022	March 31,2022	2021-22	2021-22
Property, plant & equipment	19.49	-	19.49	(1.41)	-
Un-amortised loan origination costs (net of un-amortised proces	-	(236.83)	(236.83)	89.40	-
Deduction for provision for doubtful debt u/s 36(1)(viia) of The Income- tax Act, 1961	-	(82.14)	(82.14)	(0.67)	-
Expected credit loss (ECL)	946.27	-	946.27	(208.63)	-
Provision for acquired properties held for sale	31.03	-	31.03	114.84	-
Disallowance as per section 43B of income tax act 1961	127.20	-	127.20	36.09	(13.11)
Employee stock option compensation expenses	349.66	-	349.66	(70.53)	-
Allowance amount for share issue expenses	-	-	-	23.63	-
EIR on processing fees of loans	544.88	-	544.88	(103.72)	-
EIS receivable	-	(672.17)	(672.17)	(22.64)	-
Others	2.57	-	2.57	0.13	-
Right of use assets net of lease liabilities	(1.10)	-	(1.10)	22.54	-
Total	**2,020.00**	**(991.14)**	**1,028.86**	**(120.97)**	**(13.11)**

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 proces	-	(147.43)	(147.43)	9.69	-
Deduction for provision for doubtful debt u/s 36(1)(viia) 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)**

Note 35: 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, 2022	March 31,2021
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)	2,491.11	6,076.99
Basic earnings per share (In Rs.)	**45.76**	**111.63**
Diluted		
Weighted average number of equity shares for computation of Diluted EPS (in Nos.)	55,94,247	55,90,742
Net profit for calculation of Diluted EPS (in Rs.)	2,496.26	6,081.71
Diluted earnings per share (In Rs.)	**44.62**	**108.78**
Reconciliation of profit for calculation of diluted EPS		
Net profit for calculation of basic EPS (Rs. in lakhs)	2,491.11	6,076.99
Interest on optionally convertible debentures (net of provision)	5.15	4.72
Net profit for calculation of Diluted EPS (Rs. in lakhs)	**2,496.26**	**6,081.71**
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
(Less) Shares issues to trust	-	-
(Add) Optionally convertible preference shares	-	-
Optionally convertible debentures	1,50,188	1,46,683
Weighted average number of equity shares for computation of Diluted EPS	**55,94,247**	**55,90,742**
Nominal/Face Value of equity shares (In Rs.)	**10**	**10**

Note 36: 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, 2022	March 31, 2021
Employers' Contribution to Employee's Provident Fund	432.19	385.44

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 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 36: Retirement benefit plan (continued)

Table showing change in the present value of projected benefit obligation

Particulars	March 31, 2022	March 31, 2021
Change in benefit obligations		
Present value of benefit obligation at the beginning of the year	355.86	238.99
Interest cost	13.73	11.64
Current Service cost	112.24	53.35
Liability Transferred In/Acquisition	-	-
(Benefit Paid From the Fund)	(29.86)	(8.68)
Actuarial (Gains) on Obligations - Due to Change in Demographic Assumptions	(31.86)	15.44
Actuarial (Gains) on Obligations - Due to Change in Financial Assumptions	(23.03)	12.44
Actuarial Losses on Obligations - Due to Experience	119.54	32.68
Liability at the end of the year	**516.62**	**355.86**

Table Showing Change in the Fair Value of Plan Assets

Particulars	March 31, 2022	March 31, 2021
Fair Value of Plan Assets at the beginning of the year	251.76	154.21
Interest income	9.71	7.51
Contributions by the Employer	104.12	85.00
(Benefit Paid From the Fund)	(29.86)	(8.68)
Return on Plan Assets, Excluding Interest Income	12.54	13.72
Fair Value of Plan Assets at the end of the year	**348.27**	**251.76**

Amount recognized in the Balance Sheet

Particulars	March 31, 2022	March 31, 2021
Present value of benefit obligation at the end of the year	516.62	355.86
Fair value of plan assets at the end of the year	348.27	251.76
Net liability recognized in the balance sheet	**(168.35)**	**(104.10)**

Expenses recognized in the Statement of Profit and Loss

Particulars	March 31, 2022	March 31, 2021
Current service cost	112.24	53.35
Net interest cost	4.02	4.13
Expenses recognised	**116.26**	**57.48**

Expenses recognized in the Other comprehensive income (OCI)

Particulars	March 31, 2022	March 31, 2021
Actuarial Gains on obligation for the year	64.64	60.56
Return on Plan Assets, excluding Interest Income	(12.55)	(13.72)
Net Income for the year recognized in OCI	**52.09**	**46.84**

Note 36: Retirement benefit plan (continued)

The actuarial assumptions used to determine benefit obligations as at March 31, 2022 and March 31, 2021 are as follows:

Particulars	March 31, 2022	March 31, 2021
Discount Rate	4.85%	3.86%
Salary escalation rate	10.00%	9.75%
Rate of Employee Turnover:		
Business year	8.00%	10.85%
Manager year	40.00%	26.99%
Executive year	65.00%	48.35%

Balance sheet reconciliation

Particulars	March 31, 2022	March 31, 2021
Opening net liability		
Expenses recognized in Statement of Profit and Loss	116.26	57.48
Expenses recognized in OCI	52.09	46.84
(Employer's Contribution)	-	-
Net liability recognized in the balance sheet	**168.35**	**104.32**

Cash Flow Projection

Maturity analysis of the benefit payments from the fund

Particulars	March 31, 2022	March 31, 2021
Projected benefits payable in future years from the date of reporting		
1st following year	109.69	55.51
2 to 5 years	281.71	184.10
6 to 10 years	137.31	108.72
More than 10 years	169.18	-

Sensitivity analysis

Particulars	March 31, 2022	March 31, 2021
Projected benefit obligation on current assumptions		
Delta effect of +1% change in rate of discounting	(25.79)	(15.93)
Delta effect of -1% change in rate of discounting	28.92	17.74
Delta effect of +1% change in rate of salary increase	27.23	16.58
Delta effect of -1% change in rate of salary increase	(24.86)	(15.25)
Delta effect of +50%/+5% change in rate of employee turnover	(59.39)	(30.21)
Delta effect of -50%/-5% change in rate of employee turnover	118.81	45.18

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 37: Segment information

The Company operates in a single reportable segment, i.e. lending business, having similar risks and returns for the purpose of Ind AS 108 on 'Operating Segments'. The Company operates in single geographic segment, i.e. domestic.





Note 38: 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 year:

Building and office premises	March 31, 2022	March 31, 2021
Opening net carrying balance	**433.66**	**591.61**
Additions	484.49	130.38
Deletion	(12.82)	(13.50)
Depreciation	(293.00)	(274.83)
Closing net carrying balance	**612.33**	**433.66**

Set out below are the carrying amounts of lease liabilities (included under Other financial liability) and the movements during the year:

Particulars	March 31, 2022	March 31, 2021
Opening Balance	520.55	699.47
Additions	429.17	131.35
Deletions	(12.84)	(13.52)
Accretion of interest	44.75	46.50
Payments	(373.67)	(343.25)
Closing Balance	**607.96**	**520.55**

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, 2022			
Termination options expected to be exercised	443.81	-	**443.81**
March 31, 2021			
Termination options expected to be exercised	637.94	-	**637.94**

Amounts recognized in the statement of Profit and Loss	March 31, 2022	March 31, 2021
Depreciation expense		
Depreciation on right of use assets	293.00	274.83
Other expenses		
Short-term lease rent expense	197.56	235.63
Finance cost		
Interest expense on lease liability	44.75	46.50
Currency translation gains on lease liability	-	-
Currency translation losses on lease liability	-	-

The Company had total cash outflows for leases of Rs. 567.73 (in lakhs) for the year ended March 31, 2022 (Rs. 527.23 (in lakhs) in March 31, 2021).

Amount recognised in statement of cash flow

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a) cash payments for the principal portion of the lease liability within financing activities;	328.92	296.75
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	44.75	46.50
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.	194.06	183.98

Note 39: Change in liabilities arising from financing activities

Particulars	April 1, 2021	Cash flows (net)	Other*	March 31, 2022
Debt securities including commercial papers	11,278.35	1,500.00	(42.15)	12,736.20
Borrowings other than debt securities	1,48,867.47	18,826.84	(364.83)	1,67,329.48
Total	**1,60,145.82**	**20,326.84**	**(406.98)**	**1,80,065.68**

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**

**Other column represents amortisation of transaction cost*

Note 40: Contingent liabilities and commitments

i) Contingent liabilities

a) Income tax

The Company received a demand order dated April 27, 2021 of Rs. 111.21 lacs for AY 2018-19 under section 156 of The Income Tax Act, 1961 based on assessment done under section 143(3). The Company has filed an appeal on May 24, 2021 before CIT (A) against the said order and the same is pending before the appellate authority. Management is of view that the present obligation does not entail a probable outflow of resources embodying economic benefits to settle the obligation. Hence, no provision has been recorded in books of accounts as of March 31, 2022.

b) The Company has given Bank Guarantees for refinance facilities from NHB of Rs. 200 lakhs (March 31, 2021: Rs. 3,950 lakhs).

ii) Capital Commitments

Particulars	March 31, 2022	March 31, 2021
Undisbursed amount of loans sanctioned (refer note 19.1)	7,476.76	7,932.17
Property, plant and equipment	127.03	25.56

Note 41: 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	Wholetime Director
Ms. Rupa Basu	Wholetime Director
Mr. Vinod Rai	Independent Director
Mr. Rakesh Rewari	Independent Director
Mr. Latika Thukral	Independent Director
Mr. Manoj Dattatraya Rane	Independent Director
Mr. Rahul Garg	Nominee Director
Mr. Manoj Jaiswal	Nominee Director
Mr. Rahul Chandra	Nominee Director
Mr. Sandeep Marian Farias	Nominee Director (resigned from dated 16.09.2021)
Mr. Vishal Tulsyan	Nominee Director
Mr. Shashank Jain	Chief Financial Officer
Ms. Neeta Kamra	Company Secretary & Compliance Officer

Note 41: Related party disclosures (continued)

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, 2022	March 31, 2021
Short term benefits (remuneration)	564.48	419.07
Share based payment#	27.12	47.35

*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 grated to the KMPs based on option valuation for respective equity settled grants till March 31, 2022.

Transactions during the year

Particulars	March 31, 2022	March 31, 2021
Key management personnel:		
Optionally Convertible debentures issued	-	14.48
Optionally Convertible debentures redeemed	-	11.94
Sitting fees paid	24.90	22.95
Proceeds on loan outstanding	-	4.50
Interest paid on Optionally convertible debentures	6.88	7.03

The Company has not entered into any non-cash transactions with it's directors or persons connected with them.

Shubham Gratuity Trust:		
Contribution to Gratuity Trust	104.12	85.00
Reimbursement from Trust	22.19	8.50

Balances at year end

Particulars	March 31, 2022	March 31, 2021
Key management personnel		
Optionally Convertible debentures	85.99	85.99
ESOPs outstanding #	290.89	263.77
Receivable from Gratuity trust		
Gratuity amount receivable	9.67	2.05

#ESOPs outstanding includes proportionate liability outstanding in the books as per vesting schedule with respective option valuation of the grants.

Note 42: 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 12 times of their net owned funds ("NOF") on or after March 31, 2022. The Company includes with in debt, its all interest bearing loans and borrowings.

Debt to Net worth ratio is as under:

Particulars	March 31, 2022	March 31, 2021
Debts	1,80,065.68	1,60,145.82
Net worth*	51,691.06	49,658.98
Debt to Net worth (in times)	3.48	3.22

*Net worth has been calculated as per RBI directions (Net Owned Funds)

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 43 : 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:

	March 31, 2022			March 31, 2021		
Assets	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
Financial assets						
Cash and cash equivalents	12,724.49	-	12,724.49	30,299.84	-	30,299.84
Bank balance other than cash and cash equivalents	2,832.61	200.00	3,032.61	4,188.44	200.00	4,388.44
Loans	10,457.56	2,14,733.67	2,25,191.23	10,095.34	1,83,014.91	1,93,110.25
Investments	1,027.08	4,108.32	5,135.40	97.54	390.15	487.69
Other financial assets	901.82	2,188.30	3,090.12	1,844.58	1,896.83	3,741.41
Non-financial assets						
Current tax assets (net)	727.25	-	727.25	205.56	-	205.56
Deferred tax assets (net)	-	1,028.86	1,028.86	-	894.77	894.77
Property, plant and equipment	-	479.12	479.12	-	390.67	390.67
Capital work-in-progress	-	-	-	-	-	-
Intangible assets under development	-	33.30	33.30	11.79	-	11.79
Intangible assets	-	105.27	105.27	-	141.87	141.87
Right-of-use assets	-	612.33	612.33	-	433.66	433.66
Other non-financial assets	533.17	-	533.17	435.38	-	435.38
Assets held for sale	-	1,384.30	1,384.30	-	2,829.42	2,829.42
Total assets	**29,203.98**	**2,24,873.47**	**2,54,077.45**	**47,178.47**	**1,90,192.28**	**2,37,370.75**
LIABILITIES						
Financial liabilities						
Trade Payables						
(i) total outstanding dues of micro enterprises and small enterprises	2.26	-	2.26	1.22	-	1.22
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	501.71	-	501.71	445.59	-	445.59
Debt Securities	8,501.24	4,234.96	12,736.20	2,572.85	8,705.50	11,278.35
Borrowings (other than debt securities)	45,157.79	1,22,171.69	1,67,329.48	40,367.08	1,08,500.39	1,48,867.47
Other financial liabilities	16,518.42	333.16	16,851.58	22,698.78	167.25	22,866.03
Non-financial liabilities						
Provisions	328.48	206.81	535.29	244.59	222.08	466.67
Other Non-financial Liabilities	1,135.67	-	1,135.67	963.50	-	963.50
Total liabilities	**72,145.57**	**1,26,946.62**	**1,99,092.19**	**67,293.61**	**1,17,595.22**	**1,84,888.83**
Net	**(42,941.59)**	**97,926.85**	**54,985.26**	**(20,115.14)**	**72,597.06**	**52,481.92**

Note 44: Financial risk management

44.1 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.

44.1.1 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 departments works closely with and reports to the Risk Management Committee, to ensure that procedures are compliant with the overall framework.

The departments 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.

44.2 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.

44.2.1 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, 2022

LTV bucket	Stage 1	Stage 2	Stage 3	Total
<=40	47,194.31	2,816.32	2,785.81	52,796.44
40-60	58,356.01	3,145.63	2,517.39	64,019.03
60-70	28,373.73	1,602.21	795.18	30,771.12
70-80	32,717.41	1,634.00	1,114.32	35,465.73
>80	41,377.14	1,605.78	927.84	43,910.76
Total	**2,08,018.60**	**10,803.94**	**8,140.54**	**2,26,963.08**

Sector/Employment	Stage 1	Stage 2	Stage 3	Total
Housing:				
Salaried	96,089.39	3,112.01	2,165.27	1,01,366.67
Self Employed	51,418.87	4,385.56	3,069.25	58,873.68
Non-Housing:				
Salaried	22,694.59	996.42	863.85	24,554.86
Self Employed	37,815.75	2,309.95	2,042.17	42,167.87
Total	**2,08,018.60**	**10,803.94**	**8,140.54**	**2,26,963.08**

44.2.1 Analysis of risk concentration (continued)

Geographical Concentration	Stage 1	Stage 2	Stage 3	Total
Maharashtra	75,706.66	3,149.65	2,712.06	81,568.37
Delhi	33,911.96	971.79	407.78	35,291.53
Uttar Pradesh	30,585.13	1,790.67	1,293.87	33,669.67
Haryana	17,839.27	964.05	610.33	19,413.65
Rajasthan	13,327.47	1,000.71	893.24	15,221.42
Madhya Pradesh	12,105.43	1,192.90	1,036.53	14,334.86
Gujarat	10,857.78	610.89	480.04	11,948.71
Punjab	8,810.21	494.91	294.13	9,599.25
Uttarakhand	3,367.68	179.53	89.52	3,636.73
Bihar	675.74	242.18	120.02	1,037.94
Jharkhand	538.74	90.82	79.31	708.87
Chhattisgarh	292.53	115.84	123.71	532.08
Total	**2,08,018.60**	**10,803.94**	**8,140.54**	**2,26,963.08**

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**

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**

44.3 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, 2022

Particulars	Up to 1 year	1-3 years	3-5 years	5 years above	Total
Cash and bank balances	15,557.10	200.00	-	-	15,757.10
Loans	39,907.52	80,144.90	82,557.13	3,90,985.99	5,93,595.54
Investments	1,027.08	2,054.16	2,054.16	-	5,135.40
Other financial assets	901.81	1,053.07	837.52	297.72	3,090.12
Total	**57,393.51**	**83,452.13**	**85,448.81**	**3,91,283.71**	**6,17,578.16**
Borrowings (including debt securities)	68,082.53	89,804.82	40,050.37	20,094.00	2,18,031.72
Trade payables	503.97	-	-	-	503.97
Other financial liabilities (Other than lease liability)	16,243.62	-	-	-	16,243.62
Lease liability	343.90	449.54	5.80	-	799.24
Total	**85,174.02**	**90,254.36**	**40,056.17**	**20,094.00**	**2,35,578.55**

As at March 31, 2021

Particulars	Up to 1 year	1-3 years	3-5 years	5 years above	Total
Cash and bank balances	34,488.28	-	200.00	-	34,688.28
Loans	37,512.60	73,076.64	69,595.20	3,46,340.76	5,26,525.20
Investments	98.00	195.08	194.61	-	487.69
Other financial assets	1,319.71	961.27	865.59	594.84	3,741.41
Total	**73,418.59**	**74,232.99**	**70,855.40**	**3,46,935.60**	**5,65,442.58**
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)	22,345.48	-	-	-	22,345.48
Lease liability	370.89	189.63	20.46	-	580.98
Total	**79,694.58**	**85,532.22**	**33,891.50**	**21,115.87**	**2,20,234.17**

44.4 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 borrowings.

44.4 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, 2022		Year ended March 31, 2021	
	Basis points	Effect on profit before tax	Basis points	Effect on profit before tax
Increase in basis points	50	1,088.31	50	941.57
Decrease in basis points	-50	(1,088.31)	-50	(941.57)

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

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Basis points	Effect on Profit before tax	Basis points	Effect on Profit before tax
Increase in basis points	50	748.11	50	(602.48)
Decrease in basis points	-50	(748.11)	-50	602.48

Note 45: 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.

(a) CSR Contribution other than Related Party

As at March 31, 2022

Nature of Activity	To be incurred	Incurred	Shortfall	Total
Construction/acquisition of any asset	-	-	-	-
Education & Welfare	92.02	92.68	-	**92.68**

As at March 31, 2021

Nature of Activity	To be incurred	Incurred	Shortfall	Total
Construction/acquisition of any asset	-	-	-	-
Education & Welfare	43.22	44.18	-	**44.18**

(b) CSR Contribution with Related Party
Contribution to a trust controlled by the company in relation to CSR expenditure Nil (Previous Year Nil)

(c) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.

Note 46: Expenditure in foreign currency

Particulars	March 31, 2022	March 31, 2021
Other service charges	11.03	6.74
Total	**11.03**	**6.74**





Note 47: 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 March 30, 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 October 31, 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, 2022 are as given below:

Particular	Date of Grant	Option Granted	Exercise Price	Method of Settlement	Vesting Period	Fair Value on Grant Date
ESOP Scheme 2013						
Series I	1May 2015 and 24 Aug 2015	29,529	10	Equity	1-4years	955.28 to 956.74
Series II	1 Oct 2017	22,800	10	Equity	1-4 years	1,158.76 to 1,160.10
Series III	1Jul 2018	17,250	10	Equity	1-4 years	1,379.06 to 1,380.74
Series IV	1May 2019, 1 Oct 2019 and 1Jan 2020	48,600	10	Equity	1-4years	1,490.20 to 1,491.79 and 1,206.82 to 1,208.50
Series V	1 May 2021	500	10	Equity	1-4 years	2675.86 to 2677.49
ESOP Scheme 2020						
Series I	01-May-20	25,000	1166.41	Equity	1-4 years	392.81 to 560.85
Series II	1May 2021	12,870	1166.41	Equity	1-4years	1690.95 to 1932.52

Vesting conditions:

The Compensation Committee, at 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, 2022	March 31, 2021
Expense arising from equity-settled share-based payment transactions	280.21	294.61
Total	**280.21**	**294.61**

(iii) Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements during the year:

As at March 31, 2022

Particulars	ESOP Scheme Series-I & II	ESOP Scheme Series-Ito V
Outstanding at April 1, 2021	25,000	96,954
Granted during the year	12,870	500
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	(1,000)
Outstanding at March 31, 2022	**37,870**	**96,454**
Exercisable at March 31, 2022	7,500	69,928
Weighted average exercise prices (WAEP) (Rs.)	1,166	10

Note 47: Employee Stock Option Plan (continued)

As at March 31, 2021

Particulars	ESOP Scheme 2020	ESOP Scheme 2013
	Series-I & II	Series-I to IV
Outstanding at April 1, 2020	-	97,354
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**	**96,954**
Exercisable at March 31, 2021	-	51,557
Weighted average exercise prices (WAEP) (Rs.)	1,166	10

1 Weighted average remaining contractual life for the share options outstanding as at March 31, 2022 was 0.65 years and 1.29 years (Previous year 4.02 years and 5.09) for ESOP Scheme 2013 and ESOP Scheme 2020 respectively.

2. Weighted average fair value of options granted during the year was Rs. 2,676.67 and Rs. 1818.31 (Previous year Rs. Nil and 495.47) 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 1166 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	Fair value on Grant date	Expected volatility (%)	Risk free interest rate (%)	Dividend yield (%)	Expected maturity from date of vestimg
ESOP Scheme 2013					
Series I	962.56	13.95 and 15.74	7.90 to 8.03 and 8.05 to 8.30	Nil	Up to 3 years
Series II	1,166.41	11.67	6.70to 7.01	Nil	Up to 3 years
Series III	1,386.30	10.87	8.07 to 8.36	Nil	Up to 3 years
Series IV	1,497.67 and 1,215.00	13.5 to 14.12 and 41.43 to 49.63	7.30 to 7.66 and 6.23 to 6.80	Nil	Up to 3 years
SeriesV	2,676.67	43.80 to 44.06	4.70 to 5.81	Nil	Up to 5.50 years
ESOP Scheme 2020					
Series I	1,175.00	45.32 and 47.03	4.58 to 5.91	Nil	up to 3 years
Series II	1,818.31	43.80 to 44.06	4.70 to 5.81	Nil	Up to 5.50 years

Note 48: 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, 2022

Particulars	Carrying value	Fair Value			
		Level I	Level II	Level III	Total
Financial assets					
Investments	5,135.40	-	-	5,310.67	**5,310.67**
Non-financial assets					
Asset held for sale	1,384.30	-	-	2,674.13	**2,674.13**
Financial liabilities					
Debt Securities at fixed rate	8,729.75	-	8,804.29	-	**8,804.29**
Borrowings (Other than debt securities) at fixed rate	18,366.73	-	18,993.58	-	**18,993.58**

As at March 31, 2021

Particulars	Carrying value	Fair Value			
		LevelI	Level II	Level III	Total
Financial assets					
Investments	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**

There have been no transfers between Level 1, Level 2 and Level 3 for the year ended March 31, 2022 and March 31, 2021.

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables.

The management assessed that cash and cash equivalents, investments, other financial assets, trade payables, and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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:

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.

Investments in Security Receipts - 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 49: 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, 2022	-	179.89	-	179.89	**179.89**
March 31, 2021	123.64	230.19	123.64	230.19	**353.83**

Note 50: Impact of COVID 19

The outbreak of the COVID-19 pandemic had led to a nation-wide lockdown in April-May 2020. This was followed by localised lockdowns in areas with a significant number of COVID-19 cases. Following the easing of lockdown measures, there was an improvement in economic activity in the second half of fiscal 2021. Since then India experienced two waves of the COVID-19 pandemic following the discovery of mutant coronavirus variants, leading to the re imposition of regional lockdowns which were subsequently lifted.

The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The disruptions following the outbreak, impacted loan originations and the efficiency in collection efforts resulting in increase in customer defaults and consequent increase in provisions there against.

India is emerging from the COVID-19 pandemic. The extent to which any new wave of COVID-19 will impact the Company's results will depend on ongoing as well as future developments, including, among other things, any new information concerning the severity of the COVID-19 pandemic, and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.

Note 51: Additional disclosures required by Reserve bank of India

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 52: Code on social security

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

Note 53: Additional regulatory disclosures

i) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken.

ii) The Company does not have any Benami Property where any proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

iii) The Company has submitted the quarterly return or statements of current assets with banks or financial institutions in agreement with the books of accounts for borrowings taken on the basis of security of current assets.

iv) The Company is not declared a willful defaulter by any bank or financial institution or other lender during the year.

v) Relationship with Struck off Companies:

Detail of transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

Name of struck off Company	Nature of transactions	Balance outstanding	Relationship

Note - Details are verified as on March 31, 2022

vi) The Company does not have any pending charges or satisfaction yet to be registered with ROC beyond the statutory period.

vii) The Company does not have any layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

viii) The Company has not opted for any Scheme of Arrangements which has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

ix) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

x) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

xi) The Company does not have any transaction which not have been recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Also, there is no previously unrecorded income and related assets which need to be recorded in the books of account during the year.

xii) Liquidity coverage ratio not applicable to the Company.

Note 54: 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 M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Swapnil Kale
Partner
Membership No. 117812

Place: Mumbai
Date: May 18, 2022

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

Sanjay Chaturvedi
Director
DIN: 01636432

Rupa Basu
Director
DIN : 08068918

Shashank Jain
Chief Financial Officer

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

Place: Gurugram
Date: May 18, 2022

Shubham Housing Development Finance Company Limited
Notes to Financial Statements for the year ended March 31, 2022

Annexure 1 to Note 51 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, February 17, 2021 have been prepared in compliance with Indian Accounting Standards (Ind AS) and prescribed under other regulatory directions/circulars.

Note 1: Capital (Amount in crores)

Particulars	March 31, 2022	March 31, 2021
Capital to Risk Assets Ratio (CRAR) (%)	36.85%	41.24%
CRAR - Tier I Capital (%)	36.13%	40.74%
CRAR - Tier II Capital (%)	0.72%	0.50%
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 (Amount in crores)

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning 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
Addition/ appropriation/ withdrawal during the year		
Add: Amount transferred under Section 29C of the NHB Act, 1987	0.14	2.23
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	4.84	9.93
Less: Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 19.	-	-
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	4.98	12.16
Balance at the end of the year		
Statutory reserve under section 29C of the NHB Act, 1987	3.75	3.61
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	26.16	21.32
Total	29.91	24.93

Note 3: Details of loans transferred/acquired during the year ended March 31, 2022 under the Master Direction - RBI (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021 are given below:

(i) Details of stressed loans transferred/acquired: (Amount in crores)

Sr. No.	Particulars	To ARC	To permitted transferees	To other transferees
(i)	No. of accounts	1354	-	-
(ii)	Aggregate principal outstanding of loans transferred	74.74	-	-
(iii)	Weighted average residual tenure of the loans transferred (in years)	11.14	-	-
(iv)	Net book value of the loans transferred (at the time of transfer)	61.82	-	-
(v)	Aggregate consideration	57.64		
(vi)	Aggregate consideration realised in respect of loans transferred in earlier years	-	-	-

Note:- The Company has not acquired stressed loan.
Note:- No excess provision has been reversed in connection with said transaction.
Note:- Details of ratings of security receipts are as below: (Amount in crores)

Particulars	Rating Agency	Recovery rating	Outstanding as on March 31, 2022
Security Receipts-1	Brickwork Ratings India Private Limited	BW RR1	3.51
Security Receipts-2#	-	-	47.85

The transaction has been completed on January 25, 2022 and rating is awaited.

(ii) Details of loans not in default transferred/acquired through assignment: (Amount in crores)

Sr. No.	Particulars	Transferred	Acquired
(i)	Aggregate amount of loans transferred	26.68	-
(ii)	Weighted average maturity (in years)	5.20	-
(iii)	Weighted average holding period (in years)	1.31	-
(iv)	Retention of beneficial economic interest by obligator	10%	-
(v)	Tangible security coverage	100%	-
(vi)	Rating wise distribution of rated loans	NA	-

Note:- The Company has not agreed to replace loans transferred to transfree(s) or pay damages arising out of any representation or warranty.

Shubham Housing Development Finance Company Limited
Notes to Financial Statements for the year ended March 31, 2022

Note 4: Investments **(Amount in crores)**

Sr. No.	Particulars	March 31, 2022	March 31, 2021
	Value of Investments		
(i)	Gross value of Investments		
	(a) In India	51.35	4.88
	(b) Outside India	-	-
(ii)	Provisions for Depreciation		
	(a) In India	-	-
	(b) Outside India	-	-
(iii)	Net value of Investments		
	(a) In India	51.35	4.88
	(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 5: Derivative
Forward Rate Agreement (FRA) / Interest Rate Swap (IRS) **(Amount in crores)**

Sr. No.	Particulars	March 31, 2022	March 31, 2021
(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 2022 (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, 2022

Note 5: 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 6: Securitization
a) Securitisation and Minimum Retention Requirement **(Amount in crores)**

Sr. No.	Particulars	March 31, 2022 No./Amount	March 31, 2021 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
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
	b) Others	1.80	-
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
	b) Others	-	-
b)	Exposures to third party securitisation		
	a) First loss	-	-
	b) Others	-	-

Shubham Housing Development Finance Company Limited
Notes to Financial Statements for the year ended March 31, 2022

Note 7: Asset Liability Management

Maturity pattern of certain items of assets and liabilities as at March 31, 2022 (Amount in crores)

Particulars	1Day 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	Over6 months to 1 year	Over1 year to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from banks	8.52	0.59	15.51	17.91	29.70	74.80	148.92	493.34	224.54	89.20	**1,103.03**
Market borrowings	17.32	0.77	24.20	8.32	70.19	36.01	83.83	250.23	116.49	90.26	**697.62**
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	14.99	10.95	23.89	28.46	33.50	141.57	315.51	952.50	412.32	278.15	**2,211.84**
Investments	-	-	-	2.57	2.57	2.57	2.56	20.54	20.54	-	**51.35**
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-

Note: In computing the above information certain estimates, assumptions and adjustments have been made by the Management.

Maturity pattern of certain items of assets and liabilities as at March 31, 2021

(Amount in crores)

Particulars	1Day to7 Days	8 to14 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	Over1 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	5.24	1.63	1.67	11.03	26.39	162.76	254.83	783.95	364.35	311.98	**1,923.83**
Investments	-	-	-	0.24	0.24	0.24	0.24	1.95	1.95	-	**4.88**
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-

Shubham Housing Development Finance Company Limited
Notes to Financial Statements for the year ended March 31, 2022

Note 8: Exposure

a) Exposure to Real Estate Sector*

(Amount in crores)

Sr. No.	Category	March 31, 2022	March 31, 2021
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:	1,601.81	1,388.49
(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	0.22	-
(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 determing the exposure to real estate sector.

b) Exposure to Capital Market

The Company does not have any capital market exposure as on 31 March 2022.

(Amount in crores)

Sr. No.	Category	March 31, 2022	March 31, 2021
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/ convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares/ bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows/ issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total Exposure to Capital Market	-	-

Note 8: 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 March 31, 2022 and March 31, 2021, 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 9: 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 10: Registration obtained from other financial sector regulators

The Company has not obtained registration from any other financial sector regulators.

Note 11: Penalties imposed by NHB and other regulators

During the year there is no penalty (Previous year Rs. 0.42 crore) imposed by the National Housing Bank.

Note 12: 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 13: Group Structure

The Company does not have any parent company or any subsidiary, so group structure is not applicable.

Note 14: 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, 2022	March 31, 2021
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)
Commercial paper (Unsecured)	[ICRA]A1	NA

Note 15: Net Profit or Loss for the period, prior period items and changes in accounting policies

Prior period expenses of Rs. Nil (previous year- Rs. 0.21 crores).

Shubham Housing Development Finance Company Limited
Notes to Financial Statements for the year ended March 31, 2022

Note 16: Revenue Recognition

During the year, there are no circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

Note 17: Consolidated Financial Statements (CFS)

The company does not have any parent company or any subsidiary, so consolidation of financial statements is not applicable.

Note 18: Provisions and Contingencies

(Amount in crores)

Sr. No.	Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	March 31, 2022	March 31, 2021
(i)	Provision for depreciation on investment	-	-
(ii)	Provision made towards income tax	7.24	14.88
(iii)	Provision towards Non-Performing Assets	10.84	5.33
(iv)	Provision for Standard Assets	(2.59)	(0.94)
(v)	Provision for loan commitments	0.02	0.08
(vi)	Provision for EIS receivable & MRR	0.02	0.38
(vii)	Provision for Standard Assets- Teaser Loan	-	-
(viii)	Provision for Standard Assets- CRE	-	-
(ix)	Provision for Standard Assets- CRE-RH	0.00	-
(x)	Provision for Assets acquired under SARFAESI	(4.56)	0.75
(xi)	Provision for doubtful recoverable from employees	(0.01)	0.15
(xii)	Provision for Gratuity	1.16	0.57
(xiii)	Provision for Compensated Absences	0.59	1.16

Note 19: Break up of Loan & Advances and Provisions thereon

(Amount in crores)

Particulars	Housing		Non-Housing	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Standard assets				
a) Total outstanding amount	1,550.05	1,361.79	638.17	534.35
b) Provision made	6.71	8.25	4.34	5.38
Sub-standard assets				
a) Total outstanding amount	52.16	18.34	29.02	9.69
b) Provision made	16.41	6.25	9.13	3.31
Doubtful assets-I				
a) Total outstanding amount	0.14	5.25	0.01	2.43
b) Provision made	0.04	1.79	-	0.83
Doubtful assets-II				
a) Total outstanding amount	0.05	3.36	0.03	2.93
b) Provision made	0.02	1.14	0.01	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	**1,602.40**	**1,388.93**	**667.23**	**549.67**
b) Provision made	**23.18**	**17.62**	**13.48**	**10.79**

The Company has considered loans (excluding the minimum retention requirement of direct assignment/securitisation deals) for the purpose of this disclosure.





Shubham Housing Development Finance Company Limited
Notes to Financial Statements for the year ended March 31, 2022

Note 20: Draw down from reserves
During the year, there have been no draw down from the statutory reserves (previous year draw down- Rs. Nil).

Note 21: Concentration of public deposits
The Company did not have any public deposits

(Amount in crores)

Particulars	March 31, 2022	March 31, 2021
Total Deposits of twenty largest depositors	-	-
Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC	-	-

Note 22: Concentration of Loan and advances

(Amount in crores)

Particulars	March 31, 2022	March 31, 2021
Total loans and advances to twenty largest borrowers*	41.90	33.63
Percentage of loans and advances to twenty largest borrowers to total advances of the Company*	1.85%	1.73%

*Largest borrowers represent highest loan outstanding at reporting period

Note 23: Concentration of all exposure (including off-balance sheet exposure)

(Amount in crores)

Particulars	March 31, 2022	March 31, 2021
Total exposure to twenty largest borrowers/customers	51.06	42.22
Percentage of exposures to twenty largest borrowers/customers to total exposure of Company	2.18%	2.09%

Note 24: Concentration of Non-Performing Assets (NPAs)

(Amount in crores)

Particulars	March 31, 2022	March 31, 2021
Total exposure to top ten NPA accounts	3.44	2.99

Note 25: Sector-wise NPAs

(Amount in crores)

Sr. No.	Particulars	March 31, 2022		March 31, 2021	
		Rs.	%	Rs.	%
	Housing Loans:				
(a)	Individuals	52.35	3.27%	27.13	1.95%
(b)	Builders/Project Loans	-	-	-	-
(c)	Corporates	-	-	-	-
(d)	Others	-	-	-	-
	Non-Housing Loans:				
(a)	Individuals	29.06	4.36%	15.33	2.79%
(b)	Builders/Project Loans	-	-	-	-
(c)	Corporates	-	-	-	-
(d)	Others	-	-	-	-





Shubham Housing Development Finance Company Limited
Notes to Financial Statements for the year ended March 31, 2022

Note 26: Movement of Non-Performing Assets (NPAs)

(Amount in crores)

S. No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
I	**Net NPAs to Net Advances (%)**	**2.50%**	**1.45%**
II	**Movement of NPAs (Gross)**		
	a) Opening balance	42.47	28.79
	b) Additions during the year	78.96	27.98
	c) Reductions during the year	40.02	14.30
	d) Closing balance	**81.41**	**42.47**
III	**Movement of Net NPAs**		
	a) Opening balance	27.69	19.34
	b) Additions during the year	54.11	18.07
	c) Reductions during the year	26.01	9.72
	d) Closing balance	**55.79**	**27.69**
IV	**Movement of provisions for NPAs and Contingencies (excluding provisions on standard assets)**		
	a) Opening balance	14.78	9.45
	b) Provision made during the year	24.85	9.91
	c) Written-off/Write back of excess provisions	14.01	4.58
	d) Closing balance	**25.62**	**14.78**

Note 27: Overseas Assets

The Company does not hold any overseas assets

(Amount in crores)

Particular	March 31, 2022	March 31, 2021
Overseas Assets	-	-
Total		

Note 28: 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, 2022

Note 29: 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	2,080.18	5.78	2,074.40	6.92	(1.14)
	Stage 2	108.04	5.27	102.77	4.96	0.31
Subtotal performing assets		**2,188.22**	**11.05**	**2,177.17**	**11.88**	**(0.83)**
Non-Performing Assets (NPA)						
Substandard	Stage 3	**81.18**	**25.54**	**55.64**	**12.35**	**13.19**
Doubtful assets						
Up to 1 year	Stage 3	0.15	0.04	0.11	0.06	(0.02)
1 to 3 years	Stage 3	0.08	0.03	0.05	0.05	(0.02)
More than 3 years	Stage 3	-	-	-	-	-
Subtotal- Doubtful		**0.23**	**0.07**	**0.16**	**0.11**	**(0.04)**
Loss Assets	Stage 3	-	-	-	-	-
Loan commitments	Stage 1	73.46	0.14	73.32	-	0.14
	Stage 2	0.61	0.02	0.59	-	0.02
	Stage 3	0.70	0.14	0.56	-	0.14
Subtotal of loan commitments		**74.77**	**0.30**	**74.47**	**-**	**0.30**
Grand Total	Stage 1	2,153.64	5.92	2,147.72	6.92	(1.00)
	Stage 2	108.65	5.29	103.36	4.96	0.33
	Stage 3	82.11	25.75	56.36	12.46	13.29
	Total	**2,344.40**	**36.96**	**2,307.44**	**24.34**	**12.62**

*The Company has considered loans (excluding the minimum retention requirement of direct assignment/securitisation deals) for the purpose of this disclosure.

Shubham Housing Development Finance Company Limited
Notes to Financial Statements for the year ended March 31, 2022

Note 30: Customer Complaints#

S. No.	Particulars	March 31, 2022	March 31, 2021
(a)	No. of complaints pending at the beginning of the year	-	1
(b)	No. of complaints received during the year	45	37
(c)	No. of complaints redressed during the year	44	38
(d)	No. of complaints pending at the end of the year	1	-

#represents complaints reported through NHB - GRIDS Portal only.

Note 31: 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 32: Overseas Operations
The Company did not have overseas operations and joint venture partners with regard to joint ventures and overseas subsidiaries.

Note 33: 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, February 17, 2021 is given below:

Particulars	As at March 31, 2022
Percentage of total assets towards housing finance	63.52%
Percentage of total assets towards housing finance to individuals	63.52%

Note 34: Schedule to the balance sheet **(Amount in crores)**

Particulars Liabilities Side	Amount outstanding	Amount overdue
(1) Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:		
a) Debentures : Secured	31.50	-
Unsecured	59.44	-
(other than falling within the meaning of public deposits*)		
b) Deferred Credits	-	-
c) Term Loans	1,674.01	-
d) Inter-corporate loans and borrowing	-	-
e) Commercial Paper	39.31	-
f) Public Deposits*	-	-
g) Other Loans (Overdraft facility)	2.22	-

(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	-	-

Shubham Housing Development Finance Company Limited
Notes to Financial Statements for the year ended March 31, 2022

Note 34: 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	2,288.31
b) Unsecured	0.53

(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	10.27

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	41.08

Note 34: Schedule to the balance sheet (Continued)

(6) Borrower group-wise classification of assets financed as in (3) and (4) above: (Amount in crores)

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#	2,232.63	0.34	2,232.97
Total	**2,232.63**	**0.34**	**2,232.97**

excluding securitised and assigned loans

(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	53.11	51.35
Total	**53.11**	**51.35**

(8) Other information

Particulars	Amount
(i) Gross Non-Performing Assets	
a) Related parties	-
b) Other than related parties	81.41
(ii) Net Non-Performing Assets	
a) Related parties	-
b) Other than related parties	55.79
(iii) Assets acquired in satisfaction of debt	-

Note 35: Disclosure as required by Liquidity Risk Management Framework for Non-Banking Financial Companies

(1) Funding Concentration based on significant counterparty (both deposits and borrowings) (Amount in crores)

Particulars	March 31, 2022
i) Number of Significant Counterparties*	27
ii) Amount	1,652.69
iii) Percentage of funding concentration to total deposits	NA
iv) Percentage of funding concentration to total liabilities	83.01%

* Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non Banking Financial Companies and Core Investment Companies.

(2) Top 10 borrowings

Particulars	March 31, 2022
i) Total amount of top 10 borrowings	556.33
ii) Percentage of amount of top 10 borrowings to total borrowings	30.90%

(3) Funding Concentration based on significant instrument/product*

Particulars	March 31, 2022	Percentage of total liabilities
i) Redeemable non-convertible debentures	87.30	4.38%
ii) Term Loans	1,671.10	83.94%
iii) Commercial papers	39.31	1.97%

*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 November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

Note 35: Disclosure as required by Liquidity Risk Management Framework for Non-Banking Financial Companies (continued)

(4) Stock Ratio

Particulars	March 31, 2022
(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) Short term liabilities as a percentage of total public funds * #	NA
(v) Short term liabilities as a percentage of total liabilities #	36.24%
(vi) Short term liabilities as a percentage of total assets #	28.40%
(vii) Short term liabilities as a percentage of long term assets	32.08%
(viii) Commercial paper as a percentage of total assets	1.55%
(ix) Long term assets as a percentage of total assets	88.51%

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.

Short term liabilities are excluding short term non convertible debentures.

(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.

Note 36: Disclosure pursuant to RBI notification No.RBI/2020-21/16 DOR No. BP.BC/3/21.04.048/2020-21 on Resolution Framework for COVID-19-related Stress dated August 6, 2020:

Format - B
Amount (in lakhs)

Type of Borrower	Exposure to accounts classified as standard consequent to the implementation of resolution plan-position as the end of the previous half- year (A) (30-09-21) **	Of (A) aggregate debt that slipped in to NPA during the half year	Of (A) amount written off during the half year	Of (A) amount paid by the borrowers during the half year #	Exposure of accounts classified as standard consequent to implementation of resolution plan position as at the end of this half year (31-03-22) ##
Personal loan	5,284.96	579.71	16.27	589.55	4,683.62
Corporate persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**5,284.96**	**579.71**	**16.27**	**589.55**	**4,683.62**

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016
** Includes borrowers which were restructured between October 1, 2021 and December 31, 2021
Includes loan sold to ARC & repossessed under SARFEASI
The Company has given moratorium to its borrowers as a part of restructuring

Note 37: The Company has not received any whistle-blower complaints during the year.

Note 38: The frauds detected and reported for the year amounted to Rs. Nil (Previous year Rs. 0.51 cr.).

For M S KA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Swapnil Kale
Partner
Membership No. 117812

Place: Mumbai
Date: May 18, 2022

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

Sanjay Chaturvedi
Director
DIN No : 01636432

Rupa Basu
Director
DIN No.: 08068918

Shashank Jain
Chief Financial Officer

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

Place: Gurugram
Date: May 18, 2022