

HOMEOWNERSHIP FROM DREAMS TO REALITY

ANNUAL REPORT 2023-24



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HOMEOWNERSHIP FROM DREAM TO REALITY

In a country where aspirations rise daily with increasing purchasing power, owning a home remains a fundamental dream for many. Beyond an investment, it is a personal milestone, offering security and the satisfaction of having a roof over one's family. At Shubham Housing Finance, we understand this deeply rooted aspiration and are committed to making it a reality.

Our support extends beyond financing; we strive to be the most trusted partner in facilitating a seamless journey to homeownership for self-made individuals.

This year, we have achieved significant growth, innovation and expansion, serving the dreams of the underserved customer segment. By adapting our underwriting methods to fit individual needs, we have made homeownership accessible, especially for those with informal incomes. As leaders in housing finance, we take pride in our progress and remain focused on our mission to turn aspirations into reality.

Together, we are building a better future and transforming lives through the power of homeownership, creating lasting impacts for families and communities.



Shubham at a glance

YOUR DREAM HOME IS OUR PROMISE

At Shubham Housing Finance, we specialise in lending for residential purchase, construction, renovation and improvement, as well as providing loans against housing property for various purposes. We have established ourselves as a high-growth, profitable franchise with a strong retail focus and diversified geographic presence.

Our unique two-tier underwriting approach blends traditional document-based methods with customised credit programmes, making homeownership accessible, especially for those with informal incomes. As pioneers in housing finance, we are committed to helping our clients achieve the milestone of owning a home.





MISSION

Our sole mission is to provide housing finance solutions to families with informal income through new-age credit programmes.



VISION

Our vision is to be the mortgage lender of choice for families with Informal Income.



MOTTO

Our motto is to help build happy homes for those who are outside the formal income circle. We do this by extensively engaging our customers in discussions about their life story - where they come from, what they do, how they earn, spend and save. Taking a holistic view of our customers and their nod on what they can pay every month as an EMI, we introduce them to the world of formal housing finance - offering solutions that best fit their need.

With the sole purpose of offering customised and affordable housing finance solutions, we believe everyone deserves a better and safer home to call their own.



OUR VALUES



INTEGRITY

Upholding our integrity is always our top priority. We never compromise on our integrity.



EXCELLENCE

We relentlessly challenge ourselves to improve, innovate and achieve the highest levels of quality in everything we do.



CUSTOMER FOCUS

We are driven by the needs of our customers and strive to exceed their expectations every time.



TRANSPARENCY

We strive to provide all relevant information to our customer up front.



COMPLIANCE

We meticulously adhere to all laws and regulations maintaining a steadfast commitment to compliance.



COLLABORATION

We cultivate teamwork and encourage everyone to participate in the continuous improvement of our products and processes.



FY 2024

A YEAR OF MILESTONES

21,783 Nos.

No. of disbursements made during the year as compared to 14,805 Nos. in FY23

₹ 603.27 Crore

Revenue from Operations
+34% Y-o-Y

₹ 398.67 Crore

Net Total Income
+37% Y-o-Y

₹ 4,594 Crore

AUM
+48% Y-o-Y

₹ 135.97 Crore

PAT
+48% Y-o-Y

₹ 2,602 Crore

Disbursements
+53% Y-o-Y

₹ 10.2 Lakhs

Average Ticket Size
+11% Y-o-Y

33+

Lender Partnerships

1.18 %

Gross Non-performing Assets improved by 62 BPS Y-o-Y

3,175

Employees as compared to 2,465 in FY23

146

Branches across 12 states

A+(stable) / A(positive)

Credit rating received by India Rating/ICRA

GROWTH WE WITNESSED OVER THE YEARS

2010

- Incorporated
- ₹ 91 Mn Series A funding from Elevar and Helion

2011

- Received NHB license
- Opened 1st branch
- Entered 4 new states
- Rated BB+
- ₹ 432 Mn Series B investment by Saama and Accion

2013

- Turned profitable in 3rd year of operation
- Rated BBB-

2014

- Opened 50th branch
- Rated BBB with positive outlook

2015

- ₹ 1.2 Bn Series C investment from MOPE & existing investors
- Received 1st refinance limit of ₹ 50 Mn from NHB

2016

- Risk unit setup & moved to data-based decision making
- RCU set up
- SARFAESI license obtained, significant benefit in collection
- Issued 1st NCD of ₹ 200 Mn
- Crossed ₹ 10 Bn in disbursements

2017

- Centralised underwriting
- Received 2nd refinance limit of ₹ 500 Mn from NHB
- Issued 2nd NCD of ₹ 750 Mn to Triodos, Amsterdam and listed on BSE
- Completely migrated to Finnone NEO LMS

2018

- ₹ 2.3 Bn Series D funding from Premji Invest and existing investors
- Rated BBB+ with positive outlook by ICRA/CRISIL
- Recognised by WEF and IFC as among top 100 FinTech companies promoting financial inclusion

2010 - 2013

2014 - 2016

2017 - 2018

2019

- Received 3rd refinance limit of ₹ 1.5 Bn from NHB
- Rated A- with stable outlook by ICRA/CRISIL

2020

- Received 4th refinance limit of ₹ 2.5 Bn by NHB
- Crossed ₹ 30 Bn in disbursements
- Invited to the 9th Annual Forum on Inclusive Business on the side-lines of the UN General Assembly, NY
- Awarded the best HFC in affordable housing by Inclusive Finance India

2021-2022

- Upgraded to Oracle Gen2 Cloud data centre
- Received ₹ 1.02 Bn from NHB under special refinance window and ₹ 300 Mn from banks under TLTRO -2 window
- Migrated from IGAAP to INDAS

2023

- ₹ 8.9 Bn Series E funding from ADB, BII, Leapfrog and Premji Invest
- Rated A with stable outlook by ICRA/CRISIL and A+ by India Rating
- Expanded to South
- Crossed ₹ 60 Bn in disbursements
- Crossed ₹ 200 Cr disbursement in a single month

2024

- Diversified geographic presence across 12 states
- Shubham Housing Finance has a 100% digital customer onboarding process
- AUM – Well distributed across 12 states
- Implemented Executive Information System (EIS) using PowerBI

2019 - 2020

2021 - 2023

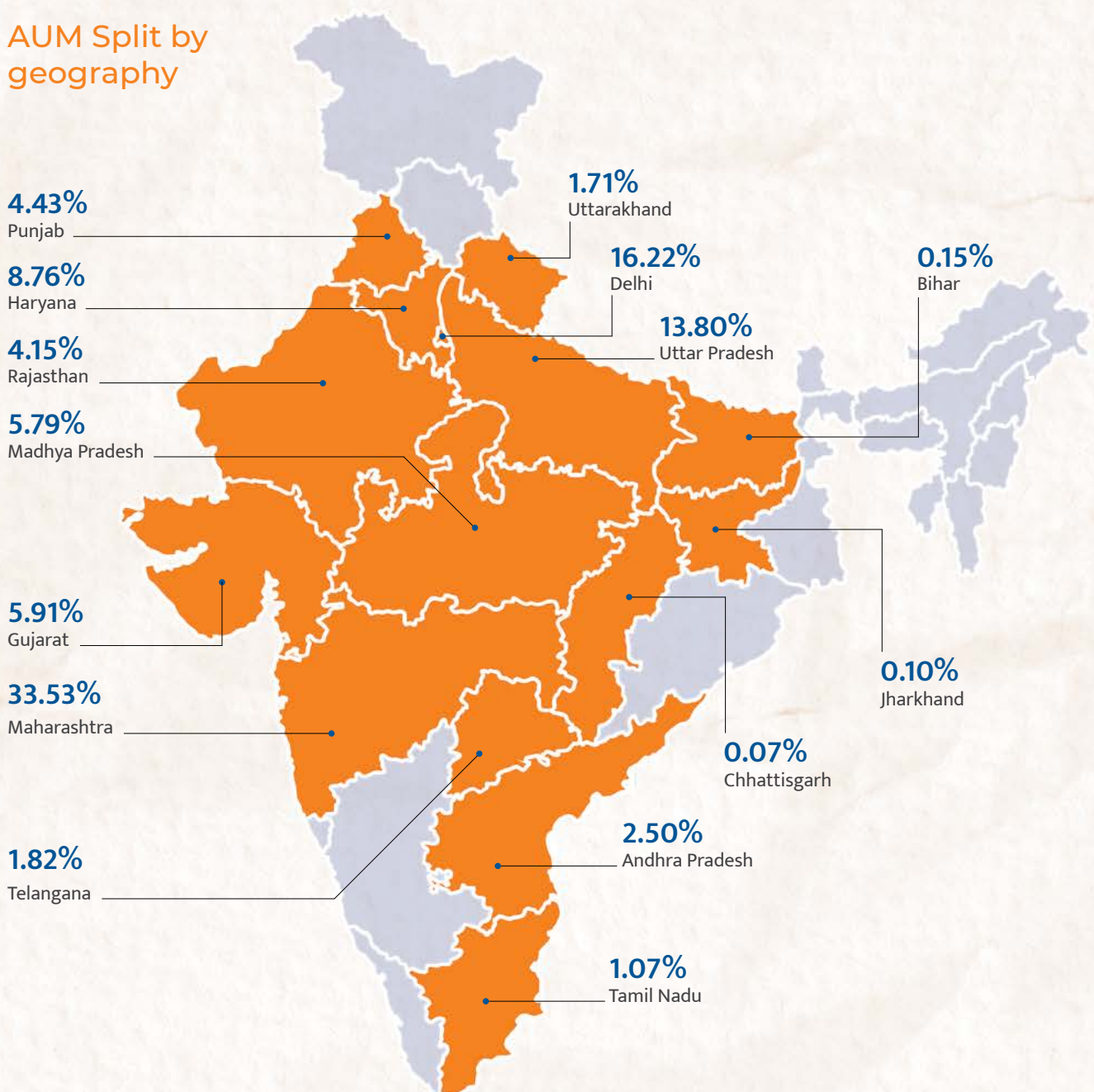
2024

Geographical presence

A FOOTPRINT OF REALISED DREAMS

Our reach across the nation embodies the dreams of millions aspiring to own homes. Serving a country of 1.4 Billion is a profound responsibility, which we embrace wholeheartedly. With our established branches in existing states and a dedicated push into the southern belt, we are ensuring that dreams of homeownership become a reality for countless families.

AUM Split by geography



As on 31st March 2024

Growth we witnessed over the years

Number of States

CAGR 10%



Number of Branches

CAGR 14%



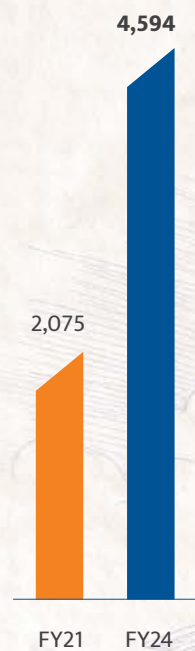
Disbursements

(₹ Cr) CAGR 48%



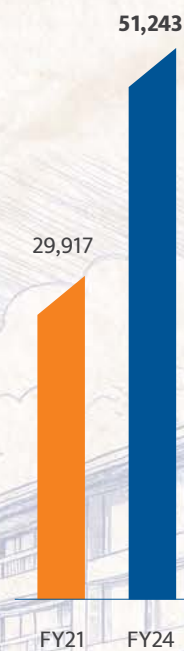
AUM

(₹ Cr)



Live Account

(Nos.) CAGR 20%



CEO's message

SUSTAINING GROWTH AND MAKING HOMES A REALITY

Dear Shareholders,

I am delighted to present our Annual Report for FY24. As our nation progresses towards becoming a USD 5 Trillion economy, spurred by significant policy initiatives and economic development, Shubham Housing Finance continues to focus on enhancing homeownership and making dreams turn into reality. FY24 has been remarkable and transformative for us, characterised by impressive financial results and expansion of our footprint, positioning us for robust growth.

HOUSING SECTOR AS A CORNERSTONE OF ECONOMIC PROGRESS

The housing sector stands as a cornerstone of economic progress, significantly boosting income and employment through its extensive linkages. Recognising housing as a fundamental human need, the government has launched numerous initiatives to accelerate this vital sector.

India's evolving demographics, with a growing population, increasing urbanisation and rising aspiration levels, are driving substantial housing demand. By 2047, our population is projected to reach 1.7 billion, with about 51% residing in urban centres and rural areas transforming into mini-urban hubs. Consequently, the need for housing is expected to surge, with an estimated 230 million units required by 2047.

COMMITMENT TO SERVING FAMILIES WITH INFORMAL INCOME

The increasing share of personal credit as a percentage of GDP highlights the growing trust in financial institutions. Home loans, particularly in the affordable housing sector, have consistently shown strong performance, outpacing the broader mortgage industry. This trend underscores the importance of our mission to provide accessible and affordable housing finance solutions to individuals and families across the country.

We at Shubham Housing Finance are committed to providing housing finance solutions to families with informal incomes. We are moving ahead towards becoming the lender of choice in the markets we operate. We are uniquely positioned to capitalise on the immense opportunities in the housing sector. Our strategic initiatives, innovative products and customer-centric approach enable us to meet the evolving needs of our customers, particularly in underserved segments. As we move forward, we remain dedicated to expanding our reach, enhancing our services, and contributing to the nation's housing goals.

FINANCIAL PERFORMANCE AND PORTFOLIO GROWTH

We have had a successful year of growth and achievements. Our disbursements increased by 53% compared to the previous year, and we expanded our presence by opening 12 new branches. Last year, we firmly established our presence in three major states of the South. Shubham Housing Finance has demonstrated its capability to replicate success in new markets amidst tough competition.

Revenue grew by 34%, reaching ₹ 603.27 Cr, while PAT surged by 48%, totalling ₹ 135.97 Cr. Our GNPA improved, reducing from 1.80% in March 2023 to 1.18% in March 2024. Investments made in collections and recoveries teams have ensured consistent improvement in portfolio quality.

In our home loan business, our AUM reached ₹ 3,046 Cr, constituting 66% of the overall AUM. The Loan Against Property segment accounted for ₹ 1,339 Cr, covering 29% of the AUM, with other businesses comprising the remaining 5%. By diversifying our target audience and emphasising retail loans, we have strategically de-risked our portfolio, with a major focus on home loans.

INNOVATIVE TECHNOLOGY ENHANCING OPERATIONAL SUCCESS

Shubham Housing Finance strives to become a technology enabled affordable HFC by providing a superior customer experience using technology in the origination, underwriting and servicing stages of the loan cycle. The Company remains focused on implementing new technology and digital initiatives to provide improved customer service, enhance the scalability of the business, increase productivity, and reduce turnaround time for various processes.

We have developed, with our business partners, a fully digital business application called **ShubhFTR**, empowering our widely distributed field force to efficiently onboard new customers anywhere and anytime. Being a cloud-based automation and sales execution platform, this has helped the business team enhance the sales onboarding experience for customers using assisted journey, which is completely paperless, with effective management of their lead pipelines so that they can accurately attribute the ROI. Credit appraisal and monitoring are managed through a best-in-class Loan Management System Finnone Neo. Our collection and recovery teams have adopted mobility application mCollect, which assists them in the allocation and monitoring of delinquent cases, along with issuance of digital receipts and PTP's tracking on the field.

The Company firmly believes that information security should be a key focus of any organisation and has therefore focused on critical aspects like data privacy and cybersecurity, along with the resilience of your company's technological architecture. With this in mind, we have designed a layered approach to data security, ensuring that adequate controls are in place for data related to customers and employees. Overall, the investments made in IT are aimed at creating nimble and agile platforms that have become the primary means of delivering customer value.

STRATEGIC GROWTH AND EXPANSION PLANS

With a robust branch network, a skilled team, substantial technological investments and innovative products, and the support of our shareholders, Shubham Housing Finance is strategically positioned for profitable growth in the years ahead and is set to deliver significant value to all stakeholders.

We are committed to reducing GHG emissions through targeted monitoring, EV infrastructure, energy-efficient equipment, paperless operations and comprehensive climate strategies, ensuring sustainable growth and environmental responsibility.

We further ensure that our people, the backbone of our seamless loan disbursement, are happy and motivated. We provide performance incentives, ESOPs and maintain inclusivity and diversity. We have introduced initiatives for women's mental and physical wellbeing, impactful trainings like POSH, and a safe working environment. These efforts drive growth and better performance in the coming years.

I thank our stakeholders for their trust and constant support in our journey of growth. Together, with the housing sector's strong growth and our robust foundation, we are continuing to make homeownership a reality and reaching new heights.

Regards,

Sanjay Chaturvedi

CEO – Shubham Housing Finance

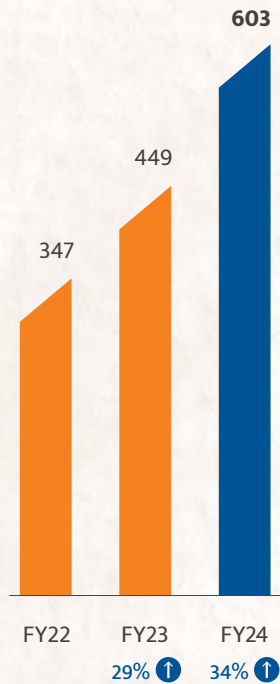


Key performance indicators

SNAPSHOT OF PROGRESS

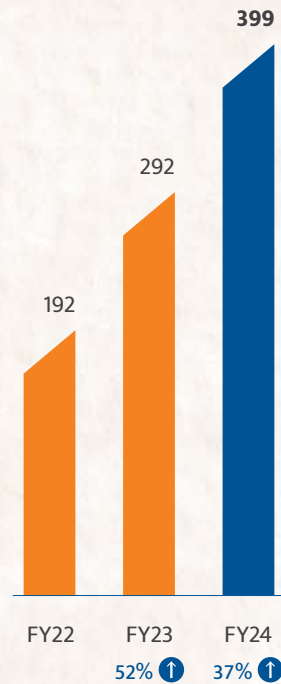
Revenue From Operations

(₹ in Cr)



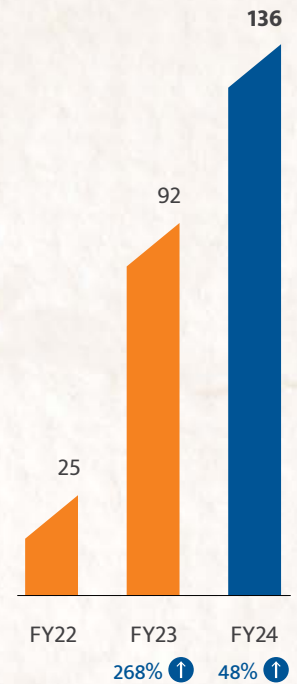
Net Total Income

(₹ in Cr)



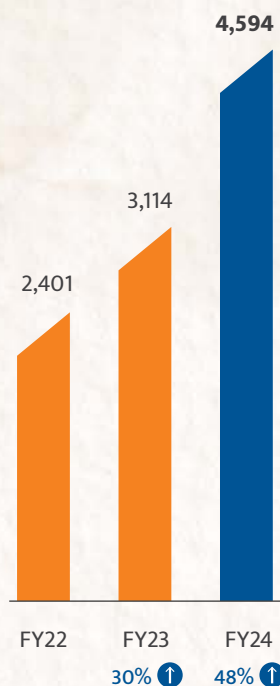
Profit After Tax

(₹ in Cr)



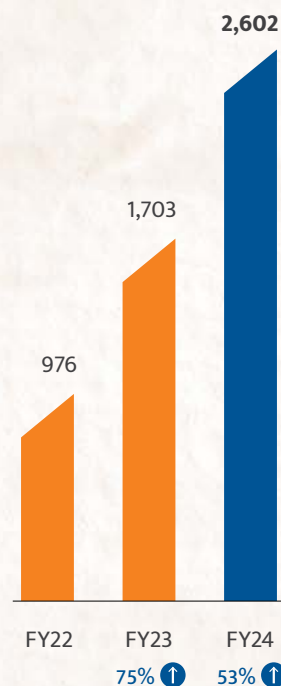
AUM

(₹ in Cr)



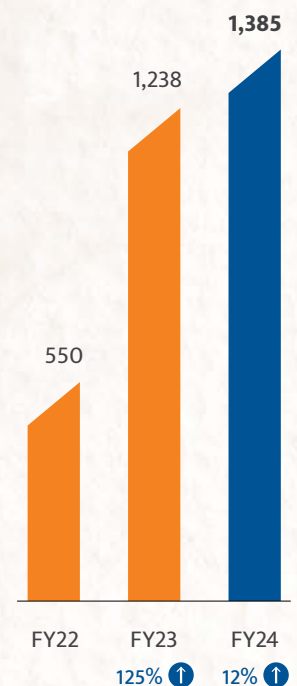
Disbursements

(₹ in Cr)



Net Worth

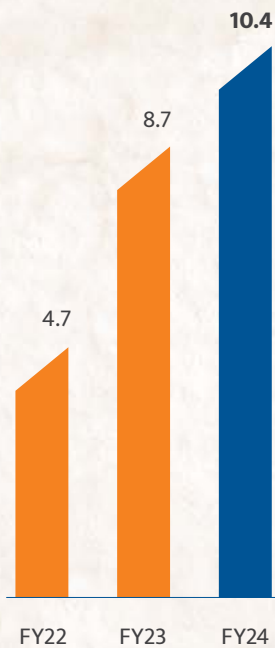
(₹ in Cr)



We remain one of the fastest-growing housing finance companies, serving lower and middle-income groups. This year, our AUM grew by 48%, highlighting our strong growth and promising future.

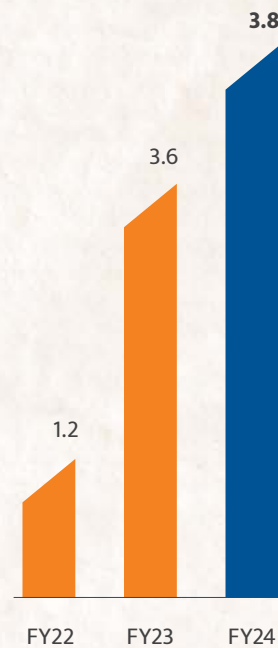
Return on Equity*

(%)



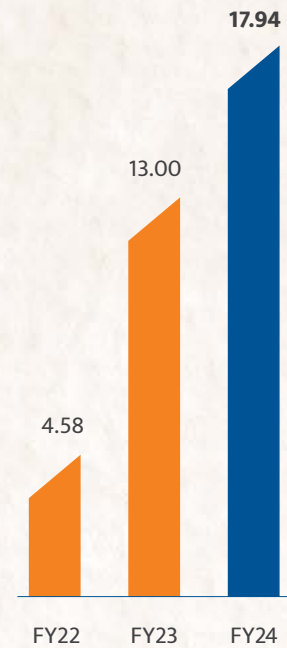
Return on Assets**

(%)



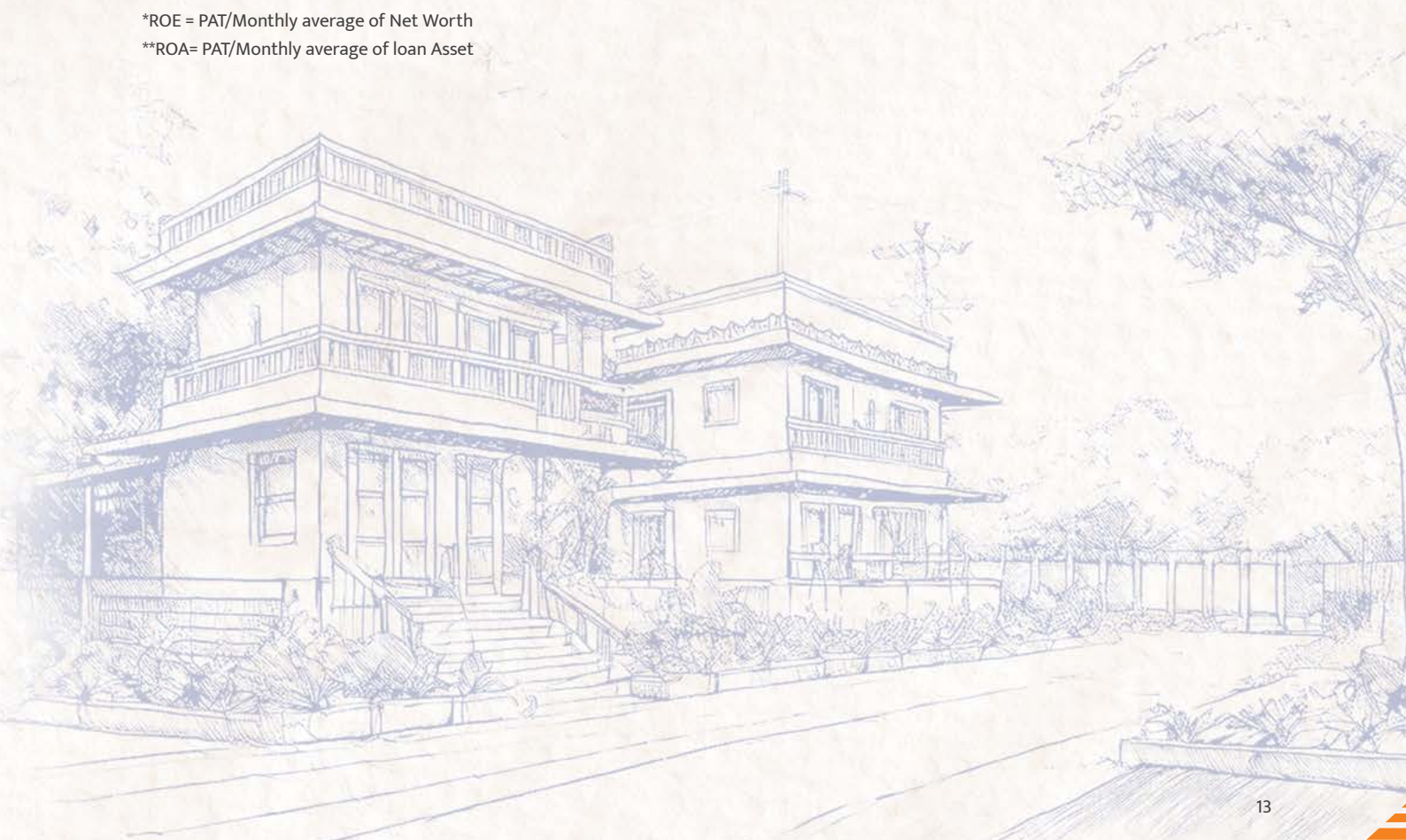
Earnings Per Share

(₹)



*ROE = PAT/Monthly average of Net Worth

**ROA= PAT/Monthly average of loan Asset

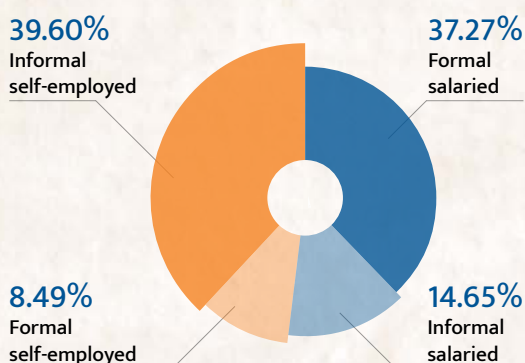


EMPOWERING DREAMS WITH A CUSTOMER-FIRST APPROACH

At Shubham Housing Finance, our commitment is rooted in a customer-first philosophy aimed at transforming aspirations into reality. We specialise in serving the sub ₹ 2 Mn affordable housing segment, a niche often overlooked by larger institutions. With a deep understanding of the underserved, we tailor our services to meet the specific needs of individuals and families seeking to own a home. By focusing on this segment, we not only bridge gaps in accessibility but also ensure that every customer's dream of homeownership becomes a tangible achievement.

How we are targeting the underserved segment

AUM split by employment type



We have positively impacted **over 82,000 households**, significantly enhancing the lives of individuals and families.

Our typical customer base;

- ₹ 38,000 monthly household income group
- 20% new to credit customers
- 38 years of age customers
- ₹ 97,000 average loan size
- 52:48 self-employed customers
- 91% women borrowers and co-borrowers



WHAT WE OFFER

A well-diversified mix of loan products



HOUSING LOANS

We offer housing loans designed to help individuals and families fulfill their dream of owning a home, providing the financial support needed to make this important milestone achievable.

₹ 1.3 Mn

Average ticket size



LOAN AGAINST PROPERTY

Our loan against property services allow our customers to leverage the value of their property to secure funds for both business and personal needs, offering a flexible solution for various financial requirements.

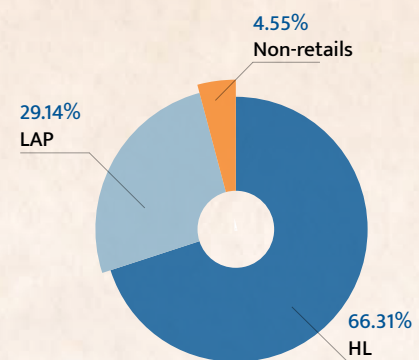
₹ 0.9 Mn

Average ticket size

How we de-risk our portfolio

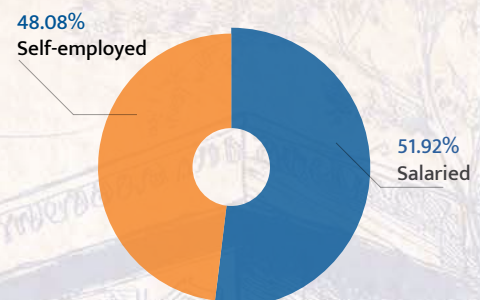
A home loan focused franchise

AUM split by Product (Mar' 24)



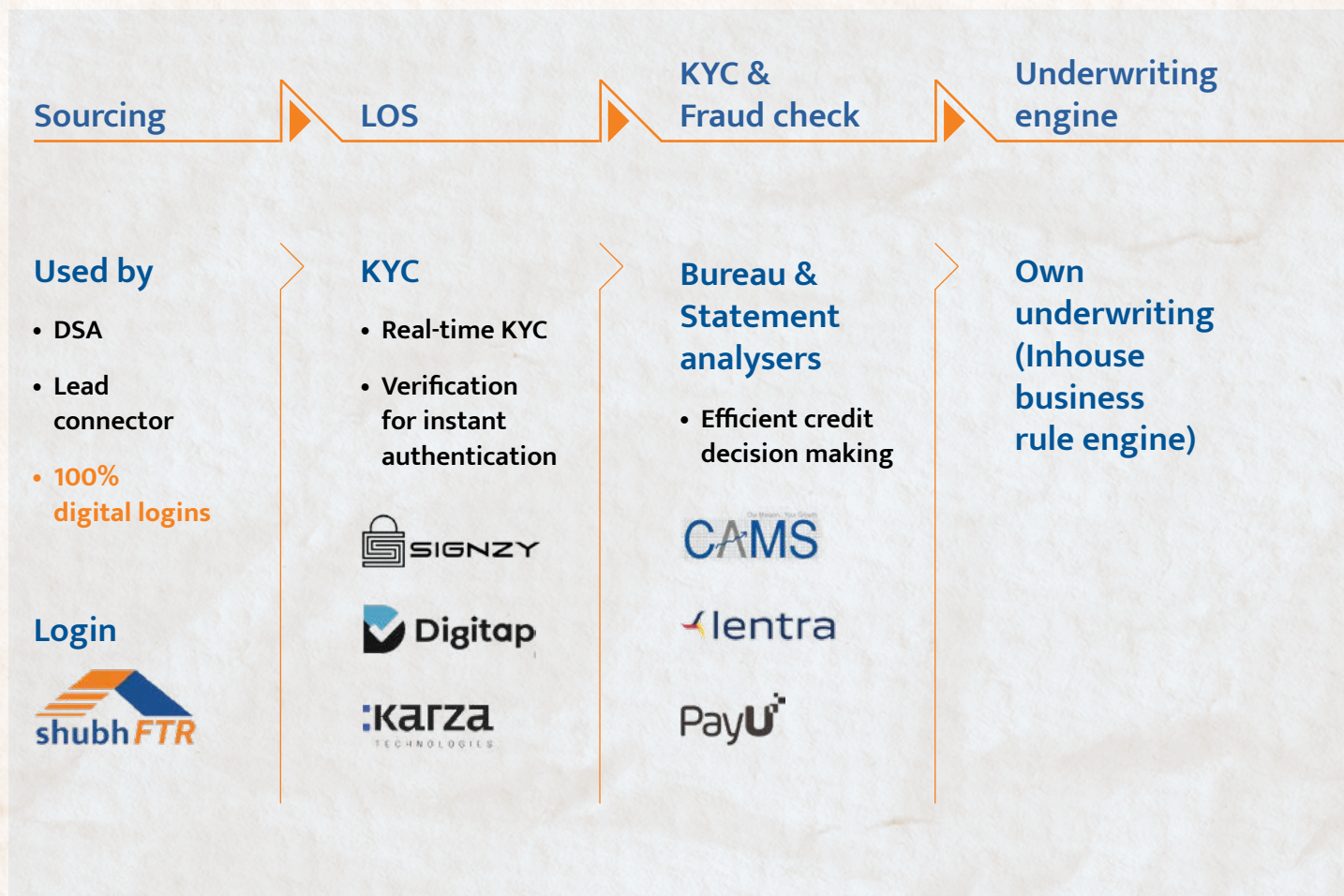
Balanced between salaried & self-employed

AUM split by Employment (March'24)



PAVING THE FUTURE WITH TECHNOLOGY

In today's fast-paced world, staying ahead means embracing cutting-edge technology. At Shubham Housing Finance, we have invested in top-tier tech solutions to drive growth and efficiency. Our advanced systems simplify the lending process, making it easy and accessible for those in need. By leveraging technology, we ensure a seamless experience, positioning ourselves as the lender of choice for aspiring homeowners.



OTHER THIRD-PARTY INTEGRATIONS AT CORRESPONDING STAGES

API-driven plug & play integration



Tech-led business model at every step of customer service



Sanction & Servicing

Dual LMS structure (faster scalability and frictionless operations)

- High-volume low-ticket loans
- Quick customisations
- Automated recos
- Cost-effective

FinnOne neo> Perfios

Cratio Microsoft Dynamics 365

Collections

Comprehensive collections platform

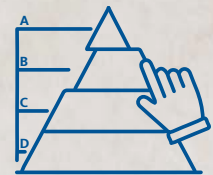
- Campaign management
- Call disposition
- Field collections allocation
- Field collection app
- Pan-India collection capability

FinnOne neo> BHARAT BILLPAY

ingenico

Analytics

ANALYTICS-DRIVEN DECISION MAKING



Customisable workflows to deliver seamless UX

(Post disbursement) Partner onboarding in 2-3 weeks (2-3 months for peers)

CRIF
Together to the next level

experian.

Hunter

Razorpay

WhatsApp

BHARAT BILLPAY

IMPROVING TURNAROUND TIME WITH DIGITAL EXCELLENCE

Through comprehensive digital initiatives, we have streamlined our loan delivery process from sourcing and onboarding to credit appraisal, monitoring, collection and recovery. We are ensuring that our customers experience a faster turnaround time regarding delivery of loan amounts.



SOURCING

Our grassroots connections provide deep insights into local businesses, enhancing our sourcing decisions through targeted marketing, lead generation and customer assessments.



MARKETING ACTIVITIES

Sampark initiatives

We execute the 'Sampark' programme with monthly activations nationwide, ensuring consistent engagement and outreach across regions.

Mega activities

Unique large-scale activities are conducted with the support of external agencies, enhancing our visibility and impact.

Direct Sales Agents (DSAs) engagement

Through regular meetings and specialised training sessions, we foster enhanced partnerships and performance among our DSAs.



CUSTOMER CHECKS

We conduct mandatory customer meetings led by RO/RM before login. This involves understanding loan requirements, personal assets and profession details. We assess income, expenses and loan liabilities to determine basic eligibility, alongside verifying property details. Qualified leads only proceed to the onboarding.



LEAD GENERATION

Self-sourcing leads

Leads are generated internally through our RO/RM and targeted Digital Media Campaigns.

Referral agents

DSAs act as referral agents for us.

Digital lead partner

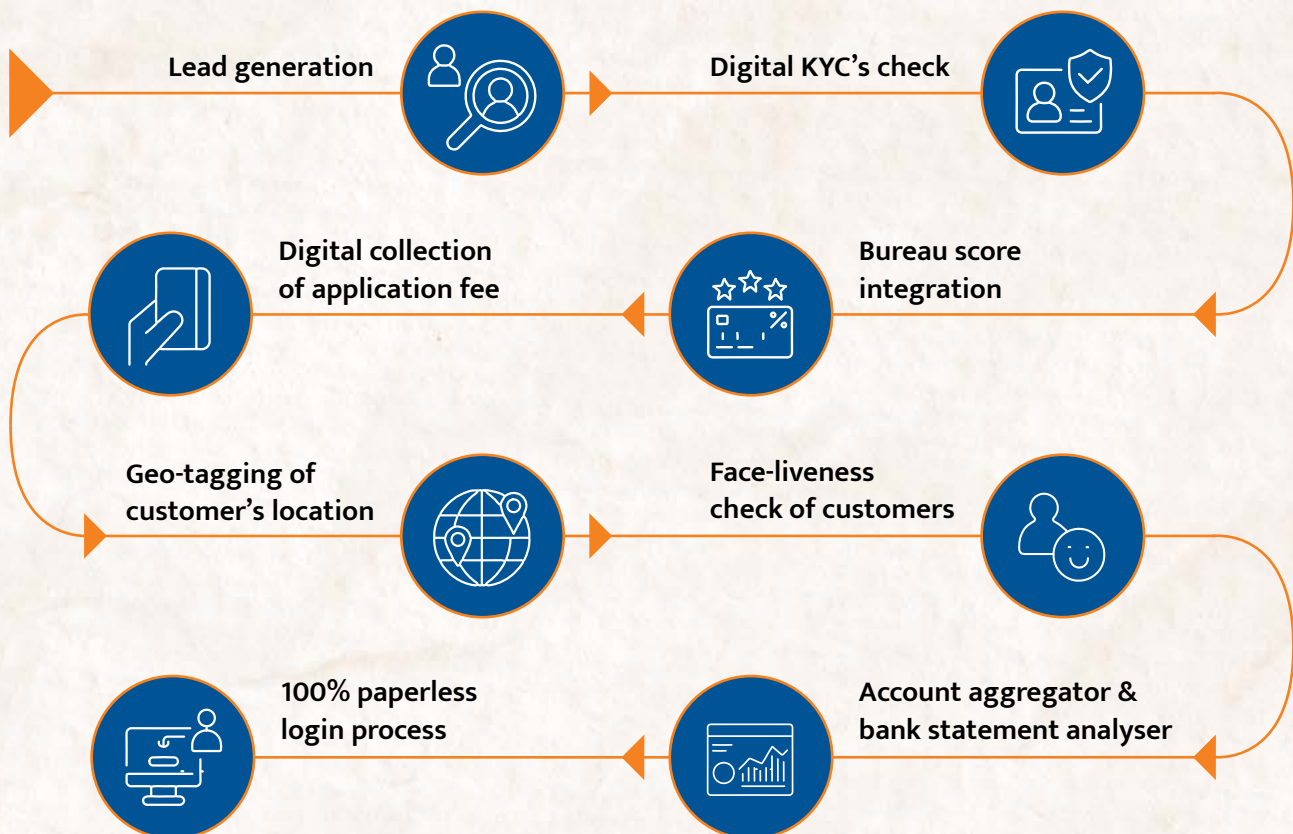
We collaborate with digital lead partners who leverage online platforms to generate and manage loan leads efficiently.

Shubham Loan Mitras

Shubham Loan Mitras are individuals who directly provide loan leads to Shubham Housing Finance, leveraging their personal networks and relationships.

Onboarding

100% DIGITAL CUSTOMER ONBOARDING PROCESS



Credit Appraisal



TECHNOLOGY PLATFORM

- **Completely digital login process** through mobile-based application
- **Credit rule engine** for automated check on policy parameters, deviations triggered by system
- **Automated workflow engine** to ensure process adherence
- **Credit approval authority** maintained on system
- Scanned images of entire file on **Document Management System**
- **Bank statement Analyser** to reduce underwriting time



STANDARDISED CREDIT ASSESSMENT

- **Comprehensive and standard template** for branch and central credit assessment
- **Validation tools** – Shubh score and expense calculator to optimise judgmental underwriting effort
- **Focused trainings and refreshers** on product, policy and process
- **Independent certification and 90 days seasoning** before delegation of sanction authority



MONITORING

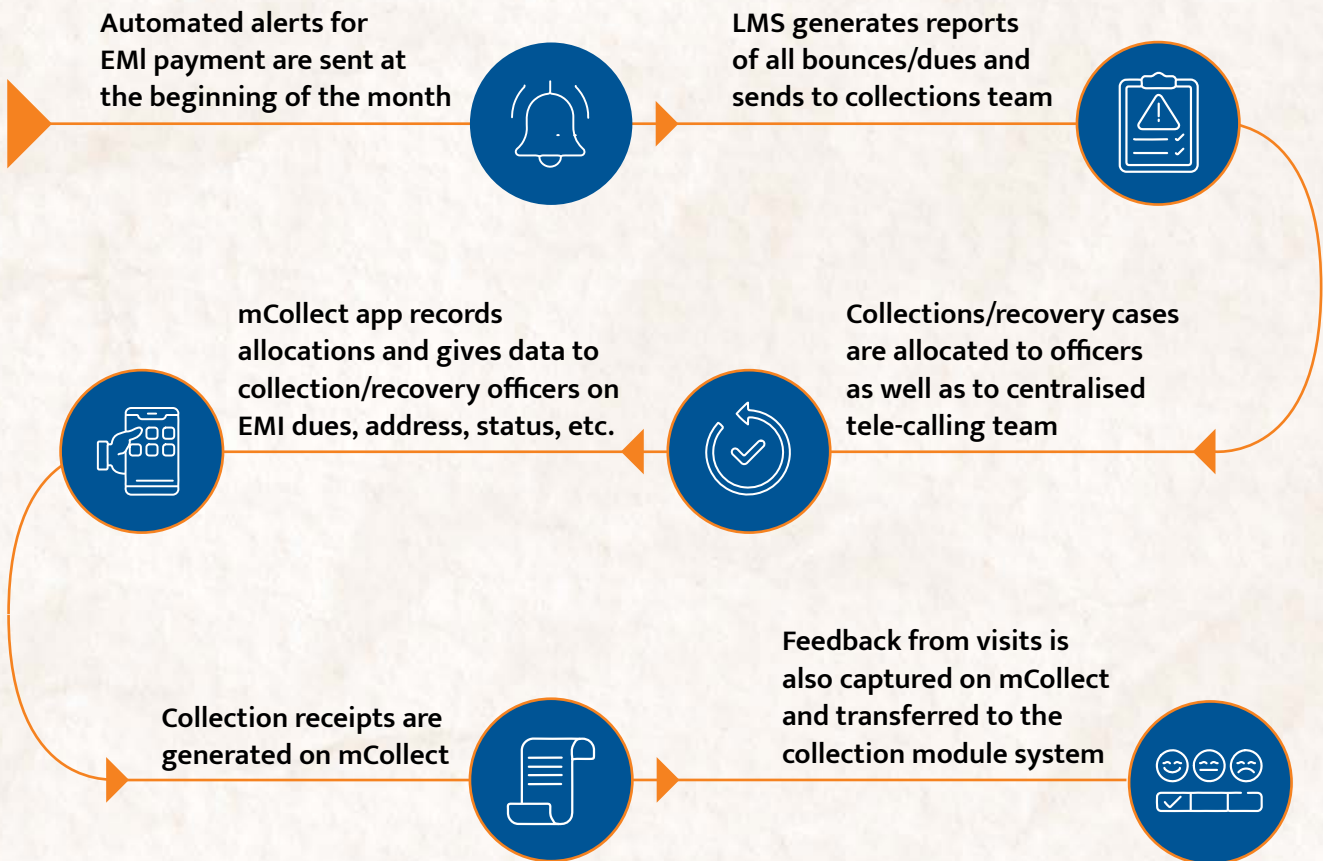
- **Monthly monitoring** of Portfolio Quality Reports including portfolio mix, delinquency rates, origination trends, static pool analysis, branch/ industry performance
- **Regular payment reminders** to customers
- **Tracking** of key risk indicators
- **Risk control** self assessment



INDEPENDENT FIELD CHECKS BY RISK TEAM

- **Fraud control unit** – KYC, contact points, profile, documents, property, seller **leveraging fintech solutions like Karza, Hunter and Perfios**
- **Collateral verification** – legal & technical appraisals, professionally qualified internal team, all reports vetted
- **Verification checks initiated** centrally with control on agency allocation

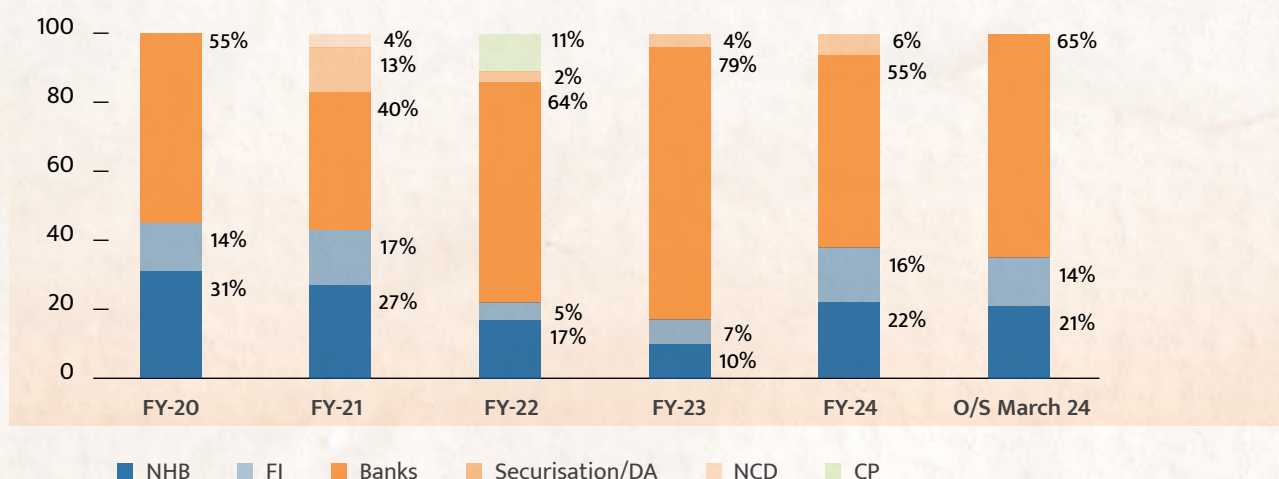
Process of collection



BROADENING HORIZONS

We have consistently focused on maintaining adequate liquidity, minimising risk and ensuring responsible capital deployment. Our prudent approach to liquidity and cash management involves meticulous daily tracking, stress tests and scenario analysis. Our robust Asset Liability Management Committee (ALCO) meets quarterly to monitor and manage asset-liability mismatches, ensuring balanced financials and a stable liquidity position. This strategic focus on liquidity, complemented by well-planned treasury activities, allows us to support our fast-growing business and meet all repayment obligations, even under challenging market conditions.

Funds raised during the Year

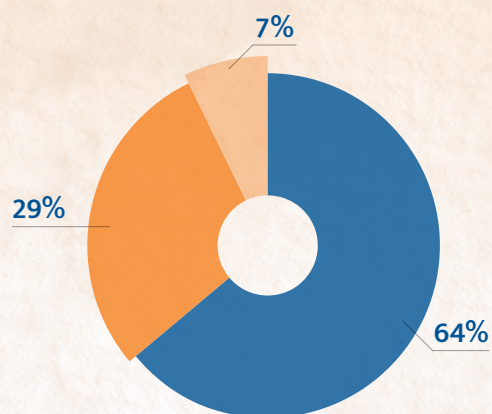


Diversified liability franchise...

% of loan amount outstanding

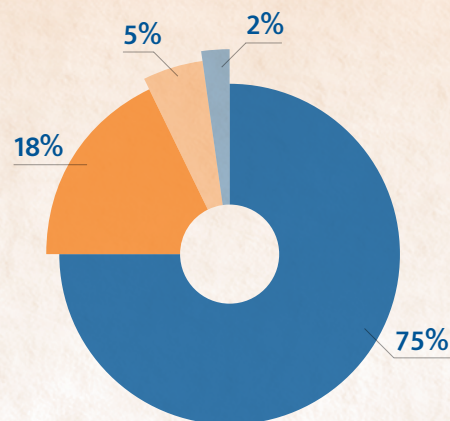
■ Term loan ■ NHB-Regulator ■ CP ■ NCD ■ ECB

₹ 16 Bn



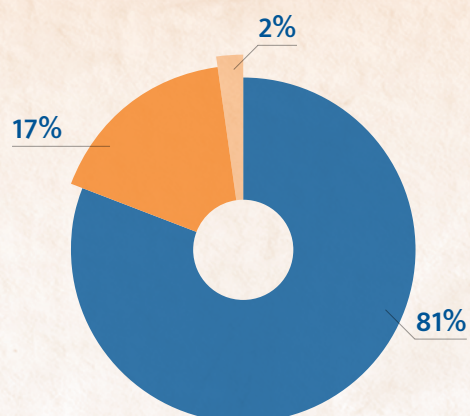
Mar'21

₹ 18 Bn



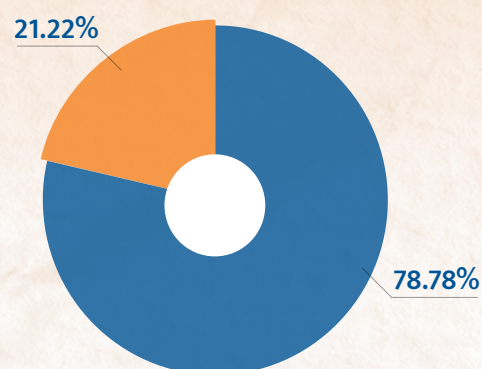
Mar'22

₹ 18 Bn



Mar'23

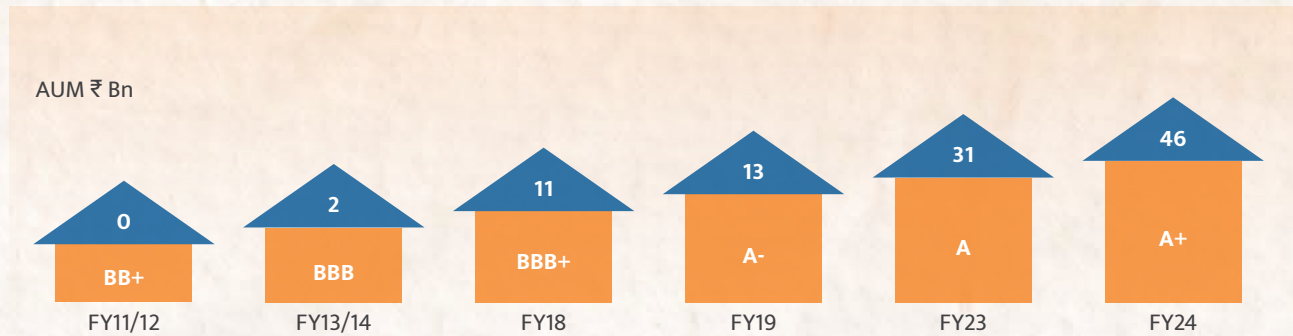
₹ 33 Bn



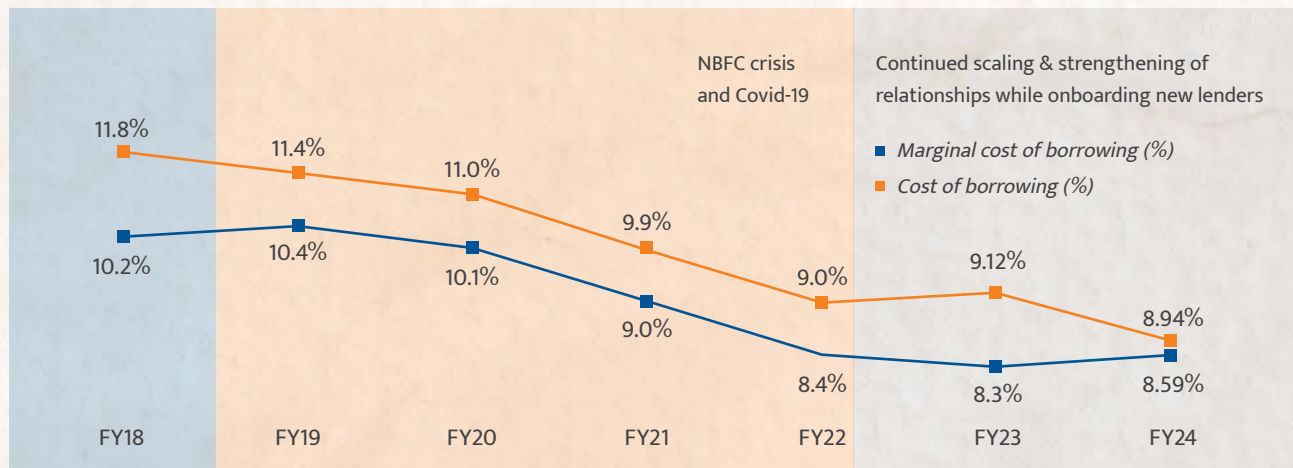
Mar'24

Rating Agency	FY 22	FY 23	FY 24
CRISIL	A- (Stable)	A (Stable)	-
India Rating	-	A (Stable)	A+ (Stable)
ICRA	A- (Stable)	A (Stable)	A (Positive)

...with an improving credit rating despite challenging macro events



...resulting in reduced cost of funds



Building strong bridges to excellence with premier lenders

National Housing Bank (NHB)



Small Finance Banks



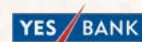
Public Sector Banks



NBFCs



Private Sector Banks



INNOVATING FOR IMPACT: OUR JOURNEY IN ESG LEADERSHIP



At the core of our franchise's success lies our commitment to Environmental, Social and Governance (ESG) principles, driving sustainable growth and responsible business practices.

Carbon footprint

Shubham Housing Finance undertook a GHG emission baseline study for FY23 which found total emissions during FY23 to be 605 MTCO₂e, equivalent to 0.25 MTCO₂e per full-time employee. Whereas scope 1 (direct) emission accounted for 20 MTCO₂e, while scope 2 (indirect) emissions accounted for 585 MTCO₂e. We meticulously track and measure GHG emissions in CO₂e, converting impacts from fossil fuels and resources into MTCO₂e, ensuring environmental harmony.

Maintaining a harmony with environment

HOW WE MOVED TOWARDS DECARBONISATION IN FY24

Automated onboarding process using Shubh FTR - saving of 5,31,060 sheets of paper

Onboarded account aggregator - saving of ~1,20,000 sheets of paper

Minimising energy use by installing solar rooftop panels, reducing monthly consumption by ~7,800 units (KWH)

E-waste management – Safely disposed 400 kg of e-waste through certified organisation

Regular informational programmes on Earth Day, World Water Day, and special initiative of Earth Hour

Special camps on World Heart Day, World Health Day, Nutrition Week

SHUBHAM FOR HER – ENHANCING GENDER DIVERSITY

In our commitment to fostering a diverse and inclusive workplace, Shubham Housing Finance has introduced several key initiatives this year:



EmpowerFem Program:
Encourages employee referrals for female candidates



Targeted Outreach:
Attracts and recruits female talent



Gender Neutral Recruitment: Updates job postings to encourage women to apply



Employee Development:
Includes mentorship, postpartum support, workshops and Women's Day celebrations

These efforts demonstrate our dedication to creating a supportive and equitable work environment for all employees.

Doing the right thing for our people

Our commitment to employee satisfaction and development underscores our belief that a happy workforce is essential to our continued growth and success.



ELITE RO INCENTIVE PROGRAMME

The programme recognises excellence across four categories: Gold Elite for consistent top performers in three consecutive quarters, Silver Elite for those excelling in two out of three quarters, Bronze Elite for outstanding performance in the last quarter, and Base Elite for new joiners who demonstrate exceptional results in their initial quarter. This structured incentive initiative is designed to inspire and reward our sales team, driving excellence and fostering a competitive yet supportive environment.



REWARDS AND RECOGNITION

We celebrate our branch team's dedication with the New Star Awards, recognising outstanding performance. We also introduced quarterly contests like "Soar for More" and "Beat Your Best" to motivate teams with cash incentives, fostering a culture of achievement and growth.

168

Employees received Star and Club Award

9

Employees received Spot Award

1

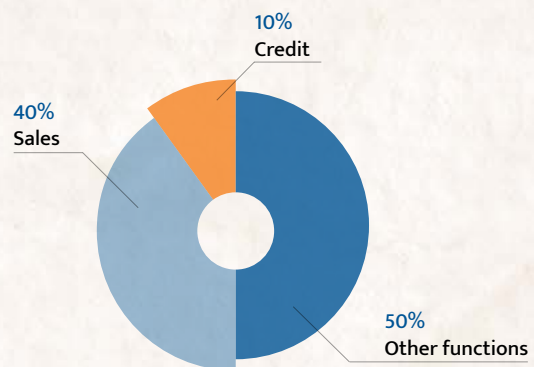
Employee received Icon Award



ESOPS

The ESOPs cover employees up to branch manager and equivalent support roles, considering tenure, role significance and long-term contribution. This initiative aligns employees' interests with our success, offering them a stake in the company's growth and future.

COVERAGE



TRANSFORMING LIVES THROUGH ACTIVE LEADERSHIP

At Shubham Housing Finance, we are committed to fostering economic growth with a minimal resource footprint, ensuring positive societal impact. Through responsible actions, we address hunger, poverty, health and education issues, while supporting activities to reduce economic and social inequalities among lower income families.

Key focus areas



Wellbeing



Education



Gender equality and
empowerment of women



Preventive healthcare



Adopting measures for
reducing inequalities faced by
socially and economically
backward groups

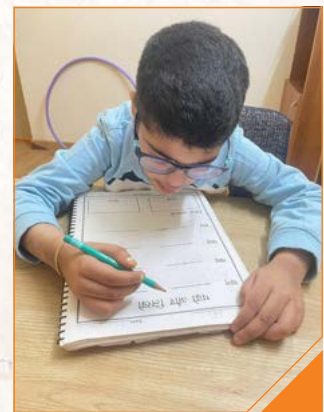
Our initiatives of progress

Supporting differently-abled children: NGO partner 'Asha Hai'

We have partnered with Asha Hai since 2020 to fund developmental therapies for children with cerebral palsy and autism from underprivileged families. These therapies, including behaviour, music, speech and occupational therapy, enhance mental, social, and emotional abilities, helping these children integrate into society.

₹ 5.07 Lakh
Cost incurred on this
initiative in FY24

2
Lives
were impacted



Healthcare for underprivileged children with Congenital Heart Disease: NGO partner 'Sri Sathya Sai Sanjeevani'

We have partnered with Sri Sathya Sai Sanjeevani since 2020 to provide treatment and post-operative care for underprivileged children with congenital heart disease. This initiative has brought joy to hundreds of families, ensuring these children receive life-saving care.

₹ 87 Lakh
Cost incurred on this initiative in FY24

58
Lives were impacted



A home away from home for underprivileged children with cancer: NGO partner 'St. Jude India ChildCare Centres'

Since 2021-22, we have been supporting St. Jude India ChildCare Centres, providing accommodation, food and transportation for underprivileged children undergoing cancer treatment. This initiative ensures comprehensive care without financial burden for families.

₹ 25 Lakh
Cost incurred on this initiative in FY24

87
Lives were impacted



Funding education for underprivileged children: NGO partner 'Saksham Bal Vikas Sanstha'

Since 2022-23, we have been funding a school, Saksham Bal Vikas Sanstha, accredited with NIOS, offering free education, meals and resources to underprivileged children. This initiative helps students transition to mainstream schools and pursue careers, breaking the cycle of poverty.

₹ 10 Lakh
Cost incurred on this initiative in FY24

283
Lives were impacted



Educating visually impaired children: NGO partner 'Tatsat Foundation'

Partnering with Tatsat Foundation, we fund education and assistive technology for visually impaired children from underprivileged families. This initiative, started in 2021-22, equips children with essential skills and resources, fostering self-reliance and brighter futures.

₹ 7.50 Lakh
Cost incurred on this initiative in FY24

44
Lives were impacted



Experienced board

LEADERS TURNING DREAM HOME INTO REALITY



Mr. Vinod Rai

Chairman

Mr. Vinod Rai, former CAG of India, held senior roles in Kerala and central finance ministries. He has been on boards of major financial institutions and holds master's degrees from Harvard University and Delhi School of Economics.

Mr. Sanjay Chaturvedi

CEO and Promoter Director

Mr. Sanjay Chaturvedi has over 35 years of experience in general management, sales, brand management, and operations, launching new business lines at Citibank, HSBC, GE, First Gulf Bank and Reliance Retail.



Ms. Rupa Basu

Promoter and Whole Time Director

Ms. Rupa has 27+ years in credit risk management for retail lending, including roles at Citibank India and India Mortgage Guarantee Corporation. She is a chartered accountant and Economics graduate from St. Xavier's College, Kolkata.





Mr. Rahul Chandra

Nominee Director

Mr. Rahul Chandra, co-founder and managing director of Helion, has extensive venture capital and corporate development experience in India and the US. He serves on boards of Shubham Housing Finance, UnitedLex and other companies.

Mr. Manoj Jaiswal

Nominee Director

Mr. Manoj Jaiswal, CFO and operating partner for Premji Invest, has over 23 years of experience, including leadership roles at Wipro, Zensar Technologies and CEAT Limited. He enjoys music, movies, running, cycling and photography.



Mr. Gaurav Malhotra

Nominee Director

Mr. Gaurav Malhotra of British International Investment (BII), advises on direct equity and debt investments in financial services for South Asia. He has extensive consulting experience and previously worked with an Indian family business and BCG in India.



Mr. Pranav Kumar

Nominees Director

Mr. Pranav Kumar, Investment Director at LeapFrog, has over 15 years in financial services. He serves on boards of NeoGrowth and Dvara KGFS, and previously worked at the World Bank Group and McKinsey.





Ms. Latika Thukral

Independent Director

Ms. Latika Thukral left a distinguished banking career to co-found iamgurgaon in 2008, catalysing citizen-driven change in Gurgaon. Recognised with prestigious awards including the Nari Shakti Award, she previously excelled at Citibank, holding senior roles across consumer banking, credit and marketing.

Mr. Saravanan Nattanmai

Nominee Director

Mr. Saravanan, Partner at Premji Invest, brings 18+ years of VC/PE expertise, specialising in fintech and financial services. Previously with AION Capital and Nereus Capital, he holds degrees from IIT Bombay and ISB Hyderabad.



Mr. Manoj Rane

Independent Director

Mr. Manoj Rane, a Chartered Accountant, heads SIONIC's India operations, specialising in financial sector consultancy. With over 30 years in Indian banking across BNP Paribas, Bank of America, IndusInd Bank and Standard Chartered Bank, he led teams in Foreign Exchange, Interest Rates, Credit, Debt Capital Markets and Treasury/ALM. Further, he has been a Board member and Vice Chairman of both Fixed Income Money Market and Derivatives Association of India (FIMMDA) and Foreign Exchange Dealers Association of India (FEDAI) for many years.



Mr. Rakesh Rewari

Independent Director

Mr. Rakesh Rewari serves as a Director on multiple boards including NSIC Ltd, GIIN, and MAS Financial Services Ltd. He has a distinguished career in financial institutions like IFCI, IDBI and SIDBI, specialising in SMEs and venture capital. He played pivotal roles at SIDBI Venture Capital Ltd. and advised the National Innovation Council on social impact financing.



AWARDS AND ACCOLADES



Awarded with **The New Code of Work 2021** by People Strong



Ranked #10 in Fortune Change the world list 2022



Recognised among the **top 100** Red Herring winner in 2016



Recognised as a case study in **Harvard University**



Notice

Notice is hereby given that the 15th Annual General Meeting (AGM) of the members of Shubham Housing Development Finance Company Limited will be convened at shorter notice, subject to the receipt of members' consent pursuant to Section 101 of Companies Act, 2013, at the registered office of the Company at 608-609, 6th Floor, Block-C Ansal Imperial Tower, Community Center, Naraina Vihar, New Delhi-110028 on Friday the 16th day of August, 2024 at 05.00 P.M. (IST) to transact the following businesses:

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 2024, together with the Directors' and Auditors' Reports thereon.

Item No. 2 – Re-appointment of Mr. Pranav Kumar, Director

To consider re-appointment of Mr. Pranav Kumar, DIN: 07896173, Nominee Director of Topaz Inclusion Pte. Ltd., 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.

Item No. 3 – Re-appointment of Mr. Gaurav Malhotra, Director

To consider re-appointment of Mr. Gaurav Malhotra, DIN: 07640504, Nominee Director of British International Investment plc., 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.

Item No. 4 – To appoint Statutory Auditors from the conclusion of this Annual General Meeting until the conclusion of the 18th 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) and subject to the provisions of Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) issued by RBI on April 27, 2021, M/s. WALKER CHANDIOK & CO LLP, Chartered Accountants (Firm Registration No. 001076N/N500013), be and are hereby appointed as the Statutory Auditors of the Company for 3 years commencing from the conclusion of this 15th Annual General Meeting till the conclusion of 18th Annual General Meeting, subject to the statutory auditors satisfying eligibility norms each year on continuing basis, on such remuneration as may be fixed or modified from time to time by the management of the Company (comprising of executive directors of the Company) plus re-imbursement of out of pocket expenses incurred in connection with the audit of the Company and applicable taxes thereon.

RESOLVED FURTHER THAT Mr. Sanjay Chaturvedi, Director or Ms. Rupa Basu, Director or Mr. Vishal Kanodia, CFO or Ms. Neeta Kamra, Company Secretary of the Company, be and are hereby severally authorized 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.”

SPECIAL BUSINESS:

Item No. 5 – Increase in Authorized Share Capital and consequential alteration of Capital Clause in Memorandum of Association of the Company

To consider and if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 61(1) (a), Section 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the Rules framed thereunder, the consent of members of the Company be and is hereby accorded for increase in the authorized share capital of the Company from existing ₹ 12,00,00,000/- (Rupees Twelve Crores Only) divided into 270,00,000 (Two Crores Seventy Lakhs) Equity Shares of ₹ 1/- (Rupee One Only) each and 500,00,000 (Five Crores) Preference Shares of ₹ 1/- (Rupee One Only) each and 215,00,000 (Two Crores Fifteen Lakhs) Preference Shares of ₹ 2/- (Rupees Two Only) each to ₹ 19,30,00,000/- (Rupees Nineteen Crores Thirty Lakhs Only) divided into 10,00,00,000 (Ten Crores) Equity Shares of ₹ 1/- (Rupee One Only) each and 500,00,000 (Five Crores) Preference Shares of ₹ 1/- (Rupee One Only) each and 215,00,000 (Two Crores Fifteen Lakhs) Preference Shares of ₹ 2/- (Rupees Two Only) each.

RESOLVED FURTHER THAT pursuant to Section 13 and other applicable provisions, if any, of Companies Act, 2013, consent of the members of the Company be and is hereby accorded, for alteration of Clause V of the Memorandum of Association of the Company by substituting existing Clause V with the following Clause V:

V. The Authorized Share Capital of the Company is ₹ 19,30,00,000/- (Rupees Nineteen Crores Thirty Lakhs Only) divided into 10,00,00,000 (Ten Crores) Equity Shares of ₹ 1/- (Rupee One Only) each and 500,00,000 (Five Crores) Preference Shares of ₹ 1/- (Rupee One Only) each and 215,00,000 (Two Crores Fifteen Lakhs) Preference Shares of ₹ 2/- (Rupees Two Only) each.

FURTHER RESOLVED THAT Mr. Sanjay Chaturvedi, Director or Ms. Rupa Basu, Director or Mr. Vishal Kanodia, CFO or Ms. Neeta Kamra, Company Secretary of the Company, be and are hereby jointly and severally authorized to take all such relevant steps and to do all deeds, things and acts necessary to give effect to the aforesaid resolutions including signing and executing all such forms, documents and papers, as may be required to be filed or submitted with the Registrar of Companies for the proposed increase in authorized share capital of the Company as per provisions of the Companies Act, 2013 and to settle any questions, difficulties or doubts that may arise in the matter.”

Item No. 6 – Approval of selling, assignment or otherwise dispose off its loan receivables/book debts up to ₹ 1000 Crores in a financial year

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

“RESOLVED THAT pursuant to the provisions of Section 180(1) (a) and other applicable provisions, if any, of the Companies Act, 2013 read with the applicable Rules framed thereunder (“the Act”) and the applicable provisions of the Memorandum of Association and the Articles of Association of the Company and all other applicable laws, rules, regulations, guidelines of RBI/NHB and subject to such other consent(s) / permission(s) / sanction(s), as may be required, approval of members of the Company be and is hereby accorded to sell / assign, present and / or future loan receivables of the Company, to such persons / entities including but not limited to Banks and Financial Institutions, in such form and manner and upon such terms and conditions as the Board or any Committee thereof or any other person authorized in this regard, may determine and think fit, such that the aggregate amount of such sale / assignment transactions executed in any financial year shall not exceed ₹ 1000 crores (Rupees One Thousand crores).

RESOLVED FURTHER THAT Mr. Sanjay Chaturvedi, Director and/or Ms. Rupa Basu, Director and/or Mr. Vishal Kanodia, Chief Financial Officer and/or Ms. Neeta Kamra, Company Secretary of the Company (“Authorized Officers”), be and are hereby severally authorized to:

- (a) negotiate and finalize terms and conditions of the such sale/assignment transaction(s) and to execute and deliver on behalf of the Company such documents / agreements / undertakings / indemnities / guarantees as may be required to complete the transaction and to accept such modifications there-in as deemed fit from time to time and matters incidental thereto;
- (b) grant the Power of Attorney(s)/delegate powers, to do such act, deeds and things as the aforesaid Authorized Officers in their absolute discretion may deem necessary or desirable in connection with the aforesaid transactions and matters incidental thereto;
- (c) inform and / or seek approval / consent / waiver from concerned government / regulatory authorities / lenders / borrowers / others as may be required from time to time, in connection with the aforesaid transactions and matters incidental thereto;
- (d) generally do any act or deed and thing as may be required or as may be authorized by the Board of Directors or any Committee thereof, with power to settle all questions, difficulties or doubts that may arise in this regard, at any stage without being required to seek any further consent or approval of the shareholders to the end and intent that shareholders shall be deemed to have given its approval thereto expressly by the authority of this resolution, to complete the such sale/assignment transaction(s) and to give effect the aforesaid resolutions.”

Item no. 7- To approve amendments in Employees’ Stock Option Plan 2013 (“ESOP 2013”)

To consider, and if thought fit, to pass with or without modification, the following resolution as 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 2013 (ESOP Scheme 2013), 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 Mr. Sanjay Chaturvedi, Director and/or Ms. Rupa Basu, Director and/or Mr. Vishal Kanodia, 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. 8- To approve amendments in Employees’ Stock Option Plan 2020 (“ESOP 2020”)

To consider, and if thought fit, to pass with or without modification, the following resolution as 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 Mr. Sanjay Chaturvedi, Director and/ or Ms. Rupa Basu, Director and/ or Mr. Vishal Kanodia, 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. 9- To approve amendments in Employees’ Stock Option Plan 2022 (“ESOP 2022”)

To consider, and if thought fit, to pass with or without modification, the following resolution as 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 2022 (ESOP Scheme 2022), 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 Mr. Sanjay Chaturvedi, Director and/ or Ms. Rupa Basu, Director and/ or Mr. Vishal Kanodia, 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. 10 – To approve consolidated remuneration limit of Mr. Sanjay Chaturvedi, Whole Time Director

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

“**RESOLVED THAT** pursuant to Section 196, 197 and 203 read with Schedule V of the Companies Act, 2013 and other applicable provisions, if any, (including any statutory modification(s) or re-enactment thereof) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, approval of the members be and is hereby given to fix the limits of annual consolidated remuneration at ₹ 500,00,000/- (Rupees five crores only) within which the remuneration as may be fixed by the Board of Directors or Committee of Board authorized in this regard can be paid to Mr. Sanjay Chaturvedi, Whole Time Director through his remaining tenure of appointment till July 26, 2026 provided that such annual consolidated remuneration limit shall include remuneration(s) payable directly or otherwise or by way of salary and perquisites, performance-based rewards/ incentives, on terms and conditions, as may be fixed from time to time.

RESOLVED FURTHER THAT the remuneration as may be fixed by the Board of Directors or Committee of Board as may be authorized, from time to time, within the overall remuneration ceiling of ₹ 500,00,000 per annum shall be the minimum remuneration payable in terms of Schedule V of the Companies Act, 2013 in case of no profits or inadequate profits, calculated in accordance with the applicable provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors be and is authorized to settle all questions, difficulties or doubts that may arise in this regard, at any stage, on the matter hereof including power to delegate such powers to the Recruitment, Compensation and Nomination Committee (RCNC) without seeking further consent or approval of the shareholders.

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

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

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

Item No. 11 – To approve change in terms of 59,598 8% Unsecured Optionally Convertible Debentures (OCDs) allotted each to Mr. Sanjay Chaturvedi and Ms. Rupa Basu, Directors of the Company

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

“**RESOLVED THAT** pursuant to the provisions of Section 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the applicable Rules notified thereunder (including any amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force) and in pursuance to the special resolution passed by the members of the Company in the Extra Ordinary General Meeting held on March 30, 2020 and offer letter dated March 30, 2020, the terms of issue of debentures, consent of the members of the Company be and is hereby accorded to alter the terms of 59,598 8% Unsecured Optionally Convertible Debentures of the Company (OCDs) allotted each to Mr. Sanjay Chaturvedi and Ms. Rupa Basu on March 30, 2020 as per the details below:

	Existing term	Proposed amendment
Maturity	5 years from the date of allotment i.e. March 30, 2025, unless tenure is extended with mutual consent between respective OCD holder and Company	Perpetual unless tenure is modified with mutual consent between respective OCD holder and Company

RESOLVED FURTHER THAT the other terms and conditions attached to the aforesaid OCDs shall remain unchanged.

Conversion ratio	Existing terms		Proposed amendment	
	One OCD held is convertible into one equity share of ₹ 10/-		One OCD held is convertible into 10 equity shares of ₹ 1/-	
	OCDs impacted (order in chronology of allotment dates)			
S. No.	No. of OCDs	ISINs	Allotment Date	Name of Allottees
1.	59,598	INE967Q08039	30-03-2020	Mr. Sanjay Chaturvedi
2.	59,598	INE967Q08039	30-03-2020	Ms. Rupa Basu
3.	12064	INE967Q08054	24-09-2020	Mr. Sanjay Chaturvedi
4.	12064	INE967Q08054	24-09-2020	Ms. Rupa Basu
5.	2380	INE967Q08062	02-06-2022	Mr. Sanjay Chaturvedi
6.	17520	INE967Q08062	02-06-2022	Ms. Rupa Basu
7.	81833	INE967Q08070	14-07-2022	Mr. Sanjay Chaturvedi
8.	81834	INE967Q08070	14-07-2022	Ms. Rupa Basu

RESOLVED FURTHER THAT the other terms and conditions attached to the aforesaid OCDs shall remain unchanged.

RESOLVED FURTHER THAT Mr. Vishal Kanodia, CFO or Ms. Neeta Kamra, Company Secretary of the Company, be and are hereby severally authorized to sign and execute for and on behalf of the Company, any intimation(s), letter(s), deed(s), document(s), etc., and to 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

RESOLVED FURTHER THAT Mr. Vishal Kanodia, CFO or Ms. Neeta Kamra, Company Secretary of the Company, be and are hereby severally authorized to sign and execute for and on behalf of the Company, any intimation(s), letter(s), deed(s), document(s), etc., and to 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.”

Item No. 12 – To approve change in conversion ratio of 8% Unsecured Optionally Convertible Debentures (OCDs) allotted each to Mr. Sanjay Chaturvedi and Ms. Rupa Basu.

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

“**RESOLVED THAT** pursuant to the provisions of Section 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the applicable Rules notified thereunder (including any amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force) and the terms of issue of debentures and in furtherance of resolution vide No. 06 dt. 17.08.2023 passed the Annual General Meeting of the Company (‘AGM’) held on August 17, 2023, consent of the members of the Company be and is hereby given to change the conversion ratio of Optionally Convertible Debenture of the Company (OCDs) as per details below, the ratio in which each OCD shall be converted into equity shares of the Company, to make proper adjustments therein subsequent to the sub-division of shares approved in said AGM vide resolution No. 06 dt. 17.08.2023 so as to restore the benefits of holders of OCDs to their original state which they were enjoying before the aforesaid sub-division of shares.

the subject matter hereof without required to seek any further consent or approval from shareholders.

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

Sd/-
Neeta Kamra
Company Secretary

Place: Gurugram
Date : July 29, 2024

NOTES:

1. Pursuant to Secretarial Standards on General Meetings in respect of Directors seeking reappointment at 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. As per the provisions of Section 72 of the Companies Act, 2013, the facility for making the nomination is available for the members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said form to their Depository Participant (DP) in case the shares are held in electronic form and to the Company in case the shares are held in physical form.
6. Members holding shares in physical form are requested to advise immediately change in their address, and inform their valid E-mail ID, if any, quoting their Folio number(s) to the Company. Members holding shares in dematerialised form are requested to advise immediately change in address and register their valid E-mail ID, if any, quoting their respective Client ID / DP ID Nos., to their respective Depository Participants and not to the Company.
7. Bodies corporate can be represented at the meeting by such person(s) as are authorized. Copies of resolution under section 113 of the Companies Act, 2013, authorizing such person(s) to attend the meeting should be shared to the Company on email id neeta.kamra@shubham.co prior to the meeting.
8. 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.
9. 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 and copies thereof shall be available for inspection at the Corporate Office of the Company during working hours on all working days, up to the date of the General Meeting and at the Meeting also.
10. 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 Meeting.
11. Members / Proxies attending the Meeting should bring the Admission/Attendance Slip, duly filled, for handing over at the venue of the meeting.
12. Members holding shares in dematerialised form to bring their Client ID and DP ID numbers for easy identification for attendance at the Meeting.
13. Members to whom hard copy of Annual Reports have been provided are requested to bring their copies of the Annual Report to the Meeting.
14. Members are requested to register/ update their e-mail IDs with the Company/ Depository, so that the notice and related documents can be served to Members on their e-mail IDs.
15. The road map to the venue of the general meeting is enclosed to this Notice.

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

Sd/-
Neeta Kamra
Company Secretary

Place: Gurugram
Date : July 29, 2024

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

Item no. 4

As per provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, and Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) issued by RBI on April 27, 2021 ("RBI Guidelines") and other relevant provisions including any statutory enactment or modification thereof, appointment of M/s. MSKA & Associates, Chartered Accountants, having Registration number 105047W as Statutory Auditors of the Company was approved by Audit Committee by Circular resolution dated August 21, 2021 and Board of Directors by Circular resolution dated August 25, 2021 followed by the shareholders' approval in their extra-ordinary general meeting held on August 27, 2021 which subsequently was confirmed by the shareholders of the Company in their Annual General Meeting held on May 31, 2022 to hold the office till the conclusion of 15th Annual General Meeting. In view of the above, the tenure of M/s. MSKA & Associates, Chartered Accountants, as Statutory Auditors of the Company will get completed at the ensuing 15th Annual General Meeting.

Audit Committee and the Board of Directors in their meetings respectively held on July 29, 2024, upon considering various parameters like capability to serve business landscape as that of the Company, audit experience in the Company's operating segments, market standing of the firm, clientele served, technical knowledge etc., found M/s. Walker Chandiok & Co LLP, Chartered Accountants, (ICAI Firm Registration Number: 001076N/N500013) as best suited for being appointed as Statutory Auditors of the Company and recommended them for the approval of the Members for appointment as Statutory Auditors of the Company for a term of 3 [three] consecutive years, from the conclusion of 15th Annual General Meeting till the conclusion of the 18th Annual General Meeting of the Company on such scope and remuneration as may be fixed or modified from time to time by the management of the Company (comprising of executive directors of the Company) plus reimbursement of out of pocket expenses incurred in connection with the audit of the Company and applicable taxes thereon. The said fees proposed to be paid to the Statutory Auditors shall not include the fees for certification and other services not prohibited under the provisions of Section 144 of Companies Act, 2013 as may be rendered by Statutory Auditors from time to time during their tenure. The proposed fees is in line with industry standards.

M/s Walker Chandiok & Co LLP ("the Audit Firm"), was established in the year 1935 and subsequently converted into LLP in the year 2014. The Audit Firm has 15 offices across India with registered office in Delhi. It has 2268+ staff including 68 partners. The Audit Firm is registered and empanelled with The Institute of Chartered Accountants of India, Public Company Accounting Oversight Board, Comptroller and Auditor General of India. It is a limited Liability Partnership Firm ("LLP") incorporated in India. The Audit Firm has a valid Peer Review certificate.

M/s Walker Chandiok & Co LLP, have consented to the said appointment and issued a certificate along with relevant information as mentioned in the RBI Guidelines, to the effect that the appointment, if made, shall be in accordance with the conditions as prescribed in Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014. They

have also confirmed that they meet the criteria for independence, eligibility and qualification as prescribed in Section 141 of the Companies Act, 2013 and the RBI Guidelines.

None of the Directors or Key Managerial Personnel of the Company (including their relatives), except as shareholder of the Company, are interested or concerned in the resolutions set out at Item No. 4 of the Notice.

The Board of Directors of the Company recommends the passing of resolution set forth in Item No. 4 of the accompanying notice as an Ordinary Resolution.

Item no. 5

The present authorized share capital of the Company is ₹ 12,00,00,000/- (Rupees Twelve Crores Only) divided into 270,00,000 (Two Crores Seventy Lakhs) Equity Shares of ₹ 1/- (Rupee One Only) each and 500,00,000 (Five Crores) Preference Shares of ₹ 1/- (Rupee One Only) each and 215,00,000 (Two Crores Fifteen Lakhs) Preference Shares of ₹ 2/- (Rupees Two Only) each.

The Company requires further funds in the near future to meet the business growth & expansion. For this purpose, the Company needs to increase its authorized share capital and amend capital clause set out in Memorandum of Association. The Company proposes to increase the authorized share capital of the Company to ₹ 19,30,00,000/- (Rupees Nineteen Crores Thirty Lakhs Only) divided into 10,00,00,000 (Ten Crores) Equity Shares of ₹ 1/- (Rupee One Only) each and 500,00,000 (Five Crores) Preference Shares of ₹ 1/- (Rupee One Only) each and 215,00,000 (Two Crores Fifteen Lakhs) Preference Shares of ₹ 2/- (Rupees Two Only) each ranking pari-passu in all respect with the existing shares in respective class as per the Memorandum of Association of the Company.

Pursuant to provision of the Companies Act, 2013, approval of Members in the General Meeting is necessary for the proposed increase in authorized share capital of the Company and consequential amendments in Clause V of the Memorandum of Association.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations is available for inspection by the Members of the Company at the Registered Office of the Company and copies thereof shall be available for inspection at the Corporate Office of the Company during the working hours on all working days upto the date of the meeting and at the meeting also.

None of the Directors or Key Managerial Personnel of the Company (including their relatives), except as shareholder of the Company, are interested or concerned in the resolutions set out at Item No. 5 of the Notice.

The Board of Directors of the Company recommends the passing of resolution set forth in Item No. 5 of the accompanying notice as an Ordinary Resolution.

Item no. 6

Members are requested to note that considering expansion of Company's business and the need for additional sources of funds, the Company may raise funds by way of sale / assignment of its loan receivables or book debts to other persons / entities including bank(s) and financial institution(s).

In light of the above and in order to be able to explore opportunities of fund raising by way of sale / assignment of loan receivables, the Board of Directors of the Company in its meeting held on July 29, 2024, subject to the approval of the Members of the Company, authorized the Company to sell / assign present and / or future loan receivables or book debts of the Company in one or more tranches from time to time such that the aggregate amount of all the tranches executed in any financial year does not exceed ₹ 1,000 crores (Rupees One Thousand Crores).

Considering such sale/assignment of loan receivables or book debts of the Company may result into disposal of substantial undertaking as defined in the explanation to Section 180(1)(a) of the Act, it is proposed to seek approval of the Members to authorize the Board of Directors of the Company ("Board") or any Committee of Board or any person authorized in this regard by Board to sell / assign present and / or future loan receivables or book debts of the Company for an aggregate amount not exceeding ₹ 1000 crores (Rupees One Thousand crores only) during a financial year.

None of the Directors or Key Managerial Personnel of the Company (including their relatives), except as shareholder of the Company, are interested or concerned in the resolutions set out at Item No. 6 of the Notice.

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

Item no. 7, 8 & 9

The Company has formulated the ESOP Schemes, namely, (i) Employees' Stock Option Plan 2013 ("ESOP 2013"), (ii) Employees Stock Option Scheme 2020 ("ESOP Scheme 2020") and (iii) Employees Stock Option Scheme 2022 ("ESOP Scheme 2022"), collectively called ESOP Schemes for the benefit of the employees which acts as a tool for the Company to recruit and retain the talent in the Company; motivate employees with reward opportunities; create a sense of ownership and provide wealth creation opportunities for employees; achieve sustained growth of the company and align the interests of employees and the company.

Brief details of ESOP 2013

The Scheme authorizes the Company 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 of face value of ₹ 1/-, not exceeding 11,90,470 Equity Shares in aggregate. Each stock option is exercisable into ten (10) equity shares of face value of ₹ 1/- each at an exercise price of ₹ 10/- 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").

Brief details of ESOP Scheme 2020

The Scheme authorizes the Company 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 of face value of ₹ 1/-, not exceeding 12,78,890 Equity Shares in aggregate. Each stock

option is exercisable into ten (10) equity shares of face value of ₹ 1/- each at an Exercise Price of ₹ 1166 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 by the Company itself and shares pursuant to the exercised stock options are directly issued and allotted by the Company to the employees.

Brief details of ESOP Scheme 2022

The Scheme authorizes the Company to create, offer, issue and allot at any time to or for the benefit of the employees of the Company under the ESOP Scheme 2022 such number of stock options exercisable into equity shares of face value of ₹ 1/-, not exceeding 16,36,670 Equity Shares in aggregate. Each stock option is exercisable into ten (10) equity shares of face value of ₹ 1/- each at an Exercise Price of ₹ 2829.04/- 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 by the Company itself and shares pursuant to the exercised stock options are directly issued and allotted by the Company to the employees.

One of the salient feature of foregoing ESOP Schemes is that the shares arising out of ESOPs shall be subject to lock in period from the date of issuance of shares to employees until the earlier of (i) June 30, 2026 or (ii) the date of listing of shares if the Company is undertaking an IPO. However nothing shall affect the power of RCNC¹ to modify the Lock in period to any extent it may deem fit.

These provisions of ESOP Schemes are proposed to be amended to authorize the RCNC to remove the Lock-in period on shares arising out of ESOPs or shares already have been arisen/allotted out of ESOPs.

Since the Company is in the process of fund raise comprising of primary and secondary transaction, therefore objective is to amend the ESOP Schemes to authorize RCNC to approve removal of lock-in on the shares in case the company consider's to give liquidity benefit to the employees.

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.

The mentioned changes in the Scheme will be applicable to all existing and future holders of employee stock option. These changes may be incorporated in ESOPs grant letter issued to employee(s) either by way of issuing fresh letters which shall substitute the existing letters or by way of issuing addendum to existing letters or in any other manner as the management of the Company may deem fit. It is further clarified that foregoing revised ESOP Schemes shall become effective from the day they are approved by the shareholders in this ensuing extra-ordinary general meeting.

The Board in its meeting held on July 29, 2024 has, subject to the approval of the Shareholders, approved the proposed amendments in ESOP Schemes and same is sought for approval by the Recruitment Compensation and Nomination Committee ("RCNC").

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

ESOP Scheme 2013

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 10 (Ten) equity shares of face value of ₹ 1/- each at an exercise price of ₹ 10/- 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	Exercise Price per stock option is ₹ 10/- 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. ESOP holder to exercise his ESOPs shall deliver to the Company Exercise notice and signed letter of undertaking in the manner prescribed in Scheme.
Lock-in period*	The shares arising out of exercise of vested options shall be subject to the lock-in period after such exercise. Such lock in period shall be from the date of issuance of shares to employees until the earlier of (i) June 30, 2026 or (ii) the date of listing of shares if the Company is undertaking an IPO. Shares cannot be transferred or otherwise disposed off, except due to operation of law, until the expiry of foregoing lock-in period. Nothing contained herein shall however affect the powers of the Compensation Committee who shall remain authorized to impose any term of lock-in period as it may deem fit on case to case basis.
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:- - In the event of abandonment of employment by an Option Grantee without the Company's consent. - 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 (not being retirement or abandonment of employment by the employee 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.
Specified Time Period within which the employee shall exercise the vested options in the event of retirement of employee	Unless otherwise decided by the Committee, all the vested options shall be exercised within 6 months from the date of retirement and all the unvested options as on the date of retirement shall be cancelled.
Statement to the effect that the company shall comply with the applicable accounting standards	The company will comply with the applicable accounting standards.

¹ Recruitment Compensation and Nomination Committee

*In the ensuing AGM, amendment is proposed w.r.t. these provisions

Comparatives of New (Proposed) clauses vs. Old (Existing) clauses of ESOP Scheme 2013.

The following changes are being made to the scheme:

Existing Clause	Modified Clause
Clause 7.10 text is reproduced as follows:-	Clause 7.10 text is reproduced as follows:-
The shares arising out of exercise of vested options shall be subject to the lock-in period after such exercise. Such lock in period shall be from the date of issuance of shares to employees until the earlier of (i) June 30, 2026 or (ii) the date of listing of shares if the Company is undertaking an IPO. Shares cannot be transferred or otherwise disposed off, except due to operation of law, until the expiry of foregoing lock-in period. Nothing contained herein shall however affect the powers of the Compensation Committee* who shall remain authorized to impose any term of lock-in period as it may deem fit on case to case basis.	Unless otherwise decided by the Compensation Committee, the shares arising out of exercise of vested options shall be subject to the lock-in period after such exercise. Such lock in period shall be from the date of issuance of shares to employees until the earlier of (i) June 30, 2026 or (ii) the date of listing of shares if the Company is undertaking an IPO. Shares cannot be transferred or otherwise disposed off, except due to operation of law, until the expiry of foregoing lock-in period. Nothing contained herein shall however affect the powers of the Compensation Committee* who shall remain authorized to impose any term of lock-in period and remove any lock-in period if imposed already on the shares arisen out of exercise of ESOPs, as the Committee may deem fit on case to case basis.

*Compensation Committee refers to Recruitment, Compensation and Nomination Committee of the Board of Directors

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

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 Ten (10) fully paid up equity share of face value of ₹ 1/-.
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	₹ 1166/- per stock option 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. ESOP holder to exercise his ESOPs shall deliver to the Company Exercise notice and signed letter of undertaking in the manner prescribed in Scheme.
Lock-in period*	The shares arising out of exercise of vested options shall be subject to the lock-in period after such exercise. Such lock in period shall be from the date of issuance of shares to employees until the earlier of (i) June 30, 2026 or (ii) the date of listing of shares if the Company is undertaking an IPO. Shares cannot be transferred or otherwise disposed off, except due to operation of law, until the expiry of foregoing lock-in period. Nothing contained herein shall however affect the powers of the Compensation Committee who shall remain authorized to impose any term of lock-in period as it may deem fit on case to case basis.
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 options 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 (not being retirement or abandonment of employment by the employee 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.
Specified Time Period within which the employee shall exercise the vested options in the event of retirement of employee	Unless otherwise decided by the Committee, all the vested options shall be exercised within 6 months from the date of retirement and all the unvested options as on the date of retirement shall be cancelled.
Statement to the effect that the company shall comply with the applicable accounting standards	The company will comply with the applicable accounting standards.

*In the ensuing AGM, amendment is proposed w.r.t. these provisions

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

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

Existing Clause	Modified Clause
Clause 7.10 text is reproduced as follows:-	Clause 7.10 text is reproduced as follows:-
The shares arising out of exercise of vested options shall be subject to the lock-in period after such exercise. Such lock in period shall be from the date of issuance of shares to employees until the earlier of (i) June 30, 2026 or (ii) the date of listing of shares if the Company is undertaking an IPO. Shares cannot be transferred or otherwise disposed off, except due to operation of law, until the expiry of foregoing lock-in period. Nothing contained herein shall however affect the powers of the Compensation Committee* who shall remain authorized to impose any term of lock-in period as it may deem fit on case to case basis.	Unless otherwise decided by the Compensation Committee, the shares arising out of exercise of vested options shall be subject to the lock-in period after such exercise. Such lock in period shall be from the date of issuance of shares to employees until the earlier of (i) June 30, 2026 or (ii) the date of listing of shares if the Company is undertaking an IPO. Shares cannot be transferred or otherwise disposed off, except due to operation of law, until the expiry of foregoing lock-in period. Nothing contained herein shall however affect the powers of the Compensation Committee* who shall remain authorized to impose any term of lock-in period and remove any lock-in period if imposed already on the shares arisen out of exercise of ESOPs, as the Committee may deem fit on case to case basis.

*Compensation Committee refers to Recruitment, Compensation and Nomination Committee of the Board of Directors

Salient Features of the Scheme [Disclosures under Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014] given below:**ESOP Scheme 2022**

Total number of stock options to be granted	A maximum of 163,667 (One Lakh Sixty Three Thousand Six Hundred Sixty Seven only) stock options. Each stock option is exercisable into 10 (Ten) fully paid-up equity share of face value of ₹ 1/-.
Identification of classes of employees entitled to participate in the ESOP Scheme, 2022	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, 2022	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	₹ 2829.04/- per stock option 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. ESOP holder to exercise his ESOPs shall deliver to the Company Exercise notice and signed letter of undertaking in the manner prescribed in Scheme.
Lock-in period*	The shares arising out of exercise of vested options shall be subject to the lock-in period after such exercise. Such lock in period shall be from the date of issuance of shares to employees until the earlier of (i) June 30, 2026 or (ii) the date of listing of shares if the Company is undertaking an IPO. Shares cannot be transferred or otherwise disposed off, except due to operation of law, until the expiry of foregoing lock-in period. Nothing contained herein shall however affect the powers of the Compensation Committee who shall remain authorized to impose any term of lock-in period as it may deem fit on case to case basis.
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 2022.
Method which the company shall use to value its options	As per the ESOP Scheme 2022.
Conditions under which options 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 (not being retirement or abandonment of employment by the employee 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.
Specified Time Period within which the employee shall exercise the vested options in the event of retirement of employee	Unless otherwise decided by the Committee, all the vested options shall be exercised within 6 months from the date of retirement and all the unvested options as on the date of retirement shall be cancelled.
Statement to the effect that the company shall comply with the applicable accounting standards	The company will comply with the applicable accounting standards.

*In the ensuing AGM, amendment is proposed w.r.t. these provisions

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

The following changes are being made to the ESOP Scheme 2022:

Existing Clause	Modified Clause
Clause 7.10 text is reproduced as follows:-	Clause 7.10 text is reproduced as follows:-
The shares arising out of exercise of vested options shall be subject to the lock-in period after such exercise. Such lock in period shall be from the date of issuance of shares to employees until the earlier of (i) June 30, 2026 or (ii) the date of listing of shares if the Company is undertaking an IPO. Shares cannot be transferred or otherwise disposed off, except due to operation of law, until the expiry of foregoing lock-in period. Nothing contained herein shall however affect the powers of the Compensation Committee* who shall remain authorized to impose any term of lock-in period as it may deem fit on case to case basis.	Unless otherwise decided by the Compensation Committee, the shares arising out of exercise of vested options shall be subject to the lock-in period after such exercise. Such lock in period shall be from the date of issuance of shares to employees until the earlier of (i) June 30, 2026 or (ii) the date of listing of shares if the Company is undertaking an IPO. Shares cannot be transferred or otherwise disposed off, except due to operation of law, until the expiry of foregoing lock-in period. Nothing contained herein shall however affect the powers of the Compensation Committee* who shall remain authorized to impose any term of lock-in period and remove any lock-in period if imposed already on the shares arisen out of exercise of ESOPs, as the Committee may deem fit on case to case basis.

*Compensation Committee refers to Recruitment, Compensation and Nomination Committee of the Board of Directors

A full draft copy of the amended Scheme would be open for inspection by the Members at the Registered Office of the Company and copies thereof shall be available for inspection at the Corporate Office of the Company during working hours on all working days, up to the date of the General Meeting and at the Meeting also.

Since the matter falls under reserved matter, therefore requisite investors' majority approval pursuant to the Articles of Association of the Company is being obtained to act upon the resolution if it is passed by requisite majority of shareholders in the ensuing meeting.

None of the director of the Company (including their relatives) except to the extent of their shareholding is in any way, concerned or interested, financially or otherwise, in the proposed resolution. However, Key Managerial Personnel (KMP) of the Company may be deemed to be concerned or interested in the Resolution to the extent of employees stock options granted to them.

The Board of Directors of the Company recommends the passing of the resolution in Item No. 7, 8 & 9 of the notice as Special Resolution.

Item No. 10

Company in its annual general meeting held on June 08, 2021 approved the appointment of Mr. Sanjay Chaturvedi for a period of 5 years from July 27, 2021 till July 26, 2026 and fixed the annual limit of remuneration at ₹ 500,00,000/- within which remuneration as may be fixed by Board of Directors or Committee of Board authorized in this regard from time to time can be paid to Mr. Chaturvedi for the period of 3 years from July 27, 2021 to July 26, 2024. As the foregoing period has expired on July 26, 2024, therefore remuneration limit needs to be renewed for the remaining tenure of appointment till July 26, 2026.

The Recruitment, Compensation and Nomination Committee in its meeting held on May 09, 2024 followed by board meeting held on May 16, 2024, subject to the shareholders' approval, approved the renewal of foregoing annual limit of consolidated remuneration within which remuneration can be paid to Mr. Sanjay Chaturvedi for remaining tenure of 2 years till July 26, 2026.

Pursuant to the provisions of Schedule V to the Companies Act, in case of no profits or inadequate profits during the tenure of appointment of a managerial personnel (i.e. Managing Director, Whole-time Director or Manager), remuneration shall be paid as per the applicable slab prescribed based on the 'Effective Capital' of the Company. Provided, remuneration in excess of the permissible slab may be paid, if shareholders pass a special resolution.

As the matter relates to mere renewal of nominal yearly remuneration ceiling limit and does not relate to the fixing of actual yearly remuneration to be paid to Mr. Sanjay Chaturvedi, WTD, thus, matter not being reserved matter, requisite investors' majority approval pursuant to the Articles of Association of the Company is not required to be obtained to act upon the resolution if it is passed by requisite majority of shareholders in the ensuing meeting. Accordingly, approval of shareholders by way of special resolution is sought.

Mr. Sanjay Chaturvedi is one of the founders and key managerial person contributing to the growth of this Company. His valuable guidance and continued association in the Company shall be highly beneficial for the success of the Company. In a highly competitive environment, it is in the interest of the Company to offer him remuneration which should be in line with remuneration drawn by his counterparts in the same industry. Taking into consideration the size of the Company, the profile of Mr. Chaturvedi, the responsibilities shouldered by him and the industry benchmarks, proposed maximum cap of annual consolidated remuneration is commensurate with his experience, Industry standards and Board level positions held in similar sized and similarly positioned businesses. However, within this limit, the Board or Committee thereof, may fix the actual yearly consolidated remuneration to be paid to Mr. Chaturvedi.

Remuneration: Such remuneration as may be fixed by the Board or Committee of Board as may be authorized subject to the below yearly limits may be paid to Mr. Sanjay Chaturvedi, WTD:

- Consolidated remuneration not exceeding ₹ 5,00,00,000/- (Rupees five crores) per annum inclusive of remuneration(s) payable directly or otherwise or by way of salary and perquisites, performance-based rewards/ incentives, on terms and conditions, as may be fixed from time to time.

- b) Over and above remuneration mentioned above in point no. (a), following additional benefits shall be available: -
- Such other benefits as available to him being an employee and/or a Director of the Company, such as insurance cover, gratuity, PF, leave encashment, etc.
 - Reimbursements towards expenses incurred for Company work including travel, conveyance, telephone, etc., and other expenses incurred in the course of discharging his duties at actuals, and
 - Reimbursements towards entertainment expenses incurred for business development, not exceeding ₹6,00,000/- per annum.

The following additional detailed information as per Section – II, Part II of Schedule V is as follows:

I. General Information																																
a)	Nature of Industry	Housing Finance Sector																														
b)	Date or expected date of commencement of commercial production.	The Company was incorporated in 2010 and commenced its lending operations after obtaining NHB license in 24.01.2011.																														
c)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable.																														
d)	Financial performance based on given indicators	Financial year 2023-24 Revenue from Operations : ₹ 603.27 Crs. Profit after Tax : ₹ 135.97 Crs. Rate of Dividend : Nil Earning Per share: Basic ₹ [17.94] Fully Diluted ₹ [17.13]																														
e)	Foreign investments or collaborators, if any	The Company has not made any foreign investments and neither entered into any foreign collaborations. However few foreign entities hold investment in the Company, details whereof is set out below :- <table><tr><th>S. No.</th><th>Name of Foreign Entities</th><th>No. of Equity shares held of Face Value @ ₹ 1/- each</th><th>No. of CCPS held of Face Value @ ₹ 1/- each</th><th>No. of CCPS held of Face Value @ ₹ 2/- each</th></tr><tr><td>1.</td><td>Helion Venture Partners II LLC</td><td>16,37,630</td><td>65,81,640</td><td>-</td></tr><tr><td>2.</td><td>IBEF- IIA</td><td>3,32,830</td><td>37,21,410</td><td>-</td></tr><tr><td>3.</td><td>Topaz Inclusion Pte. Ltd.</td><td>39,18,670</td><td>7,50,000</td><td>24,00,820</td></tr><tr><td>4.</td><td>British International Investment plc</td><td>100</td><td>-</td><td>98,97,270</td></tr><tr><td>5.</td><td>Asian Development Bank</td><td>100</td><td>-</td><td>65,39,230</td></tr></table>	S. No.	Name of Foreign Entities	No. of Equity shares held of Face Value @ ₹ 1/- each	No. of CCPS held of Face Value @ ₹ 1/- each	No. of CCPS held of Face Value @ ₹ 2/- each	1.	Helion Venture Partners II LLC	16,37,630	65,81,640	-	2.	IBEF- IIA	3,32,830	37,21,410	-	3.	Topaz Inclusion Pte. Ltd.	39,18,670	7,50,000	24,00,820	4.	British International Investment plc	100	-	98,97,270	5.	Asian Development Bank	100	-	65,39,230
S. No.	Name of Foreign Entities	No. of Equity shares held of Face Value @ ₹ 1/- each	No. of CCPS held of Face Value @ ₹ 1/- each	No. of CCPS held of Face Value @ ₹ 2/- each																												
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4.	British International Investment plc	100	-	98,97,270																												
5.	Asian Development Bank	100	-	65,39,230																												
II. Information about the appointee:																																
a)	Background Details	Sanjay has over 36 years of proven expertise in general management, sales and distribution, new category development, brand management and back-end operations including collections across large, blue-chip financial services organizations. He has successfully launched and led new business lines for the consumer business of Citibank, HSBC and GE Consumer Finance in India, and First Gulf Bank in the UAE. Prior to joining the Company, Sanjay set up and managed the lending and payments business for Reliance Retail. Sanjay has a Master's in Business Administration from Lucknow University, Uttar Pradesh.																														
b)	Past Remuneration	The remuneration drawn by Mr. Sanjay Chaturvedi during the past three years is as follows: <table><tr><th>Year</th><th>Remuneration (In ₹) (figures in Crores)</th></tr><tr><td>2023-24</td><td>2.83/- p.a.</td></tr><tr><td>2022-23</td><td>2.36 /- p.a.</td></tr><tr><td>2021-22</td><td>2.08/- p.a.</td></tr></table>	Year	Remuneration (In ₹) (figures in Crores)	2023-24	2.83/- p.a.	2022-23	2.36 /- p.a.	2021-22	2.08/- p.a.																						
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2023-24	2.83/- p.a.																															
2022-23	2.36 /- p.a.																															
2021-22	2.08/- p.a.																															
c)	Recognition or awards	NIL																														

d)	Job profile and his suitability	Mr. Chaturvedi is the promoter and first director of the Company and has steered the Company remarkably to achieve leadership position in the industry. Being the Whole time Director of the Company, he devotes whole time attention to the management of the affairs of the Company and exercises powers under the supervision and superintendence of the Board of the Company.																														
e)	Remuneration proposed	Remuneration to be paid each year shall be fixed by Board of Directors or Committee of Board as may be authorized in this regard. However, the ceiling within which such remuneration shall be paid is proposed to be fixed at ₹ 5.00 Crores yearly for the remaining tenure of Mr. Chaturvedi till July 26, 2026. This ceiling shall include all the remuneration whether payable directly or otherwise or by way of salary and perquisites, performance-based rewards/ incentives.																														
f)	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The remuneration of Mr. Sanjay Chaturvedi is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company and scale of Company's business and operations.																														
g)	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Apart from drawing remuneration in the capacity of whole time director and holding shares in the Company and holding 8% Optionally Convertible Debentures (OCDs) in the Company, as tabulated below, Mr. Sanjay Chaturvedi does have any pecuniary relationship with the Company. <table><tr><th>S. No.</th><th>No. of OCDs</th><th>Issue Price per OCD (In ₹)</th><th>Paid up amount per OCD (in ₹)</th></tr><tr><td>1</td><td>59,598</td><td>1,215</td><td>60</td></tr><tr><td>2</td><td>12,064</td><td>1,175</td><td>60</td></tr><tr><td>3</td><td>2,380</td><td>2,829.04</td><td>140</td></tr><tr><td>4</td><td>81,833</td><td>2,829.04</td><td>140</td></tr><tr><td colspan="4">Total OCDs = 1,55,875</td></tr></table> <table><tr><th>No. of Shares</th><th>Type</th><th>Face value per share (in ₹)</th></tr><tr><td>25,00,000</td><td>Equity share</td><td>1</td></tr></table>	S. No.	No. of OCDs	Issue Price per OCD (In ₹)	Paid up amount per OCD (in ₹)	1	59,598	1,215	60	2	12,064	1,175	60	3	2,380	2,829.04	140	4	81,833	2,829.04	140	Total OCDs = 1,55,875				No. of Shares	Type	Face value per share (in ₹)	25,00,000	Equity share	1
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Total OCDs = 1,55,875																																
No. of Shares	Type	Face value per share (in ₹)																														
25,00,000	Equity share	1																														
Mr. Sanjay Chaturvedi is not related to any of the Directors and Key Managerial Personnel of the Company.																																

III. Other Information

a) Reasons of loss or inadequate profits	Company is demonstrating good profit growth year on year and performing well on every front be it financial or operational. However, the maximum amount of yearly remuneration which may be fixed and paid to the Wholetime Directors is likely to exceed the limits specified in Section 197, therefore Company proposes to obtain the approval of members for the higher limit of remuneration under Section II of Part II of Schedule V of Companies Act, 2013 where Companies having inadequate or no profits are covered.
b) Steps taken or proposed to be taken for improvement	Not Applicable
c) Expected increase in Productivity and profits in measurable terms	Not Applicable

Except Mr. Sanjay Chaturvedi himself, none of the Directors or Key Managerial Personnel of the Company (including their relatives), except to the extent of their shareholding in the Company, are interested or concerned in the passing of resolution set out in Item No. 10.

The Board of Directors of the Company recommends the passing of the resolution in Item No. 10 of the notice as Special Resolution.

Item No. 11

The Company issued 59,598 8% Unsecured Optionally Convertible Debentures (OCDs) each to Mr. Sanjay Chaturvedi and Ms. Rupa Basu, Promoter- Directors of the Company, on terms and conditions as per the Offer Letter dated March 30, 2020. Pursuant to the said Offer Letter, each OCD was issued at an Issue Price of ₹ 1215/- partly paid up ₹ 60/- for the tenure of 5 years from the date of allotment unless the term is extended with mutually consent between respective OCD holder and the Company. However, OCD holder was given right to convert his OCDs into equity shares at any time before their expiry by making his OCDs fully paid.

The foregoing tenure of 5 years shall come to an end on March 30, 2025, which each of the OCD holder namely Mr. Sanjay Chaturvedi and Ms. Rupa Basu has individually agreed with the Company to extend perpetually vide their Agreement dated July 29, 2024 executed with the Company. However, all other terms and conditions of said OCDs shall remain same.

Accordingly, the Board at its meeting held on July 29, 2024 considered the matter for the alteration of terms and conditions of OCDs and thereafter recommends the matter for shareholders approval by way of passing resolution set forth in Item No. 11 of the Notice as Special Resolution.

Since the matter falls under reserved matter, therefore requisite investors' majority approval pursuant to the Articles of Association of the Company is being obtained to act upon the resolution if it is passed by requisite majority of shareholders in the ensuing meeting.

Except Mr. Sanjay Chaturvedi and Ms. Rupa Basu themselves, none of the Directors or Key Managerial Personnel of the Company (including their relatives) are interested or concerned in the passing of resolution set out in Item No. 11.

Item No. 12

The shareholders of the Company by passing the resolution in their Annual General Meeting (AGM) held on August 17, 2023 approved the sub-division of nominal value of each Equity Share having a face value ₹ 10/- (Rupees Ten Only) each into 10 (Ten) Equity Shares of ₹ 1/- (Rupee One Only) each, Preference Share having a face value ₹ 10/- (Rupees Ten Only) each into 10 (Ten) Preference Shares of ₹ 1/- (Rupee One Only) each and Preference Share having a face value ₹ 20/- (Rupees Twenty Only) each into 10 (Ten) Preference Shares of ₹ 2/- (Rupee Two Only) each and further, vide resolution No. 06 dated 17.08.2023 passed in said AGM, authorised the Company to make such appropriate adjustments in the conversion ratio of the convertible instruments, viz., Optionally Convertible Debentures (OCDs) as may be required to restore the benefits of holders of convertible instruments to their original state which they were enjoying before the aforesaid sub-division of shares. Consequently, Company proposes the adjustment of conversion ratio as follows:-

Conversion ratio	Existing terms		Proposed amendment	
	One OCD held is convertible into one equity share of ₹ 10/-		One OCD held is convertible into 10 equity shares of ₹ 1/-	
OCDs impacted (order in chronology of allotment dates)				
S. No.	No. of OCDs	ISINs	Allotment Date	Name of Allottees
1.	59,598	INE967Q08039	30-03-2020	Mr. Sanjay Chaturvedi
2.	59,598	INE967Q08039	30-03-2020	Ms. Rupa Basu
3.	12064	INE967Q08054	24-09-2020	Mr. Sanjay Chaturvedi
4.	12064	INE967Q08054	24-09-2020	Ms. Rupa Basu
5.	2380	INE967Q08062	02-06-2022	Mr. Sanjay Chaturvedi
6.	17520	INE967Q08062	02-06-2022	Ms. Rupa Basu
7.	81833	INE967Q08070	14-07-2022	Mr. Sanjay Chaturvedi
8.	81834	INE967Q08070	14-07-2022	Ms. Rupa Basu

Since the matter is not an alteration of rights of OCDs holders per-se, but merely an adjustment of rights of OCDs holders to restore them to the same position they were enjoying before the sub-division of share capital, therefore the subject matter would not fall under reserved matter and thus requisite investors' majority approval pursuant to the Articles of Association of the Company is not required to be obtained to act upon the resolution if it is passed by requisite majority of shareholders in the ensuing meeting. It is clarified that objective of proposed alteration in conversion ratio is to place the OCD holders back in the same position as they would have been had there been no sub-division of share capital and not to confer any extra rights/privilege/benefit upon them.

Accordingly, Company seeks shareholders' approval by way of passing resolution set forth in Item No. 12 of the Notice as Special Resolution.

Except Mr. Sanjay Chaturvedi and Ms. Rupa Basu themselves, none of the Directors or Key Managerial Personnel of the Company (including their relatives) are interested or concerned in the passing of resolution set out in Item No. 12.

ANNEXURE TO THE NOTICE

Details of the Directors seeking re-appointment at the 15th Annual General Meeting [Pursuant to Secretarial Standards on General Meetings]

1. DETAILS OF MR. PRANAV KUMAR

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

Mr. Pranav Kumar was appointed as a Member of Board of Shubham Housing Development Finance Company Ltd. with effect from June 27, 2022.

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

He is aged about 40 years and holds MBA from Indian Institute of Management, Ahmedabad, and a Bachelor of Technology in Computer Science and Engineering from the Indian Institute of Technology, Bombay.

Pranav Kumar is a Partner in LeapFrog's Asia Financial Services team based in Singapore.

Pranav leads new investments, portfolio management and exits across South and Southeast Asia. He has been serving on the boards of several LeapFrog partner companies in financial services over last 7 years. Prior to joining LeapFrog, Pranav held positions at the World Bank Group and McKinsey & Company.

- **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 2023-24**

He attended 4 (Four) out of 4 (Four) 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 2024. (Other than Shubham Housing Development Finance Company Ltd.)**

Directorships

1. Dvara Kshetriya Gramin Financial Services Private Limited

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

- Risk Management Committee
- Customer Service & Conduct Oversight Committee
- Nomination and Remuneration Committee
- Audit Committee

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

Being director liable to retire by rotation, he is retiring in the ensuing AGM. Being eligible, he seeks his re-appointment as the Non-Executive Director on the Board of Directors of the Company as the nominee of an Investor-Shareholder of the Company (i.e., Topaz Inclusion PTE. Ltd.). 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 being sought at nil remuneration.

Last drawn remuneration: Nil

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.

2. DETAILS OF MR. GAURAV MALHOTRA

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

Mr. Gaurav Malhotra was appointed as a Member of Board of Shubham Housing Development Finance Company Ltd. with effect from June 27, 2022.

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

Gaurav Malhotra is Director and Head for Financial Services Equity at British International Investment (BII). BII is the UK's development finance institution and impact investor with a mission to help solve the biggest global development challenges by investing patient, flexible capital to support private sector growth and innovation.

Prior to BII, Gaurav worked for Escorts Limited heading strategy and business planning and prior to that he was a Principal for the leading strategy consulting firm BCG in India.

Gaurav is about 43 years old and holds a PGDM from the Indian Institute of Management Bangalore and B. Engineering from Delhi College of Engineering.

- **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 2023-24**

He attended 3 (Three) out of 4 (Four) 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 2024. (Other than Shubham Housing Development Finance Company Ltd.)**

Directorships

1. Indifi Technologies Private Limited
2. Indifi Capital Private Limited

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

1. Indifi Capital Private Limited – Member Credit and Risk Committee
2. Indifi Capital Private Limited – Member Nomination and Remuneration Committee

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

Being director liable to retire by rotation, he is retiring in the ensuing AGM. Being eligible, he seeks his re-appointment as the Non-Executive Director on the Board of Directors of the Company as the nominee of an Investor-Shareholder of the Company (i.e., British International Investment plc (formerly known as CDC Group plc)). 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 being sought at nil remuneration.

Last drawn remuneration: Nil

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.

SHUBHAM HOUSING DEVELOPMENT FINANCE COMPANY LIMITED

ATTENDANCE SLIP

(to be handed over at the entrance of the meeting hall)

Name of Member
Name of the proxy (To be filled if the proxy attends instead of the member)
Name of Authorized Representative (to be filled if the member is body corporate)

Registered Folio No.
DP ID
Client ID
No. of shares held

I / We, hereby record my/our presence at the 15th Annual General Meeting of the Company being held at 608-609, 6th Floor, Block-C Ansal Imperial Tower, Community Center, Naraina Vihar, New Delhi-110028 on Friday, the 16th day of August, 2024 at 05:00 p.m.

Place: Delhi

Date: 16-08-2024

(Member's/Proxy's/Authorised Representative's Signature)

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: 608-609, 6th Floor, Block-C Ansal Imperial Tower, Community Center, Naraina Vihar, New Delhi-110028

Corporate office: 425, Udyog Vihar, Phase IV, Gurugram 122015, Haryana

Website: www.shubham.co, Phone Number: +91 124 4212531

Name of Member(s) :	
Registered address :	
Email 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:

- Name: _____

Address: _____

E-mail Id: _____

Signature: _____

or failing him/her
- Name: _____

Address: _____

E-mail Id: _____

Signature: _____

or failing him/her
- Name: _____

Address: _____

E-mail Id: _____

Signature: _____

or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 15th Annual General Meeting of the company, to be held on Friday, 16.08.2024 at 05.00 P.M. IST at Registered Office of the company at 608-609, 6th Floor, Block-C Ansal Imperial Tower, Community Center, Naraina Vihar, New Delhi-110028 and at any adjournment thereof in respect of resolutions as indicated below:

Sr. No.	RESOLUTIONS	FOR	AGAINST
1	To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March 2024, together with the Directors' and Auditors' Reports thereon.		
2	To re-appoint Mr. Pranav Kumar as a Director, who retires by rotation and being eligible, offers himself, for re-appointment.		
3	To re-appoint Mr. Gaurav Malhotra as a Director, who retires by rotation and being eligible, offers himself, for re-appointment.		
4.	To appoint Statutory Auditors from the conclusion of this Annual General Meeting until the conclusion of the 18th Annual General Meeting and to fix their remuneration.		
5.	Increase in Authorized Share Capital and consequential Alteration of Capital Clause of Memorandum of Association of the Company.		

Sr. No.	RESOLUTIONS	FOR	AGAINST
6.	Approval of selling, assignment or otherwise dispose off its loan receivables/book debts up to ₹ 1000 Crores in a financial year.		
7.	To approve amendments in Employees' Stock Option Plan 2013 ("ESOP 2013").		
8.	To approve amendments in Employees' Stock Option Plan 2020 ("ESOP 2020").		
9.	To approve amendments in Employees' Stock Option Plan 2022 ("ESOP 2022").		
10.	To approve consolidated remuneration limit of Mr. Sanjay Chaturvedi, Whole Time Director.		
11.	To approve change in terms of 59,598 8% Unsecured Optionally Convertible Debentures (OCDs) allotted each to Mr. Sanjay Chaturvedi and Ms. Rupa Basu, Directors of the Company.		
12.	To approve change in conversion ratio of 8% Unsecured Optionally Convertible Debentures (OCDs) allotted each to Mr. Sanjay Chaturvedi and Ms. Rupa Basu.		

Signed this 2024

Affix
Revenue
Stamp

Signature of shareholder

Signature of Proxy holder(s)

Notes:

1. 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.
2. A proxy need not be a member of the company.
3. Please put a '✓' in the appropriate column against the resolutions indicated in the box. If you leave the "For" or "Against" column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate. This is only optional.

Directors' Report

To,
The Members,

We are pleased to present the 15th (Fifteenth) Directors' Report of Shubham Housing Development Finance Company Limited ("the Company" or "Shubham") for the year ended 31 March, 2024. This Report includes the Audited Financial Statements, Management Discussion and Analysis Report (MDAR), Corporate Governance Report, CSR Annual Report and other annexures which form an integral part of this Report. It aims to provide stakeholders with a comprehensive insight into the Company's financial position and operational area, thereby enabling a clear understanding of Company's business and operational status.

1. FINANCIAL HIGHLIGHTS:

Brief summary of the audited financials of the Company for the financial year ended 31 March, 2024

Particulars	(Figures in ₹ Crores)	
	Year ended 31 March, 2024	Year ended 31 March, 2023
Revenue from Operations	603.27	448.94
Other Income	13.19	4.59
Total Income	616.46	453.53
Profit before Depreciation & amortization	181.86	121.36
Less: Depreciation & amortization	9.89	7.08
Profit after depreciation & amortization	171.97	114.27
Provision for Tax including Deferred Tax	36.00	22.51
Total Tax Expense	36.00	22.51
Profit after Tax	135.97	91.76

2. REVIEW OF BUSINESS:

During the period under review, your Company, fueled by the commitment to deliver unparalleled service to the customers, impacting their lives positively, empowering them financially and expanding its footprints in new geographies, has achieved remarkable performance marked by Revenue of ₹ 603.27 Crores and Profit after Tax (PAT) of ₹ 135.97 Crores which indicates year on year growth of 34.38 % in Revenue and growth of 48.18% in PAT. During the year ended 31 March, 2024, the Company, while experiencing rising cost of borrowings and ever-increasing competition from banks and new entrants in the market, has disbursed loan of ₹ 2,602 Crores as against ₹ 1,703 Crores in the previous year which is a 53% growth over the previous year, while maintaining healthy Net Interest Margin (NIM) of 9.2%¹.

During the period under review, the Company has expanded its footprint into geographies of southern India besides penetrating deeper into existing territories. The number of branches as on 31 March, 2024, increased to 146 which gave needed impetus to the business and led to the Asset under Management (AUM) of the Company surging by 47.53% and loan book by 46.53%.

Your Company meets the Principal Business Criteria ('PBC') as defined in RBI Circular on Review of Regulatory framework for Housing Finance Companies dated 22 October, 2020. The percentage of total assets towards housing finance as on 31 March, 2024, was 63.18 %.

¹ NIM/Average of Owned AUM *100

3. CHANGE IN NATURE OF BUSINESS, IF ANY:

The Company is a financial institution, registered as a housing finance Company with National Housing Bank (NHB). The main business of the Company is of lending money in India for purchase, construction, renovation or improvement of residential houses or lending money against housing property for business/certain other end uses. 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. DIVIDEND:

The Board of Directors of the Company has not recommended any dividend for the financial year ended 31 March, 2024.

5. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

No material changes and commitments occurred between the end of the 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.

6. TRANSFER TO RESERVES:

As per Section 29C of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profit every year to special reserve. During the year under review, your Company has transferred an amount of

₹ 27.19 Crores to special reserve. The said reserves stood at ₹ 75.46 Crores. The balance in retained earnings as on 31 March, 2024, stood at ₹ 288.35 Crores.

7. RESOURCE MOBILISATION:

A. Debentures:

i) Non-Convertible Debentures:

During the period under review the Company did not raise any funds by way of the fresh issue of Non-Convertible Debentures (NCDs). Further the Company redeemed NCDs bearing ISIN INE967Q08021, INE967Q07023 & INE967Q07031 on maturity in the month of June'23 and thereafter did not have any remaining NCD which was listed on stock exchange. Consequently, the Company vide Bombay Stock Exchange's notification dated 20 July, 2023, received intimation about delisting of securities with effect from 21 July, 2023.

The Company did not have any NCDs listed on stock exchange as on 31 March, 2024.

The Company during the year under review remained compliant with the provisions of Chapter XI {(Guidelines on Private Placement of Non-Convertible Debentures (NCDs)) of Master Directions- Housing Finance Companies (Reserve Bank of India), 2021 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. Until the redemption of NCDs on maturity, the Company regularly paid principal and interest on the NCDs and there has been no instance of default(s) during the year under review. The Company further affirms 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.

ii) Optionally Convertible Debentures (OCDs)

During the year under review, the Company did not issue any Unsecured Optionally Convertible Debentures (OCDs) to its Whole Time Directors. The outstanding principal of OCDs issued during previous years stood at ₹ 3.27 Crores as on 31 March, 2024.

B. Term Loans and other Borrowings

During the year under review, the Company availed ₹ 525.00 Crore of refinance facility from NHB under various refinance schemes of NHB. Apart from that, the Company raised funds by way of term loans from various Banks/NBFCs/FIs. As on 31 March, 2024, the

total outstanding borrowings stood as ₹ 2,572.26 Crores.

C. Assignment of Loans

During the period under review, the Company assigned the receivables of housing loan portfolio and non-housing loan portfolio aggregating to ₹159.59 Crores.

D. Refinance from NHB

As on 31 March, 2024, the outstanding balance under refinance facility schemes of NHB stood at ₹ 697.29 Crores, which helped the Company to reduce the cost of its incremental borrowings.

E. Commercial Papers

During the period under review, the Company neither raised any money by way of issue of Commercial Papers nor did have any Commercial Papers remaining outstanding as on 31 March, 2024.

As of date, no 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.

F. Equity funds raise

During the period under review, except to honor its obligations to allot the equity shares upon exercise of ESOPs by employees, your Company did not raise any funds from the issuance of shares.

8. DEPOSITS:

The Company is registered as a non-deposit taking Housing Finance Company with NHB. Being a non-deposit taking HFC, your Company has not accepted any public deposit. Therefore, provisions of Section 73 of the Companies Act, 2013 ("Act") read with applicable rules thereto and disclosure requirements under Para 44 of the Master Direction – Non-Banking Financial – Housing Finance Company (Reserve Bank) Directions, 2021 are not applicable. The 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; - N.A. and
- (b) the total amount due under such accounts remaining unclaimed or unpaid beyond the date referred to in above para (a). - N.A.

9. INVESTOR EDUCATION AND PROTECTION FUND:

No dividend has been declared since the inception of the Company, therefore the provisions of Section 125 of the Companies Act, 2013 do not apply.

10. SHARE CAPITAL:

The Capital structure of the Company is as follows: -

A. Authorized Share Capital

The Authorized Share Capital of the Company as on 31 March, 2024, was ₹ 12,00,00,000/- (Rupees Twelve Crores) divided into –

- (i) 2,70,00,000 Equity Shares of face value of ₹ 1/- each aggregating to ₹ 2,70,00,000;
- (ii) 5,00,00,000 Compulsory Convertible Preference Shares (CCPS) of face value of ₹ 1/- each aggregating to ₹ 5,00,00,000;
- (iii) 2,15,00,000 CCPS of face value of ₹ 2/- each aggregating to ₹ 4,30,00,000.

B. Issued and Paid-up Share Capital**i. Equity Shares –**

The issued and paid-up equity share capital of the Company as at 31 March, 2024 was ₹ 2,02,98,020/- divided into 2,02,98,020 equity shares of ₹ 1/- each. During the period under review, the Company has issued the following equity shares: -

Date of Board Meeting/ Resolution by Circulation	No of shares
Board Meeting - 24 May, 2023	15,000 equity shares arose out of exercise of ESOPs were allotted to employee.
Resolution by circulation - 25 March, 2024	6,000 equity shares arose out of exercise of ESOPs were allotted to employee.

ii. Compulsorily Convertible Preference Shares

The issued and paid-up preference share capital of the company as at 31 March, 2024 was ₹ 7,67,15,650/- divided into 342,98,770 preference shares of ₹ 1/- each and 212,08,440 preference shares of ₹ 2/- each. During the period under review, the Company did not issue any Compulsorily Convertible Preference Shares (CCPS).

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Company has an optimum combination of Executive Directors, Non-Executive Directors and Independent Directors on the Board who are from financial services background and possesses relevant skills and experience.

A. Independent Directors

The Company has the following Independent Directors on the Board of the Company:

S. No.	Name	Designation	DIN
1	Mr. Vinod Rai*	Non-Executive Independent Director	00041867
2	Mr. Rakesh Rewari*	Non-Executive Independent Director	00286853
3	Ms. Latika Thukral	Non-Executive Independent Director	08680862
4	Mr. Manoj Dattatraya Rane	Non-Executive Independent Director	02653448

* serving second term of 5 years upon members' approval through special resolution.

B. Non-Executive Directors

In pursuance of the Articles of Association of the Company, the investors are entitled to nominate their representative to be appointed as the director(s) on the Board of the Company. In this regard, Board comprises of following Non-executive Directors nominated by different investor groups of the Company:

S. No.	Name	Designation	DIN
1	Mr. Rahul Chandra	Non-Executive Nominee Director	01213049
2	Mr. Manoj Jaiswal	Non-Executive Nominee Director	07873564
3	Mr. Pranav Kumar	Non-Executive Nominee Director	07896173
4	Mr. Gaurav Malhotra	Non-Executive Nominee Director	07640504
5	Mr. Saravanan Nattanmai*	Non-Executive Nominee Director	06989767

* During the period under review, Mr. Saravanan Nattanmai who was appointed as an Additional Nominee Director on the Board of the Company w.e.f. 31 March, 2023, was regularized as Director in the AGM held on 17 August, 2023.

C. Executive Director

Mr. Sanjay Chaturvedi and Ms. Rupa Basu are the Whole-Time Directors on the Board of the Company.

D. 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 Companies Act, 2013, Mr. Pranav Kumar, Director and Mr. Gaurav Malhotra, Director of the Company, shall retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offer themselves for re-appointment. Being Investor Nominee Directors, Company has received suitable nomination for such re-appointment from respective Investors. The Board recommends their re-appointment.

E. Key Managerial Personnel

Following are the Key Managerial Personnel as per the provisions of the Companies Act, 2013 and rules made thereunder:

Sr. No.	Name	Designation
1	Mr. Sanjay Chaturvedi	CEO and Whole Time Director
2	Ms. Rupa Basu	Whole-Time Director (WTD)
3	Mr. Vishal Kanodia	Chief Financial Officer (CFO)
4	Ms. Neeta Kamra	Company Secretary (CS)

12. BOARD EVALUATION:

The major role of the Board in a Company is to provide strategic directions, monitor the management and to provide support and advice. The effectiveness of the Board depends on a variety of factors such as Board Structure, Functioning of the Board, Business Strategy Governance, Financial Reporting Process, Internal Audit and Controls, Monitoring, Supporting and Advisory role. A Board evaluation is a process that measures the accountability, transparency and effectiveness of board members.

In accordance with the provisions of Companies Act, 2013 and the rules made thereunder, the Company evaluates the performance of the Board, Committees of the Board and that of Individual Directors. The Board, on the basis of performance evaluation in a manner prescribed by Recruitment, Compensation and Nomination Committee, carries out an annual performance evaluation of its own performance, the directors individually including Independent Directors, Committees of the Board and the Chairman of the Board. The Performance Evaluation Process is a questionnaire-based assessment, which sets broad parameters for evaluation of the performance of the Board, its Committees and of individual directors including Chairman of Board respectively. Its main objectives are to ensure effective and efficient Board operations towards corporate goals and objectives, to identify ways to improve Board member's functioning and to assess the balance of skills, knowledge and experience on the Board.

The performance of Non-Independent Directors, the Board as a whole and the Chairman of Board were evaluated at the meeting of Independent Directors held on 29 March, 2024. The performance of Independent Directors and the Committees of Board were evaluated at the Board meeting held on 16 May, 2024.

13. FIT AND PROPER CRITERIA:

The Reserve Bank of India notified the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (RBI HFC Master Directions) on 17 February, 2021, for housing finance companies. These directions inter-alia require all the housing finance companies to put in place Internal Guidelines on Corporate Governance and Policy on 'Fit & Proper' Criteria for Director(s) at the time of their appointment and on a continuing basis, with the approval of the Board of Directors of the Company. The Company had put the Internal Guidelines on Corporate Governance and Policy on 'Fit & Proper' Criteria for Director(s) in place. The Internal guidelines on corporate governance adopted by the Company is available on <https://www.shubham.co/internal-guidelines-on-corporate-governance>.

14. DECLARATION BY DIRECTORS:

All the Directors of the Company have confirmed that they satisfy the "fit and proper" criteria as prescribed under Chapter IX of RBI Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (RBI HFC Master Directions) issued on 17 February, 2021, and are not disqualified from being appointed/continuing as Directors in terms of section 164(2) of the Companies Act, 2013.

15. ANNUAL DECLARATION FROM INDEPENDENT DIRECTORS:

All Independent Directors have submitted the declaration of independence, pursuant to the provisions of Section 149(7) of the Companies Act 2013 stating that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. They have also affirmed compliance with Rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014 certifying their eligibility as Independent Directors and confirming that they are not disqualified from continuing in their roles.

16. THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

During the year, there were no significant and/or material orders passed by the regulators, courts or tribunals, impacting the going concern status and future operations of your Company.

17. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- in the preparation of the annual accounts, the applicable accounting standards were followed along with proper explanation relating to material departures, if any;
- 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;
- 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 devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

18. 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 analysis on the Company’s operational and financial performance is given in the “Management Discussion and Analysis Report” which is annexed to this Report as **Annexure - I**.

19. AUDITORS:

A. Statutory Auditors

M/s MSKA & Associates, Chartered Accountants (Firm Registration No. 105047W) were appointed as Statutory Auditors of the Company to hold the office until the conclusion of 15th AGM, who shall retire in the ensuing AGM being 15th AGM of the Company. Accordingly, the Company proposes to appoint M/s Walker Chandio & Co LLP, Chartered Accountants firm for a period of 3 years from the conclusion of 15th AGM till the conclusion of 18th AGM to be held in the year 2027, subject to auditors continue to satisfy eligibility norms as per applicable guidelines/laws.

The audit for FY 2023–24 was carried out by M/s. MSKA & Associates, Chartered Accountants, Statutory Auditors of the Company who issued their report thereon. The Auditors Report does not contain any qualification or adverse remark hence does not require any clarification or explanation of the Board under Section 134 of the Act.

The Report of Statutory Auditors on accounts and financial statements for Financial Year 2023-24, is annexed as **Annexure – VII**.

B. Secretarial Auditors

In pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company in its meeting held on May 24, 2023 appointed M/s. Naveen Narang & Associates, Company Secretaries firm, as Secretarial Auditors of the Company for the financial year 2023-24.

The Report of Secretarial Auditor for FY’24 is annexed to this Report as **Annexure – VI**.

The Board of Directors of the Company in its meeting held on May 16, 2024 appointed M/s. Mehta & Mehta, Company Secretaries firm, as Secretarial Auditors of the Company for the financial year 2024-25.

C. Internal Auditors

The Board of Directors on the recommendation of the Audit Committee approved the appointment of M/s. Mazars Advisory LLP as the internal auditors of the Company to conduct the internal audit for Financial Year 2024. Being eligible, they have been re-appointed for FY’25.

D. Auditor’s Qualification / Reservation / Adverse Remark

Neither of the aforesaid statutory auditors nor secretarial auditors have expressed any adverse qualification/ reservation/ remark in their Report for financial year 2023-

24 which requires any explanation or comments from the Board under Section 134 of the Companies Act, 2013. The Notes on financial statements referred to in the Auditors’ Report are self-explanatory and do not call for any further comments and explanations.

E. Reporting of frauds by auditors

During the period under review, the Statutory Auditors and the Secretarial Auditors have not reported any instances of fraud committed in the Company by its officer or employees to the Audit committee under Section 143(12) of the Companies Act, 2013 read with Rule 13 of Chapter X Companies (Audit and Auditors) Rules, 2014, details of which are required to be disclosed in this report.

20. INTERNAL FINANCIAL CONTROL WITH REFERENCE TO FINANCIAL STATEMENTS:

The Company has laid down adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no material weaknesses were observed in the design and operations of the same.

21. 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. Further, disclosures regarding loans and advances given to Directors & Senior Officers of the Company are given in **Annexure V-B** of this Report.

22. 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 into 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.

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

23. HOLDING/SUBSIDIARY DISCLOSURES:

Your Company does not have any holding or subsidiary company.

24. PARTICULARS OF EMPLOYEES:

In accordance with the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and particulars of the top ten employees in terms of remuneration drawn and of the aforesaid employees are set out in the **Annexure - IV** to the Directors’ Report. In terms of the

provisions of Section 136(1) of the Companies Act, 2013 read with the rule, the Directors' Report is being sent to all shareholders of the company excluding the annex. Any shareholder interested in obtaining a copy of the annex may write to the Company.

25. 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's objectives and promoting increased participation by them in the growth of the Company.

A. Employee Stock Option Plan 2013 (ESOP 2013)

Scheme authorizes the Company 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 of face value of ₹ 1/-, not exceeding 11,90,470 Equity Shares in aggregate. Each stock option is exercisable into ten (10) equity shares of face value of ₹ 1/- each at an exercise price of ₹ 10/- and on such terms and conditions as may be fixed or determined by the Board or Recruitment, Compensation and Nomination Committee of Board ("Committee" or "RCNC"), 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"). 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.

B. Employee Stock Option Scheme 2020 (ESOP Scheme 2020)

The Scheme authorizes the Company 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 of face value of ₹ 1/-, not exceeding 12,78,890 Equity Shares in aggregate. Each stock option is exercisable into ten (10) equity shares of face value of ₹ 1/- each at an Exercise Price of ₹ 1,166 and on such terms and conditions as may be fixed or determined by the Board or Recruitment, Compensation and Nomination Committee of Board ("Committee" or "RCNC"), as the case may be, in accordance with the

provisions of law prevailing at that time. The Scheme is administered by the Company itself and shares pursuant to the exercised stock options are directly issued and allotted by the Company to the employees. 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.

C. Employee Stock Option Plan 2022 (ESOP Scheme 2022)

The Scheme authorizes the Company to create, offer, issue and allot at any time to or for the benefit of the employees of the Company under the ESOP Scheme 2022 such number of stock options exercisable into equity shares of face value of ₹ 1/-, not exceeding 16,36,670 Equity Shares in aggregate. Each stock option is exercisable into ten (10) equity shares of face value of ₹ 1/- each at an Exercise Price of ₹ 2829.04/- and on such terms and conditions as may be fixed or determined by the Board or Recruitment, Compensation and Nomination Committee of Board ("Committee" or "RCNC"), as the case may be, in accordance with the provisions of law prevailing at that time. The Scheme is administered by the Company itself and shares pursuant to the exercised stock options are directly issued and allotted by the Company to the employees. 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.

D. Employee Stock Options (ESOPs):

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

Particulars	Pool-1	Pool-2	Pool-3	Employee Stock Options
	@ ₹ 10 ESOP 2013	@ ₹ 1166 ESOP 2020	@ ₹ 2829 - ESOP 2022	-
Options Granted during the year	500	25,700	33,300	-
Options Vested during the year	11,501	19,127	0	-
Options Exercised during the year	4,850	15,600	0	-
Total number of shares arising out of exercise of options	0	0	0	-
Options lapsed during the year	400	5,525	2,100	-
Exercise Price	10	1,166	2,829	-

Particulars	Pool-1	Pool-2	Pool-3	Employee Stock Options
	@ ₹ 10 ESOP 2013	@ ₹ 1166 ESOP 2020	@ ₹ 2829 - ESOP 2022	-
Variation of Terms of Options	1. Upon sub-division of face value of equity shares, in order to reinstate ESOP holders to the same position before said sub-division, conversion ratio into which each stock option shall be converted into equity share was changed from 1:1 to 1:10. 2. Unless otherwise determined by RCNC on case to case basis, shares arising out of exercise of ESOPs shall be subject to lock-in period and cannot be disposed of until the earlier of (i) June 30, 2026 or (ii) the date of listing of shares if the Company is undertaking an IPO.			All existing and future stock options
Money realized by exercise of Options	0	0	0	Nil
Total number of Options in force	1,11,242	66,636	31,200	-
Employee-wise Details of Options Granted During the Year 2024: -				
(i) Key Managerial Person:	0	4,100	0	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:	0	5,825	15,100	Nil
(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	Nil	Nil	Nil

26. 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 : Nil
- (ii) Foreign Exchange Outgo : Nil

27. 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.

28. 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 requirements of Section 135 of the Companies Act, 2013, the Company constituted a CSR Committee to monitor CSR activities of the Company. The Board approved CSR Policy of the Company is available on the website of the Company at <https://www.shubham.co/corporate-social-responsibility-policy>.

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.

During the year under review, your Company was required to spent 2% of its average net profits (computed as per the relevant provisions of the Companies Act, 2013) of the preceding years on CSR projects. Annual Report on CSR activities in **Annexure - V-A** forms part of this Directors' report.

29. 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 which is available on Company's website <https://www.shubham.co/vigil-mechanism>.

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

30. 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 is in place, which comprises of internal and external members who have experience in the subject field (composition details and number of meetings held during FY'24 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: 03
- 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 woman executive/staff working in the Company.

31. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:

During the year under review, there was no application filed by or against the Company for corporate insolvency process under IBC before the NCLT.

32. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF – Not applicable.

33. MARKETING AND BRANDING:

Through its targeted branding and marketing endeavors, your company continuously works towards accomplishing its vision of facilitating home ownership to every Indian. Additionally, the company has widened its customer base and improved its services, particularly for the Lower and Middle Income (LMI) market. Company believes in handholding the consumer in his journey of owning a home of his own.

34. RBI/NHB GUIDELINES:

Your Company has a valid NHB License for carrying on the business of a Housing Finance Company. The 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. The Company diligently resolves and complies with observations/recommendations issued by NHB during its routine periodical inspection. There have 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 August, 2021. Hence, being eligible, the company can take action against defaulting borrower(s) under SARFAESI Act.

35. PENALTIES IMPOSED BY NHB:

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

36. SECRETARIAL STANDARDS:

The Company is in compliance with SS -1 i.e. Secretarial Standard on Meetings of the Board of Directors and SS – 2 i.e. Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India.

37. COMMITTEES:

The Company in line with the provisions of the Companies Act, 2013 and rules made thereunder and RBI Master Directions, has constituted various committees at Board level. These committees are constituted to enable better and focused attention to the operations of the Company. At regular intervals, the Board reviews the functioning and conformity with the corporate governance standards.

Details of various committee constituted by the Board, are as follows:

- a. Audit Committee
- b. Asset Liability Management Committee
- c. Banking & Borrowing Committee
- d. Corporate Social Responsibility Committee
- e. IT Strategy Committee
- f. Risk Management Committee
- g. Review Committee
- h. Recruitment Compensation and Nomination Committee

The Composition of the above committees and their terms of reference/scope are provided under Corporate Governance Report annexed to Board's Report as **Annexure – II**.

38. 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 February, 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 of the Risk Management Policy.

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

39. CODE AND POLICIES & COMPLIANCES:

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

- **Policy on Know Your Customer & Anti Money Laundering Measures**

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

Your Company has adhered to the compliance requirements in terms of the said policy including the monitoring and reporting of cash and suspicious transactions. The Company furnishes to Financial Intelligence Unit, India (FIU), in the electronic mode, information of all cash transactions of the value of

more than Rupees ten lakh or its equivalent in foreign currency and suspicious transactions whether or not made in cash identified in terms of the said Policy. Your Company is registered with FIU. During the year under review, KYC & AML Policy was revised from time to time to align the same with the amendments in Master Direction – Know Your Customer (KYC) Direction, 2016.

- **Fair Practice Code**

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

40. REMUNERATION POLICY:

The "Recruitment, Compensation and Nomination Committee" has put in place a policy, namely, Remuneration Policy, to identify persons who are qualified to become directors, key managerial personnel & 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 extract of the policy is placed in the Corporate Governance Report annexed to this Report. Full contents of Policy are available on Company's website <https://www.shubham.co/remuneration-policy>.

41. 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 March, 2024	Previous Year ended 31 March, 2023
1	No. of complaints pending at beginning of the year.	0	1
2	No. of Complaints received during the year.	43	32
3	No. of Complaints redressed during the year	42	33
4	No. of complaints pending at end of the year.	1	0

42. ANNUAL RETURN:

The Annual Return of the Company for the financial year ended 31 March, 2024 is placed on website of the Company www.shubham.co.

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.

43. CORPORATE GOVERNANCE:

A detailed Corporate Governance Report has been annexed to this Report as **Annexure – II**.

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.

44. GENERAL:

- a) During the current financial year, the Company has shifted its registered office to 608-609, 6th Floor, Block-C Ansal Imperial Tower, Community Center, Naraina Vihar, New Delhi-110028 with effect from 8 May, 2023.
- b) 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. The Company does not have any Subsidiary, Joint Venture or Associate Companies as on 31 March, 2024.
- 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

g) As mandated in RBI Circular, the Company has obtained Legal Entity Identifier Registration Number which is valid till 12 September, 2028 and shall be renewed accordingly.

45. APPRECIATION:

The 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

Sd/-
Sanjay Chaturvedi
Director
DIN: 01636432
D-305, Ground Floor,
Sarvodaya Enclave,
Delhi-110017

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

Date: 29 July, 2024
Place: Gurugram

ANNEXURES

Management Discussion and analysis report (Annexure-I)

Corporate Governance Report (Annexure-II)

Related Party Transaction Policy (Annexure-III)

Disclosure Under Rule-5 of Companies (Appointment & Remuneration of Managerial Personnel) rules, 2014 (Annexure-IV)

Annual Report on Corporate Social Responsibility Activities (Annexure-V-A)

Loan & Advance to Directors and Senior Officers of the Company (Annexure -V-B)

Report Of Secretarial Auditor For FY24 (Annexure-VI)

Report Of Statutory Auditors On Accounts And Financial Statements For Financial Year 2023-24,(Annexure -VII)

Management Discussion & Analysis (Annexure - I)

1. Global Economic Overview

The global economy remains remarkably resilient, with steady growth and inflation gradually returning to target levels. The economic landscape has weathered several storms, beginning with ongoing wars and conflicts and the emergence of new flashpoints in different parts of the world, especially in Middle East, with disturbances in Red Sea being the latest in the series. This has significantly caused supply-chain disruptions in the aftermath of the pandemic, escalating into a worldwide energy and food crisis, which has led to a considerable surge in inflation, causing central banks worldwide over to tighten their monetary policies.

Despite many gloomy predictions, the growth in major advanced and emerging market economies has been able to hold up. The banking system has proven resilient, and major emerging market economies have avoided sudden stops. Importantly, the severe inflation surge—peaking at median headline inflation of 9.4%¹ towards the end of 2022—did not trigger uncontrolled wage-price spirals despite intensifying the cost-of-living crisis.

On a year-over-year basis, global growth bottomed out at 2.3%² at the end of 2022. According to our latest projections, growth for 2024 and 2025 is expected to hold steady at around 3.2%, with median headline inflation anticipated to decline from 2.8% at the end of 2024 to 2.4% by the end of 2025. Most indicators now point to the odds of having a soft landing, highlighting the adaptive strength and resilience of the global economy and our unwavering commitment to growth in the face of economic challenges.

Emerging Trends and Strategic Adjustments

Several megatrends are currently unfolding that have profound implications for global economic strategies. These include advancements in artificial intelligence, geopolitical shifts, climate change, demographic transformations and elections in key economies. Additionally, the high and still-rising public debt continues to loom large. These dynamics underscore the need for agility in adapting economic strategies as new data emerges, emphasising that we are navigating a dynamic and untested global environment.

Economic Recovery and Trade Dynamics

In many Emerging Market and Developing Economies (EMDEs), domestic demand is expected to strengthen this year, driven by a moderate cyclical recovery mitigating the impacts of high inflation, tight financial conditions, and subdued industrial activity. However, overall growth in EMDEs may slightly decelerate due to specific challenges in some large economies.

Global trade is on a path to recovery, bolstered by an uptick in goods trade. While services trade growth is poised to contribute less to economic momentum this year—owing largely to the tourism sector nearing its

pre-pandemic levels—the overall trade outlook remains subdued compared to previous decades. This is partly due to increased trade-restrictive measures and persistent trade policy uncertainties.

Interest Rates: Restrictive Measures and Economic Impact

Major central banks have escalated policy interest rates to restrictive levels in response to rising inflation. This policy adjustment has led to a notable increase in mortgage costs and a general tightening of credit availability. As a direct consequence, firms are facing challenges in refinancing their debts. This financial strain has triggered a rise in corporate bankruptcies and lay-offs, and has dampened business and residential investment across several economies.

The commercial real estate sector, including office markets, has been particularly hard hit. Economies are experiencing heightened pressure in this sector, evidenced by rising defaults and diminished investment and valuations. These challenges are compounded by the dual impact of increased borrowing costs and the ongoing shift towards remote work—a trend solidified by the pandemic.

Source: Global Financial Stability Report

The Outlook: Steady Growth and Disinflation

The latest forecasts indicate that the global economy is poised to continue expanding at a similar pace as witnessed in 2023, throughout 2024 and 2025³. Both global headline and core inflation rates are expected to decline steadily during this period. There has been little change in the global growth forecast, with specific adjustments made for major economies. Notably, the projection for the United States has been strengthened, while several other economies have seen modest downward revisions.

The inflation outlook remains broadly consistent with the October 2023 projections, featuring a downward revision for advanced economies balanced by an upward revision for emerging markets and developing economies. However, the medium-term prospects for growth in world output and trade are projected to be the lowest in decades. This slowdown is particularly concerning as it affects how middle- and lower-income countries converge towards higher living standards.

Prospects of 2024-25

The global economy faces multiple challenges as it moves into 2024 and 2025. Persistent inflation, high public debt and prolonged high interest rates pose significant risks. Additionally, ongoing geopolitical tensions and environmental disruptions continue to threaten economic stability.

Despite these challenges, global growth will remain at 3.2%⁴ for both years. Advanced economies are expected to see a slight improvement in growth, from 1.6% to 1.7%, while growth in emerging markets and developing economies is

¹ <https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>

² Ibid

³ <https://www.imf.org/en/Publications/WEO/Issues/2024/07/16/world-economic-outlook-update-july-2024>

⁴ World Economic Outlook, April 2024, IMF.

anticipated to decrease slightly from 4.3% to 4.2%.

2. Indian Economic Overview

In a year marked by global economic challenges, India's economy showcased remarkable resilience, accelerating growth. Real GDP growth surged to 7.6% in 2023-24, up from 7.0% the previous year—marking the third consecutive year of growth at or above 7%. This robust expansion was driven primarily by a surge in investment, with gross fixed capital formation (GFCF) climbing to 10.2%, significantly up from 6.6% in 2022-23. Government-led infrastructure projects largely fueled this increase.

While investment soared, private consumption experienced a slowdown, growing by only 3.0% compared to 6.8% a year earlier. Government consumption similarly reflected a trend of fiscal prudence and consolidation. On the international front, net exports dampened overall growth figures due to a contraction in global trade volumes, though domestic demand remained strong, reflected in resilient import figures.

Source: RBI Annual Report 2023-2024

Moderation of Inflation with Varied Dynamics

Throughout 2023-24, inflationary pressures in India moderated, albeit unevenly, reflecting a mix of deliberate monetary tightening, reductions in input costs, and targeted supply management initiatives. Overall, headline inflation declined to 5.4% from the previous year's 6.7%, primarily due to a significant drop in core inflation, which excludes food and fuel. Core inflation fell to 4.3% from 6.1%, influenced by a sharp easing in fuel inflation that entered deflation territory since September 2023.

Conversely, food inflation saw an uptick, driven by persistent high volatility and escalating prices for cereals, pulses, spices, and vegetables. These increases were attributed to consecutive supply shocks, which pushed food inflation up to 7.0%, slightly higher than the 6.7% recorded in the previous year. This rise in food prices kept headline inflation above the targeted levels.

Source: RBI Annual Report 2023-2024

Financial Sector Performance and Regulatory Updates

Propped up by economic growth, a spurt in disposable income levels of retail customers, an ever increasing outreach and distribution network of housing finance companies to new geographies in Tier2 and Tier3 towns and enhanced affordability, the housing finance sector is set to grow by 13% CAGR⁵ over FY23-26.

RBI in its press release on "Sectoral Deployment of Bank Credit – March 2024" issued on April 30, 2024, mentioned that on one hand, the credit outstanding to the housing sector rose by nearly ₹ 10 Lakh Crore in the last two fiscal years to reach a record ₹ 27.23 Lakh Crore in March this year while on the other hand, personal loans growth moderated to 17.7 per cent (Y-o-Y) in March 2024 (21.0 per cent a year ago) due to decelerated growth in vehicle loans and other

personal loans. Industry experts attributed this resounding growth to pent-up demand post- COVID pandemic and a growing preference for homeownership. This bodes well for the Housing Finance Companies for the quarters to come. New evolving technologies have made underwriting and verification easier, especially for people from outlying areas/ informal segment and consequently has broadened the spectrum of customers/market being catered to.

As of the end of September 2023, non-banking financial companies (NBFCs) in India reported a comfortable capital adequacy position with notable improvements in asset quality. Key financial indicators such as Return on Assets (RoA) and Net Interest Margin (NIM) remained strong, and the cost-to-income ratio significantly improved. This period also saw robust credit growth, particularly driven by an increased demand for retail credit.

Several regulatory and supervisory guidelines were introduced annually to align with global best practices. These guidelines aimed to enhance governance, risk management practices, and capital buffers within financial institutions. Notable regulatory updates included:

- Guidance Note on Operational Risk Management and Operational Resilience;
- Fair Practices Code for Lenders – Charging of Interest;
- Key Facts Statement (KFS) for Loans & Advances;
- Credit/Investment Concentration Norms – Credit Risk Transfer ;
- Framework for compensation to customers for delayed updation/ rectification of credit information;
- Display of information - Secured assets possessed under the SARFAESI Act, 2002;
- Reset of Floating Interest Rate on Equated Monthly Instalments (EMI) based Personal Loans;
- Introduction of default loss guarantees for digital lending;
- A new framework for compromise settlements and technical write-offs;
- Streamlining of Internal Compliance monitoring function – leveraging use of technology.

Source: RBI Annual Report 2023-2024

Conclusion

Despite facing adverse global macroeconomic and financial challenges, the Indian economy remains on a robust growth trajectory. This resilience is underpinned by strong investment demand, supported by healthy corporate and banking sector balance sheets, focused government capital expenditure, and prudent monetary, regulatory, and fiscal policies.

However, the growth outlook is tempered by several risks, including geopolitical tensions, geoeconomics fragmentation, volatility in global financial markets, fluctuations in international commodity prices, and erratic

⁵ article published on May 10, 2024 in ETBFSI

weather patterns. These factors present downside risks to growth and potential upward pressures on inflation. Additionally, the economy must navigate medium-term challenges from the rapid integration of AI/ML technologies and recurrent climate shocks.

India is well-positioned to accelerate its growth over the next decade, leveraging its macroeconomic stability, demographic dividend, and competitive advantages. As the fastest-growing major economy globally, India is poised to achieve its developmental goals and enhance its standing on the world stage.

3. Industry Structure and Developments

As India's economy advances, the demand for credit is projected to remain robust, with expected growth rates ranging from 13.5% to 14.0%⁶, particularly among Micro, Small and Medium Enterprises (MSMEs) and retail sectors. NBFCs have become pivotal in meeting this demand, serving as a vital source of finance for a broad segment of the population, including SMEs and those economically underserved.

In 2024, the Indian Affordable Housing Market is valued at USD 3.17 billion and is projected to experience a strong growth rate of 19.8% annually through 2030⁷. This growth is significantly supported by governmental initiatives, notably the Pradhan Mantri Awas Yojana (PMAY), which was initiated in 2015. The PMAY program is a cornerstone of India's strategy to achieve affordable housing for all by 2022 and continues to drive market expansion.

The scheme offers a variety of subsidies and incentives to both developers and homebuyers, especially benefiting the economically weaker sections (EWS), low-income groups (LIG), and middle-income groups (MIG). These incentives include interest rate subsidies on home loans, direct financial assistance for construction, and tax benefits for developers engaged in affordable housing projects.

NBFCs excel in addressing the varied financial needs of borrowers due to their broad geographical reach and a deep understanding of diverse financial requirements. Their ability to offer quick turnaround times has made them especially effective in catering to urgent financial needs. These entities have significantly contributed to financial inclusion, supporting the growth of millions of MSMEs and creating employment opportunities across sectors.

The landscape of Indian financial services has undergone substantial transformation in recent years. The rise of neo-banking, enhanced digital authentication methods, the widespread adoption of UPI, and increased mobile phone and internet usage have all led to the modularisation of financial services, particularly in credit. This evolution marks a significant shift in how financial services are accessed and delivered, making them more accessible and efficient for a larger portion of the population.

Sources: TechSciResearch and KPMG- NBFCs in India: Growth and Stability

NBFCs: Capital Health and Regulatory Adjustments

Capital and asset quality in the NBFC sector remain robust, significantly supporting the expansion of credit and overall domestic economic activity. Proactive regulatory measures have been implemented to mitigate excessive consumer lending and to regulate bank lending to NBFCs. These measures also extend to investments in alternate investment funds (AIFs), all aimed at preventing potential stress build-up in the balance sheets of financial intermediaries and enhancing financial stability.

Despite global uncertainties, domestic NBFCs have shown considerable resilience. However, recent developments highlight the critical need for vigilant risk management practices within the sector. With the dynamic nature of interest rate risks, NBFCs must adeptly manage risks associated with both trading and banking books, particularly as net interest margins (NIM) experience moderation. Furthermore, there is an increasing need to diversify deposit sources to reduce vulnerability to interest rate fluctuations, which is particularly crucial for institutions heavily reliant on bulk deposits.

In addition to financial risks, climate-related risks pose significant micro and macro-prudential concerns, necessitating a robust framework for identifying, assessing, and managing such challenges. In response, the Reserve Bank is adapting its regulations to be more principle-based and activity-oriented, focusing on the scale of systemic risk rather than on specific entities.

Transformative Trends in India's Housing Finance Sector

India's demographic and economic landscape is undergoing significant changes, creating substantial opportunities in the housing finance sector. A confluence of demographic shifts, economic growth, and policy support is reshaping the demand for housing in an unprecedented manner.

Demographic Dynamics and Economic Growth: India is experiencing a demographic revolution, characterised by a youthful population with a median age of approximately 28 years. This shift is accompanied by a notable transition in family structures towards nuclear families, increasing the demand for individual housing units. Concurrently, economic growth has led to increased disposable incomes, particularly among the youth, who are now entering the housing market earlier than previous generations.

The rise in urban migration, driven by the search for better employment opportunities, has accelerated the expansion of urban centres. This urbanisation, coupled with an overall population of approximately 1.44 billion, is intensifying the demand for housing. Despite the growth in demand, housing loan penetration remains relatively low, particularly in the segment of loans up to ₹20 lakh, presenting a ripe avenue for growth in lending.

Economic Enablers: India's steadily increasing per capita income is improving the general affordability of housing. This economic upturn is expected to continue driving

⁶ <https://kpmg.com/in/en/home/insights/2024/02/nbfc-in-india-growth-and-stability.html>

⁷ <https://www.techsciresearch.com/report/india-affordable-housing-market/4800.html>

mortgage demand forward, supported by an improving formal employment sector that enhances individuals' ability to secure mortgages. Despite the low current levels of mortgage penetration compared to developed countries, India presents a promising market with its large population base and ongoing improvements in purchasing power.

Government Initiatives and Digital Innovations: Significant governmental initiatives have been instrumental in fostering the growth of the housing sector. Notably, foreign direct investment (FDI) policies have been liberalised to allow up to 100% investment in township and settlement development projects. This is part of a broader initiative to encourage investment in housing, anticipating substantial capital inflow into the sector by 2025.

Furthermore, the digital transformation within the housing finance industry has revolutionised how services are delivered. Digital tools have streamlined processes from verification to risk management, enhancing efficiency, improving customer experience, and ensuring robust data security.

Sources: TechSciResearch, IBEF- Indian Housing Sector Overview & KPMG- NBFCs in India: Growth and Stability

Opportunities and Threats

Amid changing market dynamics and favourable government programs, India's housing finance companies (HFCs) are poised to take advantage of substantial opportunities in the housing industry in 2024.

Opportunities

Government Initiatives: The Pradhan Mantri Awas Yojana-Urban (PMAY-U), launched in 2015, has been a cornerstone, sanctioning over 1.2 crore houses for urban beneficiaries to ensure durable housing solutions.

Policy Reforms: Legislative changes such as the Goods and Services Tax (GST), Real Estate (Regulation and Development) Act, and the Insolvency and Bankruptcy Code have enhanced transparency and bolstered investor confidence in the real estate sector.

Financial Support Mechanisms: The government has introduced initiatives like the Affordable Housing Fund and the Special Window for Affordable and Mid-Income Housing (SWAMIH) Investment Fund to bolster affordable housing projects.

Subsidy Schemes: The PMAY(U)-Credit Linked Subsidy Scheme, which offers interest subvention, has emerged as a primary demand-side driver. By March 2024, the National Housing Bank (NHB) had released ₹ 49,460.1 crore in subsidies, benefiting over 21.1 lakh households.

Innovative Financing Models: The co-lending model, which merges bank liquidity with that of housing finance companies (HFCs), aims to extend housing credit to a broader demographic, including low-income groups.

Infrastructure Development: The Urban Infrastructure Development Fund, managed by the NHB with an initial corpus of ₹ 10,000 crore, is designed to enhance urban

infrastructure, thereby attracting further real estate investment.

Urbanisation and Housing Demand: By 2050, half of India's population is projected to live in urban areas, compared to 31% in 2011, necessitating innovative housing policies and sustainable solutions.

Digitisation and Efficiency: Digitising land records aims to enhance transparency, reduce disputes, and improve land management. A single-window clearance system for construction approvals is set to minimise delays and streamline the real estate sector.

NHB Financing: The National Housing Bank (NHB) has launched a Residential Mortgage-Backed Securities (RMBS) platform to attract long-term investments from pension and insurance funds, supporting housing finance expansion and reducing asset-liability mismatches.

Regional Loan Distribution: As of March 2024, loan distribution across Indian regions shows Southern, Western, and Northern states leading with 35.4%, 31.2%, and 26.2%, respectively, highlighting regional disparities and opportunities for market penetration in the Eastern and North-Eastern regions.

Sustainability and Technology: The real estate sector is increasingly focused on sustainability and technology, with initiatives aimed at promoting green construction, energy efficiency, and the development of smart homes.

Threats

Competitive Landscape: The housing finance market sees fierce competition from traditional banks, HFCs, and emerging fintech companies, which may lead to pricing challenges and compressed profit margins.

Funding and Liquidity Concerns: HFCs' reliance on external funding sources makes them vulnerable to liquidity risks. Fluctuations in the financial markets or tighter liquidity conditions could hinder their ability to secure necessary funding.

Cybersecurity and Privacy: As digitalisation advances, HFCs face increased risks of cyber threats, including data breaches and phishing attacks. Implementing robust cybersecurity protocols and adhering to data privacy laws are crucial for protecting sensitive customer information and sustaining trust.

Regulatory Dynamics: Ongoing regulatory adjustments, including modifications to lending standards and capital requirements, pose challenges. These changes could compel HFCs to alter their operational strategies, potentially leading to higher compliance costs and complexities.

Interest Rate Sensitivity: Interest rate changes directly impact housing finance companies (HFCs) and their clients. Rising rates might make home loans less affordable, leading to decreased demand, whereas declining rates could narrow HFCs' profit margins.

Credit and Asset Quality Concerns: Economic volatility, employment shifts, and evolving borrower demographics

risk credit quality. An increase in non-performing assets (NPAs) and loan delinquencies could affect profitability and necessitate increased provisions for bad debts.

Environmental and Climate Considerations: Environmental challenges and climate change influence property values and insurance premiums and threaten the quality of collateral assets. These factors necessitate strategic planning to mitigate potential impacts on HFCs' asset portfolios.

Economic and Political Factors: Variabilities in macroeconomic and political landscapes, such as inflation, geopolitical conflicts, and policy changes, can undermine consumer confidence and affect housing demand, impacting HFCs' operational stability.

4. Company Overview: Shubham Housing Development Finance Company Limited

At Shubham Housing Development Finance Company Limited (Shubham Housing), we stand as a vanguard in the housing finance sector, particularly catering to individuals with informal incomes. As pioneers in India, we have transformed traditional document-based underwriting into a personalized credit assessment approach, crafting customised credit programmes tailored to each customer's unique circumstances. This innovative strategy has positioned us as a preferred provider of home loans to borrowers lacking proof of formal income.

Under the guidance of industry experts, Shubham Housing has emerged as a retail-centric, highly profitable franchise in the affordable housing market. Our operations are marked by a high growth trajectory and a diversified geographic reach, ensuring a strong presence across various regions. The company's success is underpinned by a differentiated two-tier underwriting process emphasising a **customer-first** product development philosophy.

Our product portfolio is designed to address the needs of underserved markets, offering solutions such as Housing Loans—which constitute 66% of our Assets Under Management (AUM) and primarily serve Lower Income Group (LIG) and lower-end Middle Income Group (MIG) customers—and Loans Against Property, which account for 29% of our AUM and are geared towards small-scale business owners and individuals. Additionally, we provide tailored financial solutions to non-retail customers, which make up 5% of our portfolio.

Shubham Housing Finance boasts a well-diversified and de-risked portfolio, achieving a balanced mix between salaried and self-employed clients (52%:48%). Our widespread geographic footprint and a predominantly retail-driven portfolio highlight our commitment to accessibility and customer-centricity. Furthermore, our fully digitised, in-house processes ensure a seamless customer journey supported by a comprehensive technological infrastructure that enhances every aspect of our operations—from process efficiency to decision-making.

Shubham Housing Finance is dedicated to empowering customers by providing accessible, innovative,

and responsible housing finance solutions. These solutions enable customers to achieve their dreams of homeownership.

Business Performance FY24

Geographic Expansion: Extending Our Reach for Enhanced Market Presence

As part of our strategic growth plan, Shubham Housing Finance is aggressively expanding its geographic footprint to strengthen its market presence and enhance service delivery across India.

Deepening Presence in Existing Markets & Strategy

Entry into New Geographies: We are committed to expand our footprints in new geographies alongside penetrating further into existing geographies. This expansion shall focus primarily on semi-urban areas, targeting untapped markets to leverage the growing demand for housing finance. This move aims to capture potential growth opportunities in these states, diversify our geographical risk, and tap into new customer segments.

Assets Under Management and Portfolio Insights

Shubham Housing has demonstrated remarkable growth in Assets Under Management (AUM), which saw an upward trajectory from ₹ 3,114 crores in March 2023 to ₹ 4,594 crores by March 2024, marking an impressive Y-o-Y growth of 48%. This growth is a testament to our strategic initiatives and commitment to serving diverse customer segments' housing needs.

Portfolio Composition and Customer Dynamics

Our portfolio predominantly comprises housing loans, which have consistently formed the largest share of our products, standing at 70% as of FY24. This is followed by loans against property (LAP) at 30%. Our commitment to addressing a broad spectrum of customer needs is reflected in our balanced customer base, consisting of 48% self-employed individuals, underscoring our focus on inclusive financing solutions.

The loan-to-value (LTV) ratios have been managed prudently, with the majority of our loans in FY24 maintaining an LTV of 40-60%, ensuring responsible lending practices. Moreover, our interest rate structures have been competitive, with most loans in FY24 being offered at rates between 10% and 12%, catering to the affordability of our clients.

Operational Metrics and Growth

Our operational metrics highlight our expansion and operational efficiency. The number of branches increased from 139 in FY23 to 146 in FY24, supporting a wider regional reach. Similarly, our employee strength grew from 2,465 to 3,175, aligning with our expansion strategy and enhancing our service capacity.

The gross disbursement figures have significantly increased from ₹ 1,703 crores in FY23 to ₹ 2,602 crores in FY24, demonstrating our growing influence in the housing finance sector.

Financial Performance

Particulars	FY24	FY23
Return on Equity (ROE)	10.4%	8.7%
Return on Assets (ROA)	3.8%	3.6%
Provision Coverage Ratio (PCR)	31.7%	30.1%
Gross NPA	1.2%	1.8%
Net NPA	0.8%	1.3%

Our Key Investment Highlights

Shubham Housing Finance is a new-age, high-growth, profitable franchise catering to the underserved segment.

Shubham Housing Finance is strategically positioned to capitalise on the burgeoning affordable housing finance sector. As a pioneering entity, we are dedicated to serving the underserved segments of the Indian populace, providing innovative financial solutions that foster homeownership and contribute to economic stability.

We operate within a segment that presents substantial growth opportunities. With the Indian affordable housing market projected to expand significantly, from \$ 224 Billion in FY26 to \$ 350 Billion by FY29, our focused approach on affordable housing finance positions us as a key player in this rapid expansion. Our assets under management (AUM) have shown a robust increase, reflecting a growth rate of 48% Y-o-Y, a testament to our effective business model and operational excellence.

We are uniquely equipped to navigate this landscape with a complete portfolio of products tailored to our customers' diverse financial backgrounds. Our proactive approach to managing interest rate risks further strengthens this strategic positioning. With 100% of our loan book on floating rates, we can maintain healthy interest spreads even in a rising rate scenario.

Our robust financial health showcases significant year-on-year profitability and asset quality growth. The return on assets (ROA) has improved markedly, from 3.6% in FY23 to an impressive 3.8% projected for the current fiscal year. This financial stability is reflective of our prudent risk management and operational efficiencies.

With a 'Customer-first' philosophy at core, Shubham caters to the needs of a diverse set of borrowers through a robust branch presence across India.

Shubham Housing Finance specialises in the affordable housing finance market, particularly targeting the niche segment of loans under INR 2 million—a sector largely overlooked by major banks. This focus is complemented by an AUM split that balances the needs of salaried and self-employed customers (52:48), effectively catering to a wide demographic, including 20% new-to-credit clients with an average age of 38 years. Our tailored financial solutions have reached over 82,000 households, significantly enhancing their quality of life and fulfilling their homeownership dreams.

Moreover, our competitive benchmarking involves detailed reviews of market dynamics and competitor performance, empowering us to refine our offerings continually and maintain a competitive edge.

Differentiated 'Dual level' underwriting and digitised workflow leads to the best-in-class TAT

Shubham Housing Finance employs a differentiated 'dual' underwriting process coupled with a digitised workflow, substantially enhancing our operational efficiency, standardised approach and reducing turnaround times (TAT). This innovative approach allows us to quickly and effectively process loan applications, leading to best-in-class service delivery. As a result, we consistently achieve faster TATs compared to industry standards, significantly improving customer satisfaction and trust in our services. This streamlined process is instrumental in driving our competitive edge in the affordable housing finance market, ensuring that we remain a leader in serving the diverse needs of our customers across India.

Strong liability franchise backed by reputed lenders and positive ALM profile

Shubham Housing boasts a robust liability franchise, consistently recognised through upgrades in credit ratings despite challenging economic conditions. With a life-to-date borrowing of ₹ 47 Billion, all structured as long-term borrowings, we maintain strong relationships with diverse lenders, including National Housing Bank, public sector banks, private sector banks, and NBFCs.

Our financial strategy is well-aligned with market dynamics. 94% of our borrowings and 100% of our assets are on floating rates, ensuring flexibility and a positive asset-liability management (ALM) profile. This strategic approach, supported by the strong lineage of our shareholders, has been crucial in securing and strengthening relationships with top-tier lenders, enabling sustained financial health and operational growth.

Our behavioural ALM further strengthens this strategy. With ₹ 13.9 Billion in assets for over five years, it supports our ability to adapt to market conditions while maintaining financial health. This strategic ALM distribution across time frames showcases Shubham Housing's prudent financial practices and commitment to maintaining a balanced portfolio aligned with our growth and risk management objectives.

Internal Control System 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 to conduct regular process audits to examine the adequacy of controls and compliance with policies, plans, and statutory requirements. 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. It monitors the implementation of audit recommendations, including those relating to strengthening the Company's risk management policies and systems.

The Audit Committee oversees the functioning of the audit team. It reviews the effectiveness of internal control at all levels, besides laying down constructive suggestions for improving the company's audit function. The present reporting structure ensures independence of the internal audit function and embodies the best corporate governance practices.

Material Development in Human Resources/ Industrial Relations Front, Including the Number of People Employed

Employees' contribution is essential to the company's qualitative and quantitative performance. As a result, the company utilises an effective performance management system and developmental initiatives to enhance staff capabilities in leadership, team building, knowledge accessibility, and productivity. The Specialised Training and Development Department, led by a senior officer, is providing additional support to address the growing training needs of the employees. All training and developmental activities were shifted to virtual mode during the year. Extensive on-the-job coaching and enhanced virtual training programs in various functional areas were conducted to upgrade employees' skills and improve functional effectiveness.

Moreover, executives participated in external training programs and seminars on risk management, regulatory know-your-customer guidelines, anti-money laundering, and fair practices code. These programs helped staff members enhance their knowledge in their respective areas of responsibility. New employees underwent an induction programme covering business requirements, company processes, regulatory requirements, and personality development.

No significant human resources/industrial relations developments adversely affected the company's business. Additionally, an external coach introduced a one-on-one development coaching program for selected senior employees.

Human Resource Management System was migrated to New System in September 2023. Also New Learning Management System was implemented in December 2023.

The number of permanent employees on the rolls of the Company as on 31 March, 2023 was 3,175.

Cautionary Statement

This Management Discussion and Analysis (MD&A) document contains forward-looking statements that reflect **Shubham Housing Development Finance Company Limited's** current views with respect to future events and financial performance. These statements are subject to certain risks and uncertainties that could cause results to differ materially from those projected. The words "anticipate," "believe," "estimate," "expect," "intend" and similar expressions, as they relate to Shubham Housing Finance, are intended to identify such forward-looking statements.

Factors that could cause or contribute to differences include, but are not limited to:

- Changes in the economic environment, market demand, and pricing.
- Regulatory changes and their impacts on business operations and capital compliance.
- Technological challenges, innovations, and adapting to new market conditions.
- The competitive landscape of the affordable housing finance sector and market disruptions.
- Changes in interest rates, inflation, and other financial-economic indicators.
- Risks associated with the expansion of branch networks and scaling of operations.
- Legal, regulatory, and tax changes.
- Fluctuations in exchange and interest rates could affect the company's financial results.

Investors are cautioned not to rely on these forward-looking statements, which speak only as of the date they are made. Shubham Housing Finance is not obligated to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. This cautionary statement is provided in accordance with the provisions of the Securities Exchange Act and other applicable regulations.

Corporate Governance Report (Annexure - II)

PHILOSOPHY

At Shubham Housing Finance, 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. The Company considers stakeholders as partners in its success and therefore remains 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.

The 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 interests. 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, Policy on Know your customer (KYC) Guidelines and Anti-Money Laundering measures, a Gifts and Entertainment 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 issued by RBI from time to time. At Shubham Housing Finance, it is imperative that the affairs of the company are conducted in a fair and transparent manner. Gaining and maintaining the trust of our stakeholders is contingent upon our integrity. Our culture, policies, and dealings with our stakeholders all demonstrate the values we uphold in our corporate governance. Our corporate governance practices and overall success hinge significantly on integrity and transparency, which also helps us consistently win and keep the confidence of our stakeholders.

In all of our business functions, Shubham is dedicated in identifying, upholding, and applying the foremost standard of corporate governance.

Our corporate governance is a declaration of the principles we uphold by managing our operations and collaborating with our stakeholders. Our company is emerging as a pioneer in

implementing widely accepted corporate governance norms and adhering to them.

A step towards Environment, Social and Governance

Shubham Housing Finance believes that environmental and social considerations are the fundamental cornerstones of its business for aligning towards sustainable development goals. ESG is deep-rooted in the transactional appraisal process to access environmental and social risks at all relevant stages and accordingly state covenants to meet environmental and social compliance. We proactively engage with the stakeholders and have developed a broader, inclusive, and continuous process of engagement plan for superior transparency, integrity, and fairness. Shubham Housing Finance has worked relentlessly to strengthen our sustainability effort, environment, our employees, and stakeholders. We also devised gender inclusiveness program to provide healthy work environment, women empowerment, and thickening the scope of healthcare support to women employees. Shubham Housing Finance 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 Finance, 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 diversified distribution, we have been able to disburse loans to 98000 customers amounting to over ₹ 9600 crores life to date till March 2024. 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, 2) Good Health and Well Being, 3) Quality Education, 4) Clean Water and Sanitation, 5) Decent Work and Economic Growth, 6) Sustainable Cities and Communities.

We have always been a financially inclusive organization. In FY 24, our portfolio to lower income segment groups¹ stood at 2300 cr., while our annual disbursements to them was at 1100 cr. This goes to show the growing appetite of lower income households in purchasing an asset class that was traditionally unavailable to them.

Women empowerment is one of the key priorities for sustainable and inclusive development. At Shubham Housing Finance, we pride ourselves in having 90% of women customers² in our Portfolio as of FY 23 and 90% of new loans disbursed in FY 24 were to women borrowers. We will continue to make efforts and promote women-based applications through our special programs and activities.

¹ EWS and LIG customers

² Where women are either the main applicant or co-applicant

We have always invested in digitally enabled tools that benefit our customers and our internal processes. In FY 24, a perfect example of digitization that also reduced our carbon footprint was the automation of our customer onboarding process using Shubh FTR application. The traditional paper-based loan origination process has been replaced by an automated and streamlined software solution. This digital transformation has not only enhanced our speed and accuracy but also has led to the saving of 3,90,000 sheets of paper.

We have minimized our energy use in our Corporate Office at Gurgaon by installing Solar rooftop Panels. Our monthly consumption has been reduced by ~7,810 units (KWH). This translates to a reduction in dependency on the power company by ~35%. During the period of Aug '22 – Mar '23, 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 employees' safety and security, we have provided Term life insurance cover which is 5 times their annual compensation. Group personal accidental policy also covers accidental cases & the company also contributes a portion of the health insurance premium for our employees.

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 710 kg of e-waste. This is done through a certified organization that specializes 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 coming financial year. This shows our commitment to ensuring that our loans and our customers are contributing positively towards the external environment.

While we have initiated our Environmental and Social journey, Shubham Housing Finance 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.

1. BOARD OF DIRECTORS

a. Composition and size of the Board:

The Company acknowledges and appreciates the contribution that a diverse Board makes to its success. A diversified board, in our opinion, reaps the advantage of differences in thought, standpoint, regional and commercial experience, cultural and territorial origins, ages, nationalities, race, gender, expertise, and competencies, including

specialization in finance, international business, leadership, information technology, banking, board service and governance, advertising and promotion, Environmental, Social, and Governance (ESG), risk management, and cybersecurity, among other things.

b. Role of Board

The Board's primary mission is trusteeship, which entails preserving and maximizing shareholder value. The Board has an obligation to take care as trustees to make sure that the Company has defined objectives which are in line with shareholder's value and its development. The Board is also responsible for:

- Monitoring the effectiveness of the Company's governance practices and making changes as necessary.
- Employing adequate control in order to guarantee that the Company is managed effectively to achieve stakeholders' ambitions and societal expectations.
- Giving the Company strategic direction and maintaining efficient management oversight.
- Making independent business decisions.
- Positioning enough non-executive board members in charge of jobs where there is a chance of a conflict of interest so that they can make independent decisions.
- Examining and supervising the company's approach, significant action plans, risk policy, yearly budgets, and corporate goals; establishing performance goals; keeping an eye on execution and overall performance; and supervising significant capital investments, deals, and divestitures.

The Board gathers at least once every three months to discuss agenda items and the quarterly results. When required, additional meetings are held. The Board members diligently prepare for, and actively participate in all meetings and any applicable committees. Each member is responsible for making sure that their other obligations do not materially conflict with their obligations towards the Company.

The 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. As on 31 March, 2024 the board comprises of 11 (Eleven) Directors, who bring in a wide range of skills and experience. All the Directors of the Company, except the two Whole Time Directors, are non-executive Directors. Out of the nine non-executive Directors, four are Independent Directors. 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.

Sl. No.	Name of Director	Director since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN	Composition of the Board				Remuneration (in ₹ Crores)			No. of shares held in and convertible instruments held in the NBFC
					Number of Board Meetings		No. of other Directorships	Salary and other compensation ##		Sitting Fee#	Commission	
					Held	Attended						
1	Mr. Sanjay Chaturvedi	23 February, 2010	Executive	01636432	4	4	0	2.75	-	-	2500000 ES*, 155875 OCDs**	
2	Ms. Rupa Basu	13 November, 2018	Executive	08068918	4	4	0	2.67	-	-	2500000 ES*, 171016 OCDs**	
3	Mr. Vinod Rai	06 November, 2015	Chairman, Non-Executive Independent	00041867	4	4	4	-	0.05	-	Nil	
4	Mr. Rakesh Rewari	06 November, 2015	Non-Executive Independent	00286853	4	4	5	-	0.07	-	Nil	
5	Ms. Latika Thukral	07 February, 2020	Non-Executive Independent	08680862	4	4	1	-	0.04	-	Nil	
6	Mr. Manoj Dattatraya Rane	11 November, 2020	Non-Executive Independent	02653448	4	4	0	-	0.05	-	Nil	
7	Mr. Rahul Chandra	18 April, 2012	Non-Executive	01213049	4	1	4	-	-	-	Nil	
8	Mr. Manoj Jaiswal	14 September, 2020	Non-Executive	07873564	4	3	9	-	-	-	Nil	
9	Mr. Pranav Kumar	27 June, 2022	Non-Executive	07896173	4	4	1	-	-	-	Nil	
10	Mr. Gaurav Malhotra	27 June, 2022	Non-Executive	07640504	4	3	2	-	-	-	Nil	
11	Mr. Saravanan Nattanmai	31 March, 2023	Non-Executive	06989767	4	4	2	-	-	-	Nil	

* ES= equity shares

** OCDs = Optionally convertible debentures; where one unit of debenture held is convertible into 10 equity shares

It includes sitting fees of the board and other committees

This figure is after adjustments of perquisites and salary components as per Company's policy.

Details of change in composition of the Board during the current and previous financial year

During the current FY'24 and previous FY'23, some of the directors resigned from the Board and some were appointed. The below table contain the details of the same:

Financial Year 2023-24				
Sl. No.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Effective date
No Change				
Financial Year 2022-23				
Sl. No.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Effective date
1	Mr. Vishal Tulsyan	Non-Executive Director	Resignation	18 May, 2022
2	Mr. Pranav Kumar	Non-Executive Director	Appointment	27 June, 2022
3	Mr. Gaurav Malhotra	Non-Executive Director	Appointment	27 June, 2022
4	Mr. Rahul Garg	Non-Executive Director	Resignation	31 March, 2023
5	Mr. Saravanan Nattanmai*	Non-Executive Director	Appointment	31 March, 2023

* regularized from Additional Director as Director in the AGM held on 17 August, 2023

c. Board meetings and attendance:

During 2023-24, four (4) 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 March, 2024 were held as follows:

Sr. No.	Date of Meeting
1	24 May, 2023
2	31 July, 2023
3	08 November, 2023
4	09 February, 2024

d. Separate Meeting of Independent Directors:

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 29 March, 2024 without the presence of non-independent directors and members of the management except Company Secretary and Chief Financial Officer. 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.

e. Details of any relationship amongst the directors inter-se:

The directors are duly appointed through assessment by the Remuneration, Compensation and Nomination Committee and further, recommended to the Board

of Directors to approve their appointment, subject to the approval of the shareholders in general meeting. Except as disclosed under financial statements our directors do not have any relationship with each other.

f. A statement regarding the opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the independent directors appointed during the year:

During the year under review, no Independent Director was appointed in the Board of Directors of the Company. Therefore, a statement regarding the opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the independent directors appointed during the year is not required.

2. 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. The frequency of the Committee meetings is decided by the Board in line with the statutory provisions. All the Committees meet as per the frequency given under the statutory provisions and as and when required. The Board is presented with the Committees' recommendations for approval. All the Committees' recommendations for the year were accepted by the Board.

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.

a. 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:

1. 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.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the auditors and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Approval of the Changes made in the Accounting Policy.
5. Approval or any subsequent modification of transactions of the Company with related parties.
6. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. 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.
 - b. Major accounting entries involving estimates based on the exercise of judgment by management
 - c. Significant adjustments made in the financial statements arising out of audit findings.
 - d. Compliance with listing and other legal requirements relating to financial statements.
 - e. Disclosure of any related party transactions.
 - f. Audit report with specific reference to qualifications therein, if any.
7. Reviewing, with the management, the quarterly /half yearly, as applicable, from time to time, financial statements before submission to the board for approval.
8. Monitoring the end use of funds raised through public offers and related matters. In case the

funds are raised through listed Non-Convertible Securities (NCS), then end use of funds shall be monitored by the audit committee, whether the NCS were issued on private placement basis or public issue and the statement indicating deviation in use of funds, if any, shall be placed before Audit Committee for quarterly review.

9. Reviewing, with the management, performance of auditors, and their independence and adequacy of the internal control systems and effectiveness of audit process.
10. 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.
11. Discussion with internal auditors any significant findings and follow up there on.
12. 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.
13. 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.
14. 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.
15. To review the functioning of the Whistle Blower mechanism/Vigil Mechanism, in case the same is exists.
16. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
17. To Review
 - (i) Management discussion and analysis of financial condition and results of operations,
 - (ii) Statement of related party transactions (as defined under the provisions of Companies Act, 2013), submitted by management,
 - (iii) Management letters / letters of internal control weaknesses issued by the statutory auditors,
 - (iv) Audit reports either submitted by Internal Auditors, Statutory Auditors, Secretarial Auditors or IS Auditors,
 - (v) IS Audit Policy and oversee IS Audit,

- (vi) and monitor implementation and progress of EWS framework,
- (vii) Transactions of Inter-corporate loans and investments, if any,
- (viii) Valuation of undertakings or assets of the company, wherever it is necessary.
18. To deal with the matters arising out of Compliance Policy formulated by the Company
- in pursuance of requirements of scale-based regulations issued by the RBI.
19. To perform such other functions as the Board may delegate and duties, acts, deeds and things required to be done in pursuance of the requirements set out in the policy of the Company and the provisions of Companies Act, 2013 and any other law applicable on the Company.

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

During the period under review, the Audit Committee met 4 times on 24 May, 2023, 31 July, 2023, 08 November, 2023, and 09 February, 2024. There has been no instance when the recommendation of the Audit Committee has not been accepted by the Board. Constitution of the Audit Committee and attendance details during the financial year ended 31 March, 2024 are given below:

Sr. No	Name of Members	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held	Attended	
1	Mr. Rakesh Rewari	01 April, 2016	Chairman Independent Director	4	4	Nil
2	Mr. Vinod Rai	06 December, 2019	Member, Independent Director	4	4	Nil
4	Mr. Manoj Jaiswal	31 March, 2023	Member, Non-Executive Director	4	3	Nil

II. Assets Liability Management Committee (ALM Committee)

The Company had constituted the Asset Liability Management Committee (ALCO) as per the provisions of the Master Direction NBFC-HFC (Reserve Bank) Directions, 2021.

a. Terms of Reference:

The terms of reference for the ALM Committee includes:

- To review liquidity, investment of funds and yield on deployment of funds.
- To review cost of borrowings and lending rate of the Company.
- To review asset- liabilities of the Company, any mismatch therein, ALM statements and stress analysis.
- To perform such other functions as the Board may delegate and; duties, acts, deeds and things required to be done in pursuance of the requirements set out in the policy of the Company and the NHB/RBI Regulations and any other law applicable on the Company.

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

During the period under review, this Committee met 4 times on 24 May, 2023, 31 July, 2023, 08 November, 2023, and 09 February, 2024. Constitution of the Assets Liability Management Committee and attendance details during the financial year ended 31 March, 2024 are given below:

Sr. No	Name of Members	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held	Attended	
1	Mr. Sanjay Chaturvedi	15 June, 2011	Chairman, Executive Director	4	4	25,00,000 Equity shares
2	Mr. Rakesh Rewari	19 February, 2016	Member Independent Director	4	4	Nil
3	Mr. Manoj Dattatraya Rane	28 May, 2021	Member Independent Director	4	4	Nil
4	Mr. Manoj Jaiswal	28 May, 2021	Member, Non- Executive Director	4	2	Nil

III. 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 borrow funds from Banks/FIs, operations of the Bank, deal with various banks from time to time, 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.

a. Terms of Reference

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

- (i) To negotiate/execute/sign/modify/cancel any document/resolution related with borrowing of any nature from any Bank/Institution within the overall limit set by the Board/shareholders, from time to time and matters incidental thereto.
- (ii) To execute/sign any resolution and other related forms/documents for opening/modifying/closing of Bank Account(s). Net Banking Facilities, other products and services and other related activities, from time to time.
- (iii) To negotiate/execute/sign/modify/cancel any document/resolution related with the securitization, assignment, selling or otherwise dispose off the loan receivables/book debts of the Company and other related activities within the threshold limit as approved by the Board/ Shareholders from time to time.
- (iv) To delegate/modify/withdraw such authority to such persons as deemed fit including as Power of Attorney, from time to time.
- (v) To review its scope and its performance at least annually.
- (vi) To perform such other functions as the Board may delegate and; duties, acts, deeds and things required to be done in pursuance of the requirements set out in the policy of the Company and any other law applicable on the Company.

b. Details of the composition of Banking and Borrowing Committee and attendance:

During the period under review, the Banking & Borrowing Committee met 13 times on 01 June, 2023, 21 June, 2023, 28 June, 2023, 29 August, 2023, 30 August, 2023, 29 September, 2023, 17 October, 2023, 30 October, 2023, 14 December, 2023, 31 January, 2024, 29 February, 2024, 19 March, 2024, 29 March, 2024. Constitution of the Banking & Borrowing Committee and attendance details during the financial year ended 31 March, 2024 are given below:

Sr. No	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held	Attended	
1	Mr. Sanjay Chaturvedi	26 February, 2013	Chairman, Executive Director	13	13	25,00,000 Equity shares
2	Ms. Rupa Basu	23 February, 2018	Member, Executive Director	13	13	25,00,000 Equity shares

IV. Corporate Social Responsibility Committee (CSR Committee)

The Corporate Social Responsibility (CSR) committee monitors implementation of the CSR Policy and appraises the Board accordingly. The CSR budget of the company and actual spent on CSR activity during FY'24 is enclosed hereto in CSR report of the Company.

a. Terms of Reference:

The terms of reference for the CSR Committee include:

- (i) Formulating and recommending to the Board of Directors the CSR Policy and activities to be undertaken.
- (ii) Recommending the amount of expenditure for the CSR activities.
- (iii) Recommending to Board the CSR Projects to be undertaken and manner of implementation.
- (iv) Monitoring CSR Projects and satisfy itself about the utilization of funds disbursed in CSR Projects.
- (v) To perform such other functions as the Board may delegate and; duties, acts, deeds and things required to be done in pursuance of the requirements set out in the policy of the Company, Companies Act, 2013 and rules thereto and any other law applicable on the Company.

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

During the period under review, the CSR Committee met 1 time on 08 November, 2023. Constitution of the CSR Committee and attendance details during the financial year ended 31 March, 2024 are given below:

Sr. No	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held	Attended	
1	Ms. Rupa Basu	13 November, 2018	Chairperson, Executive Director	1	1	25,00,000 Equity shares
2	Ms. Latika Thukral	07 February, 2020	Member, Independent Director	1	1	Nil
3	Mr. Sanjay Chaturvedi	23 February, 2018	Member, Executive Director	1	1	25,00,000 Equity shares

V. IT Strategy 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 has a 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 levels.

Your company has established the IT Strategy Committee in pursuance of the RBI's Master Direction – Information Technology framework for the NBFC Sector in Board Meeting 13 November, 2018 to enhance the safety, security and efficiency of the Company and their customers. Effective from 01 April, 2024, IT Strategy Committee shall be governed by Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices issued by RBI on 07 November, 2023.

During the period under review, the IT Strategy Committee met 2 times on 04 July, 2023 and 3 January, 2024.

a. Terms of Reference:

The terms of reference for the IT Committee includes:

- (i) To review IT Strategy and policy documents.
- (ii) To ascertain whether management has implemented processes and practices that ensures that IT delivers value to the business.
- (iii) To ensure IT investments represents a balance of risks and benefits.
- (iv) To review IT related outsourced activities and other IT governance items like BCP drill, IS Audit, etc.
- (v) To perform such other functions as the Board may delegate duties, acts, deeds and things required to be done in pursuance of the requirements set out in the policy of the Company and the NHB/RBI Regulations and any other law applicable on the Company.

b. Details of the composition of the IT Strategy Committee and attendance of Members:

Sr. No	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held	Attended	
1	Mr. Rakesh Rewari	13 December, 2019	Chairman, Independent Director	2	2	Nil
2	Ms. Rupa Basu	13 November, 2018	Member, Executive Director	2	2	25,00,000 Equity shares
3	Mr. Rahul Chandra	13 November, 2018	Member, Non-Executive Director	2	1	Nil
4	Mr. Sanjay Chaturvedi	13 November, 2018	Member, Executive Director	2	2	25,00,000 Equity shares

VI. Risk Management Committee

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

a. Terms of Reference

The terms of reference for the Risk Management Committee includes:

- (i) Review portfolio trends covering coincidental delinquency, AUM growth, origination trends, collections performance and ECL update;
- (ii) Review results of periodic exercises such as mark to market analyses, portfolio benchmarking with industry using credit bureau information, scorecard performance etc.;
- (iii) Review enterprise risk monitoring results through KRI update, periodic stress testing results and RCSA update and discuss corrective actions for areas of breach as applicable;
- (iv) Suggest, as applicable, new areas of analysis that the company should conduct and present in the next meeting;
- (v) Review all credit policy changes and new product proposals/launches since the last meeting.
- (vi) Review the IT related risks, including the Cyber Security related risks in consultation with the ITSC through the presence of ITSC chair.

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

During the period under review, the Risk Management Committee met 2 times on 27 July, 2023 and 7 February, 2024. Constitution of the Risk Management Committee and attendance details during the financial year ended 31 March, 2024 are given below: -

Sr. No	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held	Attended	
1	Mr. Vinod Rai	19 February, 2016	Chairman, Independent Director	2	2	Nil
2	Mr. Sanjay Chaturvedi	04 June, 2013	Member, Executive Director	2	2	25,00,000 Equity shares
3	Mr. Rakesh Rewari	04 August, 2022	Member, Independent Director	2	2	Nil
4	Mr. Saravanan Nattanmai	31 March, 2023	Member, Non-Executive Director	2	2	Nil
5	Mr. Manoj Dattatraya Rane	04 August, 2022	Member, Independent Director	2	2	Nil
6	Mr. Pranav Kumar	04 August, 2022	Member, Non-Executive Director	2	2	Nil

VII. Review Committee

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

a. Terms of Reference:

The terms of reference for the Review Committee includes:

- (i) To review the order passed by the Identification Committee and decide whether to declare the party to be a willful defaulter.
- (ii) To approve for the appropriate penal action including initiating criminal proceedings based on the facts of individual case if required.
- (iii) To perform such other functions as the Board may delegate duties, acts, deeds and things required to be done in pursuance of the requirements set out in the policy of the Company and the NHB/RBI Regulations and any other law applicable on the Company.

b. 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.

Sr. No	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held	Attended	
1	Mr. Sanjay Chaturvedi	17 June, 2020	Chairman, Executive Director	-	-	25,00,000 Equity shares
2	Mr. Saravanan Nattanmai	31 March, 2023	Member, Non-Executive Director	-	-	Nil
3	Ms. Latika Thukral	17 June, 2020	Member, Independent Director	-	-	Nil

VIII. RECRUITMENT, COMPENSATION AND NOMINATION COMMITTEE (RCNC)

Recruitment, Compensation and Nomination Committee (RCNC) comprises of three members and all the three members comprising the committee are non-executive directors.

a. 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:

- a) To review and approve goals and objectives relevant to the compensation of the employees drawing remuneration equal or more than ₹ 50 Lakhs p.a., to evaluate their performances in light of these goals and objectives and other factors it deems appropriate and based on this review and evaluation, recommend to the Board their compensation.
- b) To formulate and oversee the Company's compensation plans and equity-based plans and recommend changes therein to the Board. 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.
- c) 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 Management.
- d) To review the Company's recruitment, retention, compensation, termination and severance policies for directors, key managerial personnel and senior management.
- e) 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 and to make recommendations to Board regarding their remuneration.
- f) To review the compensation of non-executive directors (including sitting fees) for service on the Board and its committees and recommend changes in compensation to the Board.
- g) To carry out evaluation of performance of Board as a whole, Committees thereof and that of Individual Director including Executive, Non-Executive Directors and Chairman of Board or in substitution thereof to specify the manner in which evaluation of performance of Board as a whole, its Committees and that of individual directors shall be carried out.
- h) 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.
- i) To periodically review and assess the adequacy of this policy and recommend any proposed changes to the Board for approval.
- j) To issue such guidelines, procedures, formats, reporting mechanism and manuals as appropriate, to supplement and implement Nomination and Remuneration Policy of the Company.
- k) To administer, implement and review from time to time the Nomination and Remuneration Policy of the Company.
- l) To perform such other functions as the Board may delegate and; duties, acts, deeds and things required to be done in pursuance of the requirements of policy of the Company and the provisions of Companies Act, 2013 and rules thereto and any other law applicable on the Company.

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

During the period under review, this Committee met 1 time on 22 May, 2023 Constitution of the Committee and attendance details during the financial year ended 31 March, 2024 are given below:

Sr. No	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held	Attended	
1	Ms. Latika Thukral	07 February, 2020	Chairperson, Independent Director	1	1	Nil
2	Mr. Vinod Rai	18 May, 2016	Member Independent Director	1	1	Nil
3	Mr. Saravanan Nattanmai	31 March, 2023	Member, Non-Executive Director	1	1	Nil

3. General Body Meetings

There are certain matters for which the approval of the members is required. The Company in compliance with the Companies Act, 2013, send notice to all the members along with the agenda notes. In case of urgent matters, the Company convened the extra-ordinary general meetings with due consent of the members.

During the period under review, the following general meetings of the members were held:

Sl. No.	Type of Meeting (Annual/ Extra-Ordinary)	Date and Place	Special resolutions passed
1	14th Annual General Meeting	17 August, 2023, Registered Office	- Re-appointment of Ms. Rupa Basu as Whole Time Director (WTD). - Approval of selling, assignment or otherwise dispose-off its Loan Receivables/ Book debts Up to ₹ 350 Crores in a F.Y. - Amendments in ESOP, 2013 - Amendments in ESOP, 2020 - Amendment in ESOP, 2022
2	1st (23-24) Extra-Ordinary General Meeting	07 December, 2023 Corporate Office	- Amendments in ESOP, 2013 - Amendment in ESOP, 2020 - Amendment ESOP, 2022
3	2nd (23-24) Extra-Ordinary General Meeting	25 January, 2024, Corporate Office	- Approve and adopt the amended Articles of Association of the Company. - Increase the Borrowing Power of the Company. - Creation of Charge Over Assets of the Company.

4. Details of non-compliance with requirements of Companies Act, 2013 – Nil

5. Details of penalties and strictures – Nil

6. Breach of covenant of loan availed or debt securities issued – Nil

7. Divergence in Asset Classification and Provisioning – Nil

8. RELATED PARTY TRANSACTION POLICY

The policy on the related party transactions is annexed to this report as **Annexure – III**.

9. EXTRACT OF POLICY ON DIRECTORS' APPOINTMENT & REMUNERATION

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

1. Applicability- This policy is applicable on:

- Directors viz. Executive, Non-executive and Independent
- Key Managerial Personnel (KMP)
- Senior Management Personnel (SMP) and
- Other Employees

2. Selection and Performance Evaluation criteria for Directors, SMP and KMP of the Company:

- Election Criteria:** The Committee shall identify and ascertain the integrity, qualification,

expertise and experience of the person for appointment as Director and recommend his/ her appointment, as per Company's Policy.

- A person should possess adequate qualifications, expertise and experience for the position he/she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.

- 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.

2.1 Evaluation & Manner

Notwithstanding anything contained herein, the Committee shall carry out evaluation of performance of Board as a whole, Committees thereof and that of Individual Director including Executive, Non-Executive Directors and Chairman of Board or in substitution thereof Committee shall specify the manner in which evaluation of performance of Board as a whole, its Committees and that of individual directors shall be carried out and shall review its implementation and compliance.

2.2 Policy on Remuneration to Directors/KMP/Senior Management Personnel

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) The 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 the applicable provisions of the 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 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 as may be recommended by the Committee and approved by the Board of Directors or shareholders, as the case may be.
- (iii) Commission: The Independent Directors may be paid remuneration by way of commission for each financial year.
 - a) Total commission pay out to all Independent Directors (including non-executive directors) in aggregate shall be restricted to a limit of 1% of net profits of the Company as determined in accordance with Section 198 of the Companies Act, 2013, further subject to recommendation by the NRC and determination by the Board, as further subject to approval by the shareholders of the Company at the Annual General Meeting.
 - b) The Independent Directors may be paid remuneration in case of no profits or inadequate profit in

addition to the sitting fees as per the provisions of Schedule V of the Act.

- c) NRC shall recommend quantum of commission which, in its best judgement and opinion is commensurate with the level of engagement each Independent Director would have with SMP/ KMP and/or other Board members, towards providing inputs, insights and guidance on various matters of importance from time to time.

- (iv) 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.

- (v) 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:

- a. The Services are rendered by such Director in his capacity as the professional; and
- b. in the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

- (vi) ESOP and other share base payments shall be granted to Directors (other than Independent Directors) as per the ESOP scheme.

- (vii) The directors shall be covered under the Directors & Officer Liability Insurance (D&O) Policy of the Company.

C. Remuneration to Key Managerial Personnel and Senior Management:

The Company shall endeavour to keep the remuneration reasonable and based on the relevant factors including adherence to statutory requirements, industry practices, key responsibility areas assigned and the achievements thereof. The increments shall usually be linked to the individual's performance as well the performance of the Company. The total compensation may comprise fixed and variable pay components aligned effectively with prudent risk taking to ensure that compensation is adjusted for all types of risks. The Company shall ensure that the compensation outcomes are symmetric with risk outcomes, compensation pay-outs are sensitive to the time horizon of the risks, and the mix of cash, equity and other forms

of compensation are consistent with risk alignment.

- a. The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b. ESOPs and other share -based payments shall be granted as per ESOP scheme.
- c. The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, Mediclaim, personal accident insurance and life insurance coverage as per policy of the Company in addition to the CTC, etc. as decided from to time.
- d. The Incentive pay shall be decided based on the balance between the performance of the Company and the performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.
- e. The Company shall adopt the following principles for compensation while deciding compensation for the SMP/KMP:

I. Fixed Pay/Compensation:

Total Fixed CTC is comprising of Guaranteed Cash (includes Base Pay, HRA, Allowances), Benefits to be costed (e.g. Car Lease/ Driver Pay/ Accommodation) and all the Retirals (Statutory contributions made towards PF, Pension, Gratuity, this may issue include additional contributions such as NPS, Superannuation etc., if applicable).

II. Variable Pay, its proportion and deferral:

Variable compensation which may be in the form of share-linked instruments, or a mix of cash and share-linked instruments. The share-linked instruments shall be in conformity with relevant statutory provisions. The KMP, SMP may also be eligible for Long Term Incentive Plan in the form of stock options, retention cum loyalty bonus or any other equivalent instruments.

III. Proportion of Variable Pay:

The Key performance Indicators (KPIs) of the Senior Management and KMP are defined at the beginning of the

performance measurement period. The variable pay is based on the performance of the individual based on these KPIs. At a higher level of responsibility, the proportion of variable pay (including stock options) is higher. The variable pay can be reduced to zero based on the performance at an Individual and Company level. There should be a proper balance between cash and share linked instruments in the variable pay for the senior management. Performance measures and their relation to remuneration packages should be clearly defined at the beginning of the performance measurement period to ensure that the employees perceive the incentive mechanisms.

IV. Deferral of Variable Pay:

Not all the variable pay compensation awarded after performance assessment may be paid immediately. Certain portion of variable pay, as decided by the NRC of the Company, may be deferred to the time horizon of the risks. The portion of deferral arrangement may be made applicable for both cash and non-cash components of the variable pay. A deferral period for such an arrangement may be decided by NRC of the Company.

2.3 Performance Evaluation of SMP/KMP

To evaluate the performance of KMP/SMP, the Company shall follow a detailed process of Performance Evaluation:

- i. Key Results Areas (KRAs) shall be established for each member that will be derived from the overall strategy of the organization and shall incorporate policy, as considered directives provided by the Board.
- ii. The performance against these KRAs shall be reviewed by, MD & CEO of the Company.
- iii. At the end of the Performance Review period, there shall be a formal Performance assessment by the WTD&CEO of the Company. The feedback from NRC members, as appropriate, shall also be taken into consideration.
- iv. Final rating shall be provided along with salary increment on Fixed Compensation and Nomination Committee shall be responsible for Variable Compensation, as applicable.
- v. Removal of any SMP/KMP shall be subject to the performance and behavior of the individual and the decision for the administration, removal of such personnel shall be recommended by the NRC to the Board.

10. 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	2.17	00	0.66	00	00	00
2.	Ms. Rupa Basu	2.17	00	0.66	00	00	00

- (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	2.17	0.66	Linked Company's performance on all parameters
2.	Ms. Rupa Basu	2.17	0.66	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

- (vi) 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	NA
2.	Ms. Rupa Basu	Nil	NA

11. 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 March, 2024. 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.

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

Sd/-
Sanjay Chaturvedi
Director
DIN: 01636432
D-305, Ground Floor,
Sarvodaya Enclave,
Delhi-110017

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

Date: 29 July, 2024
Place: Gurugram

Related Party Transaction Policy (Annexure - III)

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 Notification No. NHB. HFC.CG-DIR.1/MD&CEO/2016 dated 9 February 2017 issued by the National Housing Bank (NHB) read with Circular No. NHB (ND)/DRS/Policy Circular No.79/2016-17 dated 27 April, 2017 vide which the NHB notified the Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016, 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

The Company shall be responsible, among others, for the following:

- **"Act"** means Companies Act, 2013, originally framed or altered from time to time.
- **"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].
- **"Audit Committee"** means the Audit Committee constituted by the Board of Directors of the Company in accordance with section 177 of the Act.
- **"Board of Directors" or "Board"** means the Board of Directors of SHDFC, as constituted from time to time.
- **"Company" or "SHDFC"** means Shubham Housing Development Finance Company Limited.
- **"Control"** shall have the same meaning as defined in the Act.
- **"Key Managerial Personnel"** in relation to a Company, shall be as defined in the Act.
- **"Omnibus Approval"** shall mean a blanket pre activity approval by the Audit Committee subject to compliance of the conditions as laid in this Policy.
- **"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.
- **"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.
- **"Related Party Transaction"** means specified transaction mentioned in clause (a) to (g) of sub-section (1) of Section 188 of the Act.
- **"Relatives"** with reference to any person shall have the meaning as defined in Section 2(77) of the Act.
- 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:

- Names of his/her Relatives;
- Partnership firms in which he/she or his/her Relative is a partner;
- Private Companies in which he/she or his/her relative is a member or Director;
- Public Companies in which he/she is a Director and holds along with his/her Relatives more than 2% of paid up share capital;
- 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
- 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 the 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:
 - o Maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year.
 - o The maximum value per transaction which can be allowed.

- o Extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval.
- o 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.
- o Transactions which cannot be subject to the omnibus approval by the Audit Committee.
- o The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely:
 - a. Repetitiveness of the transactions (in past or in future).
 - b. 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 ₹ 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:

- Not in the ordinary course of business but at arm's length; or
- In the ordinary course of business but not at arm's length; or
- 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.

Disclosures Under Rule 5 Of Companies (Annexure - IV)

(APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 [ANNEXURE IV]

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

Name of employee	designation of the employee	remuneration received (in ₹)	qualifications of the employee	experience of the employee (in years)	date of commencement of employment	the age of such employee (in years)	the last employment held by such employee before joining the company
Mr. Sanjay Chaturvedi	CEO	2,75,28,395	Post Graduation	33 ⁺	01 August, 2010	59.2	Reliance Retail
Ms. Rupa Basu	Executive Director	2,66,53,652	ACA	27 ⁺	30 September, 2015	53.7	India Mortgage Guarantee Corporation Pvt. Ltd.
Mr. Rajesh Sood	COO	1,91,70,017	Post Graduation	31 ⁺	01 October, 2019	55.7	DHFL Pramerica Life Insurance Co. Ltd
Mr. Vishal Kanodia	CFO	1,80,05,407	CA	20 ⁺	10 June, 2022	45.3	Assets Care & Reconstruction Enterprise Ltd
Mr. Sanjeev Mittal	Chief Business Officer	1,21,32,991	LLB/PGCBM	33 ⁺	24 February, 2015	53.1	RAAS HOUSING FINANCE INDIA PVT LTD
Mr. Gaurav Khurana	Chief Information Officer	85,46,312	Post Graduation	21 ⁺	06 May, 2023	44.3	Poonawalla Fincorp Limited
Mr. Jagrit Joshi	National Sales Head	81,96,911	PGDMM	21 ⁺	25 July, 2016	42.7	DHFL
Mr. Anil Rathore	Head-HR	74,22,756	PGDBA	37 ⁺	08 May, 2018	58.4	Indiabulls
Ms. Simmi Dhingra	Head of Risk	66,63,436	MBA	18 ⁺	12 January, 2017	39.1	India Mortgage Guarantee Corporation Pvt. Ltd.
Mr. Neeta Kamra	Chief Compliance Officer and Company Secretary	58,83,250	CS	16 ⁺	03 September, 2012	42.4	Hitkari Industries Limited

* Nature of employment, whether contractual or otherwise: - Each of the employee is holding permanent employment

* None of the above employees is a relative of any director or manager of the company.

*Except Mr. Sanjay Chaturvedi, Ms. Rupa Basu & Mr. Rajesh Sood, none of the employee is holding equity shares of the Company, although they may be holding ESOPs grants.

Denotes in-hand figure, calculated after TDS and other deductions as per the relevant company policy and applicable laws

II. Name of every employee who:

- 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
- 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; - Mentioned in the above table
- 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

Annual Report On Corporate Social Responsibility (CSR) Activities (Annexure - V-A)

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

1. Brief outline on CSR Policy of the Company

At Shubham Housing Finance, 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 may 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	Ms. Latika Thukral	Non-Executive Independent Director	1	1
3.	Mr. Sanjay Chaturvedi	Executive Director	1	1

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

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

5. (a) Average net profit of the company as per sub-section (5) of section 135: ₹ 67,28,39,333 /-
 (b) Two percent of average net profit of the company as per sub-section (5) of section 135: ₹ 1,34,56,787/-
 (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: Nil
 (d) Amount required to be set-off for the financial year, if any: Nil
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 1,34,56,787/-
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 1,34,57,000/-
 (b) Amount spent in Administrative overheads: Nil
 (c) Amount spent on Impact Assessment, if applicable: N.A.
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 1,34,57,000/-
 (e) CSR amount spent or unspent for the Financial Year: Nil

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	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 2023-24	Amount	Date of Transfer	Name of the fund	Amount	Date of Transfer
₹ 1,34,57,000/-	NA	NA	NA	NA	NA

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

S. No.	Particular	Amount (In ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	1,34,56,787/-
(ii)	Total amount spent for the Financial Year	1,34,57,000/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	213
(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)]	213*

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

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: Nil
8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No
9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135. N.A.

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

Sd/-
Sanjay Chaturvedi
CEO/Director

Sd/-
Rupa Basu
Chairperson of CSR Committee

Date: 29 July, 2024
Place: Gurugram

Loan And Advances To Directors And Senior Officers Of The Company (Annexure - V-B)

DISCLOSURES PURSUANT TO THE RBI'S SCALE BASED REGULATION ON LOANS & ADVANCES TO DIRECTORS, SENIOR OFFICERS AND THEIR RELATIVES

Loans & Advances to Directors, Senior Officers* and their relatives

Details	Current Year FY 2023-24	Previous Year FY 2022-23
Directors and their relatives	Nil	Nil
Entities associated with directors and their relatives	Nil	Nil
		Advance:
Senior Officers and their relative	Nil	- Given during the year - ₹ 40 Lakhs - Repaid during the year - ₹ 40 Lakhs - O/s Balance as on 31 March, 2023 – Nil

* Senior Officer shall mean personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

SECRETARIAL AUDIT REPORT (Annexure VI)

For the financial year ended 31st March, 2024

To,
The Members,
Shubham Housing Development Finance Company Limited
608 & 609, 6th Floor, Block C
Ansal Imperial Tower, Community Center
Naraina Vihar, New Delhi - 110028

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 31 March, 2024 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 31 March 2024 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

Jyoti Narang
Partner

Membership No. 5698, C.P. No. 5199
UDIN: F005698F000333289
PR No. 3434/2023

Place: Delhi
Date: 08 May, 2024

(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
608-609, 6th Floor, Block-C Ansal Imperial Tower,
Community Center, Naraina Vihar, New Delhi-110028

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

Jyoti Narang
Partner

Place: Delhi
Date: 08 May, 2024

Membership No. 5698, C.P. No. 5199

FINANCIAL STATEMENTS

Independent Auditor's Report

To the Members of Shubham Housing Development Finance Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Shubham Housing Development Finance Company Limited ("the Company"), which comprise the Balance Sheet as at 31 March, 2024, and the Statement of Profit and Loss, including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "Financial Statements").

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 ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2024, and its profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs) 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

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 the Director's report and the annexures thereto but does not include the Financial Statements and our auditor's report thereon. The Director's report and the annexures thereto 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.

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 Accounting Standards 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial

controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of management and Board of Director'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.

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, except for the matters stated in the paragraph 2h(vi) below on reporting under Rule 11(g).
 - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the

Statement of Changes in Equity and the Statement of Cash 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 Accounting Standards specified under Section 133 of the Act.
- (e) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2h(vi) below on reporting under Rule 11(g).
- (f) On the basis of the written representations received from the directors as on 31 March, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) 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".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 – Refer Note 7 to the financial statements;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (1) The Management has represented that, to the best of its 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 51(ix) to the financial statements;

- (2) The Management has represented, that, to the best of its 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 51(x) to the financial statements; and
- (3) Based on the audit procedures performed that have been 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 under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
- v. The Company has neither declared nor paid any dividend during the year.
- vi. Based on our examination, the Company has used an accounting software for maintaining its loans during the year ended 31 March, 2024, which has a feature of recording audit trail (edit log) facility at the software level and at the database level to log any direct data changes. Further, the audit trail facility has been operated throughout the year for all relevant transactions recorded in the accounting software. Also, during the course of our examination, we did not come across any instance of audit trail feature being tampered with.

Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of accounts during the year ended 31 March, 2024, which is operated by a third-party software service provider. The software has a feature of recording audit trail (edit log) facility, which has been enabled and operated throughout the year for all relevant transactions at the application level.

However, in the absence of an independent auditor's report of the service organization, we are unable to comment upon whether the software has a feature of recording audit trail (edit log) facility at the database level nor are we able to comment on whether the audit trail feature has been enabled in the said software and operated throughout the year for all relevant transactions recorded in the software at the database level.

Further, on account of the observations noted above, we are unable to comment whether there were any instances of the audit trail feature been tampered with.

3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.

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

Prateek Khandelwal
Partner
Membership Number: 139144
UDIN: 24139144BKGFE04717

Place : Gurugram
Date: 16 May, 2024

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SHUBHAM HOUSING DEVELOPMENT FINANCE COMPANY LIMITED FOR THE YEAR ENDED MARCH 31, 2024

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

- i. (a) A The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.
- B The Company has maintained proper records showing full particulars of intangible assets.
- (b) Property, Plant and Equipment and right of use assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements, are held in the name of the Company. Further, 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. (Refer Note 14 to the financial statements)
- (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 intangible assets during the year. Accordingly, the provisions stated under clause 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, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.
- ii. (a) The Company is involved in the business of rendering services and does not hold any inventory. Accordingly, the provisions stated under clause 3(ii)(a) of the Order are not applicable to the Company.
- (b) During the year the Company has been sanctioned working capital limits in excess of ₹ 5 crores in aggregate from Banks on the basis of security of loans. Quarterly returns / statements filed with such Banks are in agreement with the books of accounts of the Company.
- iii. (a) The Company's principal business is to give loans and is a registered NBFC. Accordingly, provisions stated under clause 3(iii)(a) of the Order is 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 terms and conditions in relation to grant of all loans and advances in the nature of loans, investments made, guarantees provided and securities given 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. Having regard to the voluminous nature of loan transactions, it is not practicable to furnish entity-wise details of amount, due date for repayment or receipt and the extent of delay in this report (as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this clause), in respect of loans and advances which were not repaid / paid when they were due or were repaid / paid with a delay, in the normal course of lending business - 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, on the loans and advances in the nature of loans, are as follows:

No. of Cases	Total overdue (₹ In lakhs)*	Remarks (Whether reasonable steps have been taken by the Company for recovery of principal amount and interest)
860	5154.59	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) The Company's principal business is to give loans and is a registered NBFC, accordingly, provisions stated under clause 3(iii)(e) of the Order is not applicable.
- (f) According to the information explanation provided to us, the Company has not any granted loans and/or advances in the nature of loans, including to promoters or related parties as defined in clause (76) of section 2 of the Act either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, the provisions stated under clause 3(iii)(f) of the Order are not applicable to the Company.
- iv. According to the information and explanations provided to us, the Company has not 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.
- v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits,
- vii. (b) According to the information and explanations given to us and examination of records of the Company, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31 March, 2024, on account of any dispute, are as follows: (Refer Note 40 to the financial statements)
- | Name of the statute | Nature of dues | Amount Demanded
₹ In lakhs | Amount Paid ₹ In lakhs | Period to which the amount relates | Forum where dispute is pending | Remarks, if any |
|----------------------|----------------|-------------------------------|------------------------|------------------------------------|--------------------------------|-----------------|
| Income Tax Act, 1961 | Income tax | 111.21 | - | A.Y 2018-19 | CIT(A) | - |
| Income Tax Act, 1961 | Income tax | 74.82 | - | A.Y 2020-21 | 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 Income-tax Assessment of the Company. Accordingly, the provision stated under clause 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 and the records of the Company examined by us, the Company has not defaulted in repayment of loans or 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 government or any government authority.
- (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.
- within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under. Accordingly, the provisions stated under clause 3(iv) of the Order is not applicable to the Company. Also, there are no amounts outstanding as on 31 March, 2024, which are in the nature of deposits.
- 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/ services of the Company. Accordingly, the provisions stated under clause 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, cess, and other statutory dues have generally been regularly deposited with the appropriate authorities during the year, though there has been a slight delay in a few cases.
- (e) The Company does not have any subsidiary, associate, or joint venture. Accordingly, reporting under clause 3(ix)(e) of the order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate, or joint venture. Accordingly, reporting under clause 3(ix)(f) of the order is not applicable to the Company.
- x. (a) In our opinion and according to the information explanation given to us, 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 under clause 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 under clause 3(x)(b) of the Order are not applicable to the Company.
- xi. (a) Based on our 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 report that no material fraud by the

Company or on the Company has been noticed or reported during the year in the course of our audit.

- (b) Based on our 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, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the provisions stated under clause 3(xi) (b) of the Order is not applicable to the Company.
- (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 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 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 the internal audit reports of the Company issued till the date of our audit report, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with its directors and accordingly, the reporting on compliance with the provisions of Section 192 of the Act in clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and accordingly, the provisions stated under clause 3(xvi)(a) of the Order are not applicable to the Company.
- (b) The Company has conducted non-banking financial or housing finance activities during the year and the Company holds a valid Certificate of Registration from the National Housing Bank.
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the provisions stated under clause 3 (xvi)(c) of the Order are not applicable to the Company.

- (d) There are no other Companies part of the Group. Accordingly, the provisions stated under clause 3(xvi) (d) of the Order are not applicable to the Company.

- xvii. Based on the overall review of financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the provisions stated under clause 3(xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the provisions stated under clause 3(xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us and based on our verification, 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 either to a Fund specified in schedule VII of the Act or to a Special Account as per the provisions of Section 135 of the Act read with schedule VII to the Act. Accordingly, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.
- 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

Prateek Khandelwal

Partner

Membership Number: 139144

UDIN: 24139144BKGFE04717

Place : Gurugram

Date: 16 May, 2024

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(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Shubham Housing Development Finance Company Limited on the Financial Statements for the year ended 31 March, 2024]

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

We have audited the internal financial controls with reference to financial statements of Shubham Housing Development Finance Company Limited ("the Company") as of 31 March, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Opinion

In our opinion, the Company, including has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March, 2024, 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").

Managements' and Board of Director's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are 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 adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note 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 adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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

Prateek Khandelwal

Partner

Membership Number: 139144

UDIN: 24139144BKGFE04717

Place : Gurugram

Date: 16 May, 2024

Auditor's Additional Report

To,
The Board of Directors,
Shubham Housing Development Finance Company Limited

1. This report is issued in accordance with the requirements of para 69 and 70 of Chapter XII, Auditor's Report of Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 vide Ref. No. RBI/2020-21/73 DOR.FIN.HFC. CC.No.120/03.10.136/2020-21 dated 17 February, 2021, as amended from time to time (hereinafter referred to as the "Mater Directions") issued by the Reserve Bank of India ("RBI").
2. We have audited the accompanying financial statements of Shubham Housing Development Finance Company Limited (hereinafter referred to as the "Company") comprising the Balance Sheet as at 31 March, 2024, the Statement of Profit and Loss, Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, on which we have issued our report dated 16 May, 2024.

Management's Responsibility for the Financial Statements

3. The Company's Board of Directors is responsible for the matters stated in section 134(5) of The Companies Act, 2013 (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 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 intend 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.

4. The Management of the Company is also responsible for compliance with the National Housing Bank Act, 1987

and other relevant National Housing Bank (hereinafter referred to as "the NHB") and the RBI Directions, Circulars, Notifications, Guidelines applicable to Housing Financial Companies, as amended from time to time, and for providing all the required information to the NHB and RBI.

Auditor's Responsibility

5. Pursuant to the requirements of the Directions referred to in paragraph 1 above, it is our responsibility to examine the audited books and records of the Company for the year ended 31 March, 2024 and report on the matters specified in paragraph 70.1 of 'Chapter XII – Auditor's Report' of the Master Directions to the extent applicable to the Company.
6. We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, "Quality Control for Firms that Perform Audit and Reviews of Historical Financial Information, and other Assurance and Related Services Engagements".

Opinion

8. Based on our examination of the audited books and records of the Company for the year ended 31 March, 2024 as produced for our examination and the information and explanations given to us, we report that:
 - 8.1 The Company is engaged in the business of Housing finance and has obtained a certificate of registration No. 06.136.16 dated 23 June, 2016 from the NHB. Further, the Company is also meeting the Principal Business Criteria as specified in paragraph 4.1.17.
 - 8.2 The Company is meeting the required net owned fund requirement as prescribed under Section 29A of The National Housing Bank Act, 1987.
 - 8.3 The Company is in compliance with the provisions of Section 29C of National Housing Bank Act, 1987.
 - 8.4 The total borrowings of the Company are within the limits prescribed under paragraph 27.2 of the Master Directions.
 - 8.5 The Company has complied with the prudential norms on income recognition, Indian Accounting Standards, asset classification, loan-to-value ratio at the time of granting of loans, provisioning requirements, disclosure in balance sheet, investment in real estate, exposure to capital market and engagement of brokers, and concentration of credit / investments as specified in the Master Directions.
 - 8.6 The capital adequacy ratio disclosed in the half-yearly statutory return submitted to the NHB basis the

unaudited books and records in terms of the 'Master Circular – Returns to be submitted by Housing Finance Companies (HFCs)' vide Ref. No. NHB(ND)/DOS/Sup. Circular No.10 / 2023-24 dated 21 July, 2023 has been correctly determined and it is in compliance with the minimum capital to risk weighted asset ratio (CRAR) prescribed therein.

- 8.7 The Company has furnished, basis the unaudited books and records, within the stipulated period the half-yearly statutory return as specified in the 'Master Circular – Returns to be submitted by Housing Finance Companies (HFCs)' vide Ref. No. NHB(ND)/DOS/Sup. Circular No.10 / 2023-24 dated 21 July, 2023 to the NHB.
- 8.8 The Company is not required to furnish the quarterly statutory return to the NHB, on Statutory Liquid Assets since it is not a deposit accepting Housing Finance Company, as specified in the 'Master Circular – Returns to be submitted by Housing Finance Companies (HFCs)' vide Ref. No. NHB(ND)/DOS/Sup. Circular No.10 / 2023-24 dated 21 July, 2023.
- 8.9 The Company has complied with the requirements contained in the Master Directions in the case of opening of new branches / offices or in the case of closure of existing branches / offices.
- 8.10 The Company has complied with the provisions contained in paragraph 18 of the Master Directions. Further, the Company has not granted any loans against the securities specified under paragraph 3.1.3 and paragraph 3.1.4.

8.11 The Board of Directors of the Company has passed a resolution on 24 May, 2023 for non-acceptance of public deposits.

8.12 The Company has not accepted any public deposits during the year ended 31 March, 2024.

Restriction on Use

9. This report is addressed to Board of Directors and provided to the Management of the Company solely for the purpose of compliance with requirement of the Directions for its onward submission to the NHB. It should not be used by any other person or for any other purpose. M S K A & Associates shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment.
10. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration Number: 105047W

Prateek Khandelwal

Partner

Membership Number: 139114

UDIN: 24139144BKGFE04717

Place : Gurugram

Date: 16 May, 2024

Balance Sheet

As at 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

Particulars	Note	As at 31 March 2024	As at 31 March 2023
ASSETS			
Financial assets			
Cash and cash equivalents	6A	26,207.55	15,432.24
Bank balance other than cash and cash equivalents	6B	306.01	509.10
Loans	7	4,37,047.60	2,97,093.05
Investments	8	2,295.36	3,227.68
Other financial assets	9	4,054.62	3,143.52
Non-financial assets			
Current tax assets (net)		836.02	720.33
Deferred tax assets (net)	34	864.38	1,239.87
Property, plant and equipment	10	910.43	845.60
Intangible assets under development	11	49.27	43.40
Intangible assets	12	96.94	116.78
Right-of-use assets	38	881.27	721.33
Other non-financial assets	13	4,392.40	2,879.15
Assets held for sale	14	1,953.15	1,695.29
Total assets		4,79,895.00	3,27,667.34
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables	15		
Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises		169.37	45.24
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		889.46	757.14
Debt securities	16	327.22	4,574.18
Borrowings (other than debt securities)	17	3,26,955.21	1,76,037.05
Other financial liabilities	18	12,114.76	21,791.31
Non-financial liabilities			
Provisions	19	552.46	451.29
Other non-financial liabilities	20	355.54	251.66
Total liabilities		3,41,364.02	2,03,907.87
Equity			
Equity share capital	21	202.98	201.42
Instruments entirely equity in nature	22	767.16	767.16
Other equity	23	1,37,560.84	1,22,790.89
Total equity		1,38,530.98	1,23,759.47
Total liabilities and equity		4,79,895.00	3,27,667.34

Material 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 Number: 105047W

For and on behalf of the Board of Directors of

Shubham Housing Development Finance Company Limited

Prateek Khandelwal

Partner

Membership Number: 139144

Sanjay Chaturvedi

Director

DIN : 01636432

Rupa Basu

Director

DIN : 08068918

Vishal Kanodia

Chief Financial Officer

Neeta Kamra

Company Secretary

(M. No.: ACS 22892)

Place: Gurugram

Date: 16 May, 2024

Place: Gurugram

Date: 16 May, 2024

Statement of Profit and Loss

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

Particulars	Note	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from operations			
Interest income	24	55,016.55	41,243.05
Fee and commission income	25	1,928.58	1,750.07
Net gain on fair value change	26	1,751.85	1,275.60
Net gain on derecognition of financial instruments under amortised cost category	27	1,570.45	544.53
Other operating income	28	60.00	80.68
Total revenue from operations		60,327.43	44,893.93
Other income	29	1,319.01	459.10
Total income		61,646.44	45,353.03
Expenses			
Finance costs	30	21,779.72	16,176.57
Impairment on financial instruments	31	31.10	435.16
Employee benefits expenses	32	16,988.04	12,701.39
Depreciation, amortization and impairment	10, 12, 38	988.99	708.35
Other expenses	33	4,661.82	3,904.11
Total expenses		44,449.67	33,925.58
Profit before tax		17,196.77	11,427.45
Tax expense:	34		
(1) Current tax		3,252.70	2,480.66
(2) Tax for earlier years		(47.21)	-
(3) Deferred tax (credit)/charge		394.40	(229.38)
Profit for the year		13,596.88	9,176.17
Other comprehensive income			
Items that will not be reclassified to statement of profit or loss			
a) Remeasurements of defined employee benefit plans		(75.15)	72.97
b) Income tax relating to Items that will not be reclassified to profit or loss		18.91	(18.37)
Other comprehensive income		(56.24)	54.60
Total comprehensive income for the year		13,540.64	9,230.77
Earnings per equity share	35		
Basic (₹)		17.94	13.00
Diluted (₹)		17.13	12.51
Nominal value per share (₹)		1.00	1.00

Material 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 Number: 105047W

For and on behalf of the Board of Directors of

Shubham Housing Development Finance Company Limited

Prateek Khandelwal

Partner

Membership Number: 139144

Sanjay Chaturvedi

Director

DIN : 01636432

Vishal Kanodia

Chief Financial Officer

Rupa Basu

Director

DIN : 08068918

Neeta Kamra

Company Secretary

(M. No.: ACS 22892)

Place: Gurugram

Date: 16 May, 2024

Place: Gurugram

Date: 16 May, 2024

Statement of Cash Flow

As at 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

Particulars	31 March, 2024	31 March, 2023
Cash flow from operating activities		
Profit before tax	17,196.77	11,427.45
Adjusted for:		
Depreciation, amortisation and impairment	988.99	708.35
Interest in lease liability	79.48	45.71
Provision for expected credit loss	(152.31)	(226.58)
EIR adjustment	(174.09)	1,006.17
Net gain on sale of investments	(1,751.85)	(1,275.60)
Provision for loss on asset held for sale	23.11	31.55
Provision for diminution in value of Investment	(134.22)	336.62
Net loss on sale of property plant and equipment	10.47	4.62
Loan assets written off	115.17	91.02
Loss on sale/settlement of acquired properties	179.35	200.32
OCI impact of Gratuity	(75.15)	72.97
Share based payments expense	1,048.98	422.40
Operating profit before working capital changes	17,354.70	12,845.00
Adjusted for net changes in working capital:		
(Increase) in other non-financial assets	(1,513.25)	(2,345.98)
(Increase) in assets held for sale	(460.32)	(542.86)
(Increase)/decrease in other financial assets	(648.69)	2,286.74
(Increase) in loan assets	(1,40,421.13)	(72,635.00)
Increase in trade payable	256.45	298.29
Increase/(decrease) in other financial liabilities	(9,933.52)	4,080.14
Increase/(decrease) in other none financial liabilities	103.88	(77.64)
Increase/(decrease) in provisions	130.34	(109.85)
Cash used in operating activities	(1,35,131.54)	(56,201.16)
Taxes paid (net off refunds)	(3,321.18)	(2,473.62)
Net Cash used in operating activities	(1,38,452.72)	(58,674.78)
Cash flows from investing activities		
Purchase of property, plant and equipment including intangible assets under development	(518.87)	(743.38)
Proceeds from sale of property, plant and equipment	4.26	3.24
Purchase of investments	(3,36,248.15)	(1,67,559.93)
Proceeds from sale of investments	3,38,000.00	1,68,835.53
Proceeds from redemption of security receipts	1,066.53	1,571.10
Net Cash generated from investing activities	2,303.77	2,106.56
Cash flows from financing activities		
Proceeds from borrowings including debts securities	2,20,500.00	73,256.99
Repayment of borrowings including debts securities	(73,238.79)	(72,667.30)
Payment of principal portion of lease liabilities	(439.36)	(384.31)
Payment of interest on lease liabilities	(79.48)	(45.71)
Proceeds from issue of shares (net of share issue expenses)	181.89	59,116.29
Net Cash generated from financing activities	1,46,924.26	59,275.96

Statement of Cash Flow

As at 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

Particulars	31 March, 2024	31 March, 2023
Net increase in cash and cash equivalents	10,775.31	2,707.75
Cash and cash equivalents at the beginning of the year	15,432.24	12,724.49
Cash and cash equivalents at the end of the year	26,207.55	15,432.24
Cash and bank balance include:		
Cash-on-hand	371.65	292.59
Balance with banks		
In current accounts	14,704.11	10,021.59
Deposits with original maturity of less than three months	10,004.67	3,502.74
Cheques in hand	120.06	108.21
Balance with cash credit facilities	1,007.06	1,507.11
Cash and cash equivalents at the end of the year	26,207.55	15,432.24

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 Number: 105047W

For and on behalf of the Board of Directors of

Shubham Housing Development Finance Company Limited

Prateek Khandelwal

Partner

Membership Number: 139144

Sanjay Chaturvedi

Director

DIN : 01636432

Rupa Basu

Director

DIN : 08068918

Vishal Kanodia

Chief Financial Officer

Neeta Kamra

Company Secretary

(M. No.: ACS 22892)

Place: Gurugram

Date: 16 May, 2024

Place: Gurugram

Date: 16 May, 2024

Statement of Changes in Equity

As at 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

A. Equity Share Capital

Particulars	31 March, 2024		31 March, 2023	
	Nos.	Amount	Nos.	Amount
Equity shares of ₹ 1 (P.Y ₹10) each issued, subscribed and fully paid				
Balance beginning of the year	20,14,202	201.42	9,43,690	94.37
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the year	20,14,202	201.42	9,43,690	94.37
Share extinguished on splitting of shares (refer below note)	(20,14,202)	(201.42)	-	-
Issue of share capital during the year	-	-	10,70,512	107.05
Issue of shares during the year on split of existing shares	2,01,42,020	201.42	-	-
Allotment of shares on ESOP exercise	1,56,000	1.56	-	-
Balance at end of the reporting year	2,02,98,020	202.98	20,14,202.00	201.42

Note: During the Financial Year 2023-24, equity share of face value of ₹10/- each, fully paid up, was split into 10 equity shares of ₹ 1/- each.

B. Instruments entirely equity in nature

Particulars	31 March, 2024		31 March, 2023	
	Nos.	Amount	Nos.	Amount
Compulsorily convertible preference shares ('CCPS')				
CCPS of ₹ 1 (P.Y ₹10) each issued, subscribed and fully paid				
Balance at the beginning of the reporting year	34,29,877	342.99	45,00,369	450.03
Changes in Equity Share Capital due to prior year errors	-	-	-	-
Restated balance at the beginning of the year	34,29,877	342.99	45,00,369	450.03
Share extinguished on splitting of shares (refer below note)	(34,29,877)	(342.99)	-	-
share converted into equity share during the year	-	-	(10,70,492)	(107)
Issue of shares during the year on splitting	3,42,98,770	342.99	-	-
Balance at end of the reporting year	3,42,98,770	342.99	34,29,877	342.99

Note: During the Financial Year 2023-24, CCPS of face value of ₹10/- each, fully paid up, was split into 10 CCPS of ₹ 1/- each.

Compulsorily convertible preference shares ('CCPS')

	Nos.	Amount	Nos.	Amount
CCPS of ₹ 2 (P.Y ₹20) each issued, subscribed and fully paid				
Balance at the beginning of the reporting year	21,20,844	424.17	-	-
Changes in Equity Share Capital due to prior year errors	-	-	-	-
Restated balance at the beginning of the year	21,20,844	424.17	-	-
Share extinguished on splitting of shares (refer note below)	(21,20,844)	(424.17)	-	-
Issue of share capital during the year	-	-	21,20,844	424.17
Issue of shares during the year on splitting	2,12,08,440	424.17	-	-
Balance at end of the reporting year	2,12,08,440	424.17	21,20,844	424.17

Note: During the Financial Year 2023-24, CCPS of face value of ₹20/- each, fully paid up, was split into 10 CCPS of ₹ 2/- each.

Statement of Changes in Equity

As at 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

C. Other equity

Particulars	Reserve and surplus				Equity Component of compound financial Instrument	Total
	Share premium	Statutory Reserve	Share based payment reserve	Retained earnings		
As at 1 April, 2023	98,153.38	4,826.32	1,811.69	17,983.73	15.77	1,22,790.89
Profit for the year	-	-	-	13,596.88	-	13,596.88
Other comprehensive income for the year	-	-	-	(56.24)	-	(56.24)
Total Comprehensive Income for the year	-	-	-	13,540.64	-	13,540.64
Share based Payments	-	-	1,048.98	-	-	1,048.98
Transfer to retained earnings	-	-	(30.30)	30.30	-	-
Any other change (Addition/ Deletion) during the year	319.73	2,719.38	(139.40)	(2,719.38)	-	180.33
As at 31 March, 2024	98,473.11	7,545.70	2,690.97	28,835.29	15.77	1,37,560.84

Particulars	Reserve and surplus				Equity Component of compound financial Instrument	Total
	Share premium	Statutory Reserve	Share based payment reserve	Retained earnings		
As at 1 April, 2022	39,461.27	2,991.09	1,389.29	10,588.19	11.02	54,440.86
Profit for the year	-	-	-	9,176.17	-	9,176.17
Other comprehensive income for the year	-	-	-	54.60	-	54.60
Total Comprehensive Income for the year	-	-	-	9,230.77	-	9,230.77
Equity component of compound financial Instrument	-	-	-	-	4.75	4.75
Share issue Expense	(883.80)	-	-	-	-	(883.80)
Share based Payments	-	-	422.40	-	-	422.40
Any other change (to be specified)	59,575.91	1,835.23	-	(1,835.23)	-	59,575.91
As at 31 March, 2023	98,153.38	4,826.32	1,811.69	17,983.73	15.77	1,22,790.89

The accompanying notes are an integral part of the financial statements

As per our report of even date

As per our report of even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration Number: 105047W

Prateek Khandelwal
Partner
Membership Number: 139144

Place: Gurugram
Date: 16 May, 2024

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

Sanjay Chaturvedi
Director
DIN : 01636432

Vishal Kanodia
Chief Financial Officer

Place: Gurugram
Date: 16 May, 2024

Rupa Basu
Director
DIN : 08068918

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

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ 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 delisted on BSE Limited on 21 July, 2023 due to redemption of all the securities as per schedule.

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, the Statement of Profit and Loss and the 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 material 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 (₹) and all values are rounded to the nearest lakhs, except when otherwise indicated.

Note 4: Material 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 90 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

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

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 managing 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 – by – investment basis. All financial 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 financial 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 and loss. Any gain or loss on de-recognition is recognised in the statement of profit and 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 and 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 statement of profit and loss.

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

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

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 statement of profit and loss.

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 statement of 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.

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

- 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 the statement of profit and 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 12m ECL 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.

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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 wherever applicable 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 12 November, 2022 the Company recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Loan commitments: When estimating LTECLs for undischarged 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

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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 the statement of profit and loss.

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.

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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.

Building stated at its cost of acquisition less depreciation. Cost of a building includes purchase price and all the incidental charges for the acquisition. Building is capitalised with remaining life at the time of acquisition from its original life.

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 and building, where the management's estimates of the useful life of such fixed assets is higher/lower 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 and building over a period of remaining useful life. 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

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has used the following useful lives to provide depreciation on its PPE.

Particulars	Estimated useful life as per Management estimates	Estimated useful life as per Schedule-II
- Computers and data processing units	5 years	3 Years
- Office equipment	5 years	5 years
- Furniture and fixtures	10 years	10 years
- Building	34 years	60 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

The Investment made by the Company in Security Receipts (SR) are valued, as guided by the RBI Directions, at lower of the following:

- Net Asset Value (NAV) declared by the Asset Reconstruction Company based on the recovery ratings received for such instruments; and
- face value of the SRs reduced by the notional provisioning rate applicable if the loans had continued on the books of the Company.

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.

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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 and 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

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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. In case where properties held for sale lying with the company more than 3 years, the company provides hundred percent provision for these unsettled properties.

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 (₹) which is also the Company's functional currency.

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

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

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

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

4.23. 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.

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

5.4. Impairment of financial asset

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

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

- The Company's model, which assigns Probability of default (PDs).
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a 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

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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.

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

Note 6A: Cash and cash equivalents

Particulars	31 March, 2024	31 March, 2023
Cash-on-hand	371.65	292.59
Balance with banks		
In current accounts	14,704.11	10,021.59
Deposits with original maturity of less than three months	10,004.67	3,502.74
Cheques in hand	120.06	108.21
Balance with cash credit facilities	1,007.06	1,507.11
Total	26,207.55	15,432.24

Balances with banks deposit earns interest at fixed rates based on bank deposit rates. Short-term deposits are made for varying periods of between seven day and hundred days, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

Note 6B: Bank balance other than above

Particulars	31 March, 2024	31 March, 2023
Bank deposits (upto 12 months)	303.71	308.09
Bank deposits with maturity of more than 12 months	2.30	201.01
Total	306.01	509.10

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

Pledge with bank for obtaining bank overdraft facilities	105.41	303.13
For bank guarantee to National Housing Bank for refinance	200.00	200.00

Note 7: Loans

Particulars	31 March, 2024	31 March, 2023
At Amortised cost:		
Loan assets	4,40,363.73	3,00,537.60
Staff advances	15.89	6.86
Total Gross	4,40,379.62	3,00,544.46
Less: Impairment loss allowance	3,332.02	3,451.41
Total Net	4,37,047.60	2,97,093.05
Secured by tangible assets (Hypothecation of equitable mortgage of immovable property etc.)	4,40,318.09	3,00,464.42
Covered by bank/government guarantees	21.04	39.52
Unsecured	40.49	40.52
Total Gross	4,40,379.62	3,00,544.46
Less: Impairment loss allowance	3,332.02	3,451.41
Total Net	4,37,047.60	2,97,093.05
Loan in India		
Public sector		
Others	4,40,379.62	3,00,544.46
Total Gross	4,40,379.62	3,00,544.46
Less: Impairment loss allowance	3,332.02	3,451.41
Total Net	4,37,047.60	2,97,093.05

- 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.
- 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.

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

iii) Loan commitment amount is ₹ 15,790.53 lakhs as on 31 March, 2024 (₹ 15,971.30 lakhs as on 31 March, 2023) (Refer note 19.1)

iv) During the year, the Company has assigned a pool of certain loans amounting to ₹13,928.92 lakhs (previous year ₹ 3,221.21 lakhs) by way of direct assignment transactions. These loan assets have been de-recognised from the loan portfolio of the Company as the sale of loan assets is an absolute assignment and transfer on a 'no-recourse' basis.

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

v) 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/gold jewellery as collateral.

viii) Breakup of loans assets

Particulars	31 March, 2024	31 March, 2023
Term Loans	4,37,722.08	2,98,911.14
Minimum retention requirement (MRR) of securitised loans	39.93	102.46
Minimum retention requirement (MRR) of assigned loans	2,601.72	1,524.00
Total	4,40,363.73	3,00,537.60

ix) Breakup of Impairment loss allowance

Particulars	31 March, 2024	31 March, 2023
On term Loans	3,307.90	3,425.79
On MRR of securitised loans	0.27	1.02
On MRR of assigned loans	23.85	24.60
Total	3,332.02	3,451.41

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 44. Disclosures below represents owned book term loans portfolio i.e. excluding MRR of securitised and assigned loans.

i) Loans to customers as of 31 March, 2024

Risk categorisation	Home loans and Self Construction	Home Improvement and LAP	Plot plus Self Construction	LAP for Construction & HL Project	Total
Stage 1	2,75,507.00	1,15,333.23	10,044.69	20,593.50	4,21,478.42
Stage 2	6,618.14	3,956.51	192.57	321.85	11,089.07
Stage 3	2,604.94	2,490.65	59.00	-	5,154.59
Total	2,84,730.08	1,21,780.39	10,296.26	20,915.35	4,37,722.08

ii) Loans to customers as of 31 March, 2023

Risk categorisation	Home loans and Self Construction	Home Improvement and LAP	Plot plus Self Construction	LAP for Construction & HL Project	Total
Stage 1	1,90,835.03	73,780.27	5,313.51	13,923.29	2,83,852.10
Stage 2	6,371.61	3,187.32	136.51	-	9,695.44
Stage 3	2,720.47	2,525.53	117.60	-	5,363.60
Total	1,99,927.11	79,493.12	5,567.62	13,923.29	2,98,911.14

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

iii) Impairment allowance for loans to customers as of 31 March, 2024

Risk categorisation	Home loans and Self construction	Home Improvement and LAP	Plot plus Self Construction	LAP for Construction & HL Project	Total
Stage 1	618.82	610.65	32.50	64.58	1,326.55
Stage 2	213.76	127.23	5.94	1.13	348.06
Stage 3	833.58	781.30	18.41	-	1,633.29
Total	1,666.16	1,519.18	56.85	65.71	3,307.90

iv) Impairment allowance for loans to customers as of 31 March, 2023

Risk categorisation	Home loans and Self construction	Home Improvement and LAP	Plot plus Self Construction	LAP for Construction & HL Project	Total
Stage 1	664.85	562.25	31.62	64.33	1,323.05
Stage 2	322.62	160.36	7.00	-	489.98
Stage 3	816.78	760.73	35.24	-	1,612.75
Total	1,804.25	1,483.34	73.86	64.33	3,425.78

Note: 7.1.1 Home Loans and self construction

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

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 31 March, 2024

Risk Categorisation	Stage 1	Stage 2	Stage 3	Total
Low risk	1,89,236.64	5,822.71	875.13	1,95,934.48
Medium risk	84,740.31	444.44	256.47	85,441.22
High risk	1,530.05	350.99	1,473.34	3,354.38
Total	2,75,507.00	6,618.14	2,604.94	2,84,730.08

As at 31 March, 2023

Risk Categorisation	Stage 1	Stage 2	Stage 3	Total
Low risk	1,30,408.87	5,743.27	1,385.26	1,37,537.40
Medium risk	59,915.74	226.76	204.52	60,347.02
High risk	510.42	401.58	1,130.69	2,042.69
Total	1,90,835.03	6,371.61	2,720.47	1,99,927.11

7.1.1.2 Reconciliation of gross carrying amount

As at 31 March, 2024

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 April, 2023	1,90,835.03	6,371.61	2,720.47	1,99,927.11
New assets originated or purchased	1,21,942.15	51.92	67.12	1,22,061.19
Assets derecognised or repaid (excluding write offs)	(31,530.28)	(979.71)	(1,044.67)	(33,554.66)
Transfers from Stage 1	(4,042.25)	2,892.42	1,149.83	-
Transfers from Stage 2	1,045.56	(1,794.20)	748.64	-
Transfers from Stage 3	597.84	250.64	(848.48)	-
Changes to contractual cash flows due to modifications not resulting in derecognition	(3,341.05)	(174.54)	(254.52)	(3,770.11)
Amounts written off	-	-	66.55	66.55
Gross carrying amount as at 31 March, 2024	2,75,507.00	6,618.14	2,604.94	2,84,730.08

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

As at 31 March, 2023

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 April, 2022	1,50,495.99	7,015.11	4,615.88	1,62,126.98
New assets originated or purchased	81,432.71	17.84	42.60	81,493.15
Assets derecognised or repaid (excluding write offs)	(28,493.66)	(957.58)	(968.42)	(30,419.66)
Transfers from Stage 1	(2,685.58)	1,844.60	840.98	-
Transfers from Stage 2	995.59	(1,736.96)	741.37	-
Transfers from Stage 3	2,125.00	250.95	(2,375.95)	-
Changes to contractual cash flows due to modifications not resulting in derecognition	(13,035.02)	(62.35)	(220.75)	(13,318.12)
Amounts written off	-	-	44.76	44.76
Gross carrying amount as at 31 March, 2023	1,90,835.03	6,371.61	2,720.47	1,99,927.11

7.1.1.3 Impairment allowance for loans to customers

As at 31 March, 2024

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at 1 April, 2023	664.85	322.62	816.78	1,804.25
Assets derecognised or repaid	(117.09)	(64.79)	(314.57)	(496.45)
New assets originated	271.91	1.01	41.34	314.26
Impact on ECL of Exposures transferred between stages during the year	(383.08)	(62.57)	489.75	44.10
Transfers from Stage 1	(18.10)	12.68	5.42	-
Transfers from Stage 2	21.17	(70.30)	49.13	-
Transfers from Stage 3	179.16	75.11	(254.27)	-
Impairment allowance for loans to customers as at 31 March, 2024	618.82	213.76	833.58	1,666.16

As at 31 March, 2023

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at 1 April, 2022	296.61	338.35	1,452.55	2,087.51
Assets derecognised or repaid	(58.23)	(49.26)	(304.75)	(412.24)
New assets originated	281.67	0.53	12.77	294.97
Impact on ECL of Exposures transferred between stages during the year	(533.64)	15.84	351.81	(165.99)
Transfers from Stage 1	(6.68)	4.09	2.59	-
Transfers from Stage 2	16.41	(65.90)	49.49	-
Transfers from Stage 3	668.71	78.97	(747.68)	-
Impairment allowance for loans to customers as at 31 March, 2023	664.85	322.62	816.78	1,804.25

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 31 March, 2024

Risk Categorisation	Stage 1	Stage 2	Stage 3	Total
Low risk	64,956.74	3,175.62	750.89	68,883.25
Medium risk	49,348.47	493.41	129.17	49,971.05
High risk	1,028.02	287.48	1,610.59	2,926.09
Total	1,15,333.23	3,956.51	2,490.65	1,21,780.39

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

As at 31 March, 2023

Risk Categorisation	Stage 1	Stage 2	Stage 3	Total
Low risk	35,625.15	2,680.52	1,233.86	39,539.53
Medium risk	37,887.10	127.32	86.23	38,100.65
High risk	268.02	379.48	1,205.44	1,852.94
Total	73,780.27	3,187.32	2,525.53	79,493.12

7.1.2.2 Reconciliation of gross carrying amount

As at 31 March, 2024

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 April, 2023	73,780.27	3,187.32	2,525.53	79,493.12
New assets originated or purchased	68,176.23	173.97	25.60	68,375.80
Assets derecognised or repaid (excluding write offs)	(24,065.58)	(451.47)	(706.43)	(25,223.48)
Transfers from Stage 1	(2,746.61)	1,877.38	869.23	-
Transfers from Stage 2	434.79	(957.24)	522.45	-
Transfers from Stage 3	471.29	168.16	(639.45)	-
Changes to contractual cash flows due to modifications not resulting in derecognition	(717.16)	(41.61)	(152.25)	(911.02)
Amounts written off	-	-	45.97	45.97
Gross carrying amount as at 31 March, 2024	1,15,333.23	3,956.51	2,490.65	1,21,780.39

As at 31 March, 2023

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 April, 2022	48,703.29	3,659.55	3,292.09	55,654.93
New assets originated or purchased	39,500.34	23.56	35.96	39,559.86
Assets derecognised or repaid (excluding write offs)	(12,320.46)	(528.85)	(612.98)	(13,462.29)
Transfers from Stage 1	(1,706.59)	1,093.70	612.90	0.01
Transfers from Stage 2	425.63	(1,118.54)	692.91	-
Transfers from Stage 3	1,118.69	175.57	(1,294.27)	(0.01)
Changes to contractual cash flows due to modifications not resulting in derecognition	(1,940.63)	(117.67)	(246.26)	(2,304.56)
Amounts written off	-	-	45.18	45.18
Gross carrying amount as at 31 March, 2023	73,780.27	3,187.32	2,525.53	79,493.12

7.1.2.3 Impairment allowance for loans to customers

As at 31 March, 2024

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at 1 April, 2023	562.25	160.36	760.73	1,483.34
Assets derecognised or repaid	(186.91)	(26.30)	(211.71)	(424.92)
New assets originated	360.58	3.27	7.99	371.84
Impact on Year end ECL of Exposures transferred between stages during the year	(255.21)	(33.12)	377.24	88.91
Transfers from Stage 1	(22.00)	15.15	6.86	0.01
Transfers from Stage 2	10.70	(42.53)	31.83	-
Transfers from Stage 3	141.24	50.40	(191.64)	-
Impairment allowance for loans to customers as at 31 March, 2024	610.65	127.23	781.30	1,519.18

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

As at 31 March, 2023

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at 1 April, 2022	237.67	182.23	1,035.98	1,455.88
Assets derecognised or repaid	(60.88)	(26.37)	(192.90)	(280.15)
New assets originated	303.48	0.71	10.78	314.97
Impact on Year end ECL of Exposures transferred between stages during the year	(268.58)	(6.23)	267.45	(7.36)
Transfers from Stage 1	(8.61)	5.38	3.24	0.01
Transfers from Stage 2	7.13	(50.61)	43.47	(0.01)
Transfers from Stage 3	352.04	55.25	(407.29)	-
Impairment allowance for loans to customers as at 31 March, 2023	562.25	160.36	760.73	1,483.34

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 31 March, 2024

Risk Categorisation	Stage 1	Stage 2	Stage 3	Total
Low risk	5,360.93	119.67	8.56	5,489.16
Medium risk	4,641.78	62.42	12.24	4,716.44
High risk	41.98	10.48	38.20	90.66
Total	10,044.69	192.57	59.00	10,296.26

As at 31 March, 2023

Risk Categorisation	Stage 1	Stage 2	Stage 3	Total
Low risk	2,762.99	123.33	81.77	2,968.09
Medium risk	2,521.63	4.89	5.96	2,532.48
High risk	28.89	8.29	29.87	67.05
Total	5,313.51	136.51	117.60	5,567.62

7.1.3.2 Reconciliation of gross carrying amount

As at 31 March, 2024

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 April, 2023	5,313.51	136.51	117.60	5,567.62
New assets originated or purchased	5,755.78	53.30	12.25	5,821.33
Assets derecognised or repaid (excluding write offs)	(1,377.72)	(34.89)	(43.79)	(1,456.40)
Transfers from Stage 1	(78.21)	45.65	32.56	-
Transfers from Stage 2	16.96	(21.10)	4.14	-
Transfers from Stage 3	41.71	16.13	(57.84)	-
Changes to contractual cash flows due to modifications not resulting in derecognition	372.66	(3.03)	(8.57)	361.06
Amounts written off	-	-	2.65	2.65
Gross carrying amount as at 31 March, 2024	10,044.69	192.57	59.00	10,296.26

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

As at 31 March, 2023

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 April, 2022	2,987.70	129.28	232.57	3,349.55
New assets originated or purchased	3,343.40	-	-	3,343.40
Assets derecognised or repaid (excluding write offs)	(834.43)	(13.60)	(50.35)	(898.38)
Transfers from Stage 1	(111.98)	62.83	49.15	-
Transfers from Stage 2	16.09	(31.37)	15.28	-
Transfers from Stage 3	105.13	8.19	(113.32)	-
Changes to contractual cash flows due to modifications not resulting in derecognition	(192.40)	(18.82)	(16.81)	(228.03)
Amounts written off	-	-	1.08	1.08
Gross carrying amount as at 31 March, 2023	5,313.51	136.51	117.60	5,567.62

7.1.3.3 Impairment allowance for loans to customers

As at 31 March, 2024

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at 1 April, 2023	31.62	7.00	35.24	73.86
Assets derecognised or repaid	(8.60)	(1.68)	(13.12)	(23.40)
New assets originated	18.66	0.94	3.82	23.42
Impact on year end ECL of Exposures transferred between stages during the year	(21.78)	(4.74)	9.49	(17.03)
Transfers from Stage 1	(0.56)	0.38	0.18	-
Transfers from Stage 2	0.66	(0.79)	0.13	-
Transfers from Stage 3	12.50	4.83	(17.33)	-
Impairment allowance for loans to customers as at 31 March, 2024	32.50	5.94	18.41	56.85

As at 31 March, 2023

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at 1 April, 2022	13.51	6.84	73.19	93.54
Assets derecognised or repaid	(3.30)	(0.28)	(15.85)	(19.43)
New assets originated	19.02	-	-	19.02
Impact on year end ECL of Exposures transferred between stages during the year	(30.34)	(1.95)	13.02	(19.27)
Transfers from Stage 1	(0.59)	0.27	0.32	-
Transfers from Stage 2	0.24	(0.46)	0.22	-
Transfers from Stage 3	33.08	2.58	(35.66)	-
Impairment allowance for loans to customers as at 31 March, 2023	31.62	7.00	35.24	73.86

7.1.4 LAP for Construction & HL Project

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 31 March, 2024

Risk Categorisation	Stage 1	Stage 2	Stage 3	Total
Low risk	1,521.61	321.85	-	1,843.46
Medium risk	19,037.93	-	-	19,037.93
High risk	33.96	-	-	33.96
Total	20,593.50	321.85	-	20,915.35

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

As at 31 March, 2023

Risk Categorisation	Stage 1	Stage 2	Stage 3	Total
Low risk	809.19	-	-	809.19
Medium risk	13,114.10	-	-	13,114.10
High risk	-	-	-	-
Total	13,923.29	-	-	13,923.29

7.1.4.2 Reconciliation of gross carrying amount

As at 31 March, 2024

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 April, 2023	13,923.29	-	-	13,923.29
New assets originated or purchased	14,668.41	-	-	14,668.41
Assets derecognised or repaid (excluding write offs)	(8,588.07)	-	-	(8,588.07)
Transfers from Stage 1	(392.76)	392.76	-	-
Transfers from Stage 2	-	-	-	-
Transfers from Stage 3	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	982.63	(70.91)	-	911.72
Amounts written off	-	-	-	-
Gross carrying amount as at 31 March, 2024	20,593.50	321.85	-	20,915.35

As at 31 March, 2023

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 April, 2022	5,831.62	-	-	5,831.62
New assets originated or purchased	11,472.92	-	-	11,472.92
Assets derecognised or repaid (excluding write offs)	(3,145.22)	-	-	(3,145.22)
Transfers from Stage 1	-	-	-	-
Transfers from Stage 2	-	-	-	-
Transfers from Stage 3	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	(236.03)	-	-	(236.03)
Gross carrying amount as at 31 March, 2023	13,923.29	-	-	13,923.29

7.1.4.3 Impairment allowance for loans to customers

As at 31 March, 2024

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at 1 April, 2023	64.34	-	-	64.34
Assets derecognised or repaid	(39.68)	-	-	(39.68)
New assets originated	45.99	-	-	45.99
Impact on ECL of Exposures transferred between stages during the year	(4.26)	(0.68)	-	(4.94)
Transfers from Stage 1	(1.81)	1.81	-	-
Transfers from Stage 2	-	-	-	-
Transfers from Stage 3	-	-	-	-
Impairment allowance for loans to customers as at 31 March, 2024	64.58	1.13	-	65.71

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

As at 31 March, 2023

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at 1 April, 2022	29.21	-	-	29.21
Assets derecognised or repaid	(15.74)	-	-	(15.74)
New assets originated	53.00	-	-	53.00
Impact on ECL of Exposures transferred between stages during the year	(2.13)	-	-	(2.13)
Impairment allowance for loans to customers as at 31 March, 2023	64.34	-	-	64.34

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

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:

- 1) Home Loans and self construction
- 2) Home Improvement and Loans against properties
- 3) Plot plus self construction
- 4) LAP for Construction & HL Project

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.

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

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 Construction including HL project 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 31 March, 2024 and 31 March, 2023. There was no change in the Company's collateral policy during the year.

Note 8: Investments

Particulars	As at 31 March, 2024				
	Amortised Cost	Fair Value		Others	Total
		through other comprehensive income	through profit or loss		
Security receipts	-	-	2,497.77	-	2,497.77
Total (A)	-	-	2,497.77	-	2,497.77
Investments outside India	-	-	-	-	-
Investments in India	-	-	2,497.77	-	2,497.77
Total (B)	-	-	2,497.77	-	2,497.77
Total (A) to tally with Total (B)	-	-	2,497.77	-	2,497.77
Less: Allowance for Impairment loss (C)	-	-	202.41	-	202.41
Total Net D = (A) - (C)	-	-	2,295.36	-	2,295.36

Particulars	As at 31 March, 2023				
	Amortised Cost	Fair Value		Others	Total
		through other comprehensive income	through profit or loss		
Security receipts	-	-	3,564.30	-	3,564.30
Total (A)	-	-	3,564.30	-	3,564.30
Investments outside India	-	-	-	-	-
Investments in India	-	-	3,564.30	-	3,564.30
Total (B)	-	-	3,564.30	-	3,564.30
Total (A) to tally with Total (B)	-	-	3,564.30	-	3,564.30
Less: Allowance for Impairment loss (C)	-	-	336.62	-	336.62
Total Net D = (A) - (C)	-	-	3,227.68	-	3,227.68

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

Note 9: Other financial assets

Particulars	31 March, 2024	31 March, 2023
Excess Interest Spread (EIS) Receivable*	3,286.98	2,552.59
Security deposit	314.67	278.76
Receivables from employees**	244.29	179.76
Other receivables	247.68	175.16
Gross	4,093.62	3,186.27
Impairment loss allowance on EIS receivable	(22.30)	(26.05)
Impairment loss allowance on receivable from employees & other	(16.70)	(16.70)
Net	4,054.62	3,143.52

* Under Ind AS, with respect to Direct Assignment deals, Company has created an EIS receivable (with corresponding credit to the statement of profit and loss), which has been computed by discounting EIS to present value.

** Receivables from employees includes medical insurance receivable from employee of ₹146.92 lakhs through reduction from their gross pays, hence ECL provision on the same has not been created.

Note 10: Property, plant and equipment

Particulars	Building	Computers	Office equipment	Furniture and fittings	Total
Cost:					
As at 1 April, 2022	-	800.04	122.92	156.71	1079.67
Additions	126.96	382.79	59.45	117.91	687.11
Disposals	-	(22.13)	(8.89)	(9.45)	(40.47)
As at 31 March, 2023	126.96	1160.70	173.48	265.17	1726.31
Additions	-	313.22	49.85	113.76	476.83
Disposals	-	(92.23)	(6.34)	(8.64)	(107.21)
As at 31 March, 2024	126.96	1381.69	216.99	370.29	2,095.93
Accumulated Depreciation:					
As at 1 April, 2022	-	439.51	88.34	72.70	600.55
Additions	0.04	252.41	25.37	34.96	312.78
Disposals	-	(18.49)	(7.39)	(6.74)	(32.62)
As at 31 March, 2023	0.04	673.43	106.32	100.92	880.71
Additions	16.08	276.36	43.37	62.99	398.80
Disposals	-	(82.25)	(5.44)	(6.32)	(94.01)
As at 31 March, 2024	16.12	867.54	144.25	157.59	1185.50
Net book value					
As at 31 March, 2023	126.92	487.27	67.16	164.25	845.60
As at 31 March, 2024	110.84	514.15	72.74	212.70	910.43

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

31 March, 2024

Relevant line item in the Balance Sheet	PPE	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#	Land I Building
Gross carrying value (Refer Note 14)	-	-	-	2,131.11	-
Title deeds held in the name of	-	-	-	Borrower	-
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	-	-	-	-	-

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

31 March, 2024

Relevant line item in the Balance Sheet	PPE	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	Land I Building
Gross carrying value (Refer Note 14)	-	-	-	1,850.15	-
Title deeds held in the name of	-	-	-	Borrower	-
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	-	-	-	-	-

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

Particulars	Intangible assets under development	Total
Cost:		
As at 1 April, 2022	33.30	33.30
Additions	66.78	66.78
Capitalised during the year	(56.68)	(56.68)
As at 31 March, 2023	43.40	43.40
Additions	48.41	48.41
Capitalised during the year	(40.97)	(40.97)
Disposals	(1.57)	(1.57)
As at 31 March, 2024	49.27	49.27

(a) Intangible assets under development ageing schedule

31 March, 2024

Intangible assets under development	Amount in Intangible asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	26.57	22.70	-	-	49.27
Projects temporarily suspended	-	-	-	-	-

31 March, 2023

Intangible assets under development	Amount in Intangible asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	41.83	-	-	-	41.83
Projects temporarily suspended	-	-	-	1.57	1.57

(b) There are no intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

Note 12: Intangibles

Particulars	Softwares	Brand and Trade Marks	Total
Cost:			
As at 1 April, 2022	387.96	0.32	388.28
Additions	56.68	-	56.68
Capitalised during the year	-	-	-
Disposals	(34.91)	-	(34.91)
As at 31 March, 2023	409.73	0.32	410.05
Additions	-	-	-
Capitalised during the year	40.97	-	40.97
Disposals	-	-	-
As at 31 March, 2024	450.70	0.32	451.02
Accumulative amortisation:			
As at 1 April, 2022	282.83	0.18	283.01
Amortisation charge for the year	45.11	0.06	45.17
Disposals	(34.91)	-	(34.91)
As at 31 March, 2023	293.03	0.24	293.27
Amortisation charge for the year	60.75	0.06	60.81
Disposals	-	-	-
As at 31 March, 2024	353.78	0.30	354.08
Net book value:			
As at 31 March, 2023	116.70	0.08	116.78
As at 31 March, 2024	96.92	0.02	96.94

Note 13: Other non-financial assets

Particulars	31 March, 2024	31 March, 2023
Prepaid expenses	294.92	207.50
Advances to vendors	31.60	37.03
Other advances #	50.58	79.39
Deferred lease expenses	26.00	33.62
Advance EMI on borrowings	3,989.30	2,521.61
Total	4,392.40	2,879.15

includes mainly branch imprest and recoverable from parties

Note 14: Assets held for sale

Particulars	31 March, 2024	31 March, 2023
Assets held for sale	2,131.11	1,850.15
Less: Impairment loss allowance (refer note 31)	(177.96)	(154.86)
Total	1,953.15	1,695.29

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	31 March, 2024	31 March, 2023
Residential properties acquired under SARFAESI	2,131.11	1,507.61
Total assets obtained by taking possession of collateral	2,131.11	1,507.61

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

Note 15: Payables

Particulars	31 March, 2024	31 March, 2023
Trade payables		
Total outstanding dues of Micro Enterprises and Small Enterprises*	169.37	45.24
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	889.46	757.14
Total	1,058.83	802.38

* The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on information received and available with the Company, there are no amounts payable other than disclosed above to Micro and Small Enterprises as follows:

Particulars	31 March, 2024	31 March, 2023
Principal amount remaining unpaid to supplier as at the end of the year	169.37	45.24
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

Particulars	31 March, 2024				
	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	59.40	-	-	-	59.40
(ii) Others	232.92	-	-	-	232.92
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
(iii) Unbilled dues- MSME	109.97	-	-	-	109.97
(iv) Unbilled dues- Others	649.99	-	-	6.55	656.54
(v) Payment due date not specified	-	-	-	-	-
Totals	1,052.28	-	-	6.55	1,058.83

Note 16: Debt Securities

Particulars	31 March, 2024	31 March, 2023
At Amortised Cost:		
Secured		
Redeemable non-convertible debentures		
- From other parties	-	2,998.14
Unsecured		
Optionally convertible debentures [#]		
- From other parties (refer note 41)	327.22	327.22
Redeemable non-convertible debentures		
- From other parties	-	1,248.82
Total	327.22	4,574.18
Debt securities including commercial papers in India	327.22	3,325.36
Debt securities outside India	-	1,248.82
Total	327.22	4,574.18

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

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

Particulars/ISIN No.	INE967Q08021	INE967Q07023	INE967Q07031
Date of allotment	21 June, 2016	12 June, 2020	29 June, 2020
Date of redemption	21 June, 2023	12 June, 2023	29/Jun/2023
Nominal value per debenture (₹ in Lakhs)	10	10	10
Total number of debentures (Nos.)	750	100	200
Face value (₹)	10	10	10
Rate of Interest P.A.	12.3%##	10.00%	10.00%
Interest Type	Fixed	Fixed	Fixed
Listed/unlisted	Listed on BSE	Listed on BSE	Listed on BSE
Secured/unsecured	Unsecured	Secured*	Secured*
Outstanding as at 31 March, 2024 ^	-	-	-
Outstanding as at 31 March, 2023 ^	1,291.70	1,005.21	2,150.68

All Non convertible debentures redeemed in FY 2023-24.

* 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	31 March, 2024	31 March, 2023
At Amortised Cost		
Secured		
Term loans		
- from National Housing Bank**	69,729.36	29,610.73
- from Banks^^	2,12,321.53	1,33,247.24
- from Financial institution^^	44,904.32	13,179.08
Total	3,26,955.21	1,76,037.05
Borrowings in India	3,26,955.21	1,76,037.05
Borrowings outside India	-	-
Total	3,26,955.21	1,76,037.05

** Secured term loans from National Housing Bank carry rate of interest in the range of 4.86% to 8.70% 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 ₹4,213.61 lakhs (Previous year ₹ 5,691.26 lakhs) have been guaranteed by Bank guarantee of HDFC Bank Limited (₹ 200.00 lakhs).

^^ Secured term loans from Banks and various financial institutions carries rate of interest in the range of 8.41% to 11.40% 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.

Personal Guarantees from Promoters amount to ₹ 2,08,832.47 lakhs (Previous year ₹ 1,33,468.99 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.

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

Terms of repayment of term loans as at 31 March, 2024

Repayments	Monthly repayment schedule		Quarterly repayment schedule		Total	
	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount
Due within 1 Year	636	44,674.38	189	28,507.12	825	73,181.50
Due 1 to 3 Years	1,056	82,112.42	327	46,156.83	1,383	1,28,269.25
Due 3 to 5 Years	583	54,634.50	229	30,963.68	812	85,598.18
>5 Years	74	17,454.02	208	24,117.38	282	41,571.41
Total	2,349	1,98,875.32	953	1,29,745.02	3,302	3,28,620.34

- Interest rate ranges from 4.86% p.a. to 11.40% p.a. as at 31 March, 2024.

- Instalment and amount are as per actual repayment schedule.

Terms of repayment of term loans as at March 31, 2023.

Repayments	Monthly repayment schedule		Quarterly repayment schedule		Total	
	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount
Due within 1 Year	654	28,423.79	145	20,237.65	799	48,661.44
Due 1 to 3 Years	963	45,125.71	215	27,302.98	1,178	72,428.69
Due 3 to 5 Years	576	28,609.59	136	16,385.65	712	44,995.24
>5 Years	112	4,929.53	49	6,094.23	161	11,023.76
Total	2,305	1,07,088.62	545	70,020.51	2,850	1,77,109.13

- Interest rate ranges from 4.86% p.a. to 11.90% p.a. as at 31 March, 2023.

- Instalment and amount are as per actual repayment schedule.

Note 18: Other financial liabilities

Particulars	31 March, 2024	31 March, 2023
Interest accrued but not due		
On debentures	0.05	203.22
On term loans from banks	832.41	415.72
On term loans from financial institutions	86.22	25.91
On refinance from National Housing Bank	972.09	561.07
Loan liabilities	4,779.89	3,570.11
Book overdraft	-	13,297.58
Advances from customers	112.06	283.06
Payable towards collections in derecognised assets	715.91	559.13
Employee benefits payable	2,035.79	1,245.19
Lease liability (refer note 38)	932.07	682.58
Others	1,648.27	947.74
Total	12,114.76	21,791.31

Note 19: Provisions

Particulars	31 March, 2024	31 March, 2023
Provision for employee benefits		
- Compensated absences (refer note 36)	449.85	340.72
- Gratuity (refer note 36)	76.01	54.80
ECL for undisbursed loan commitment (refer note 19.1.2)	26.60	55.77
Total	552.46	451.29

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

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 31 March, 2024

Risk Categorisation	Stage 1	Stage 2	Stage 3	Total
Low risk	5,861.40	52.82	-	5,914.22
Medium risk	9,768.88	14.87	-	9,783.75
High risk	92.56	-	-	92.56
Total	15,722.84	67.69	-	15,790.53

As at 31 March, 2023

Risk Categorisation	Stage 1	Stage 2	Stage 3	Total
Low risk	4,087.35	40.65	21.26	4,149.25
Medium risk	11,796.37	10.34	-	11,806.71
High risk	1.35	2.03	11.95	15.33
Total	15,885.07	53.02	33.21	15,971.30

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 31 March, 2024

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 31 March, 2023	15,885.07	53.02	33.21	15,971.30
New assets originated or purchased	13,097.62	11.62	-	13,109.24
Assets derecognised or repaid (excluding write offs)	(11,599.73)	(46.05)	(31.10)	(11,676.88)
Transfers from Stage 1	(53.18)	53.18	-	-
Transfers from Stage 2	4.08	(4.08)	-	-
Transfers from Stage 3	2.11	-	(2.11)	-
Changes to contractual cash flows due to modifications not resulting in derecognition	(1,613.13)	-	-	(1,613.13)
Amounts written off	-	-	-	-
Gross carrying amount as at 31 March, 2024	15,722.84	67.69	-	15,790.53

Reconciliation of gross carrying amount as at 31 March, 2023

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 April, 2022	7,346.02	61.21	69.53	7,476.76
New assets originated or purchased	14,543.79	-	-	14,543.79
Assets derecognised or repaid (excluding write offs)	(5,337.70)	(44.53)	(44.75)	(5,426.99)
Transfers from Stage 1	(79.45)	59.74	19.71	-
Transfers from Stage 2	2.40	(5.08)	2.68	-
Transfers from Stage 3	13.96	-	(13.96)	-
Changes to contractual cash flows due to modifications not resulting in derecognition	(603.94)	(18.33)	0.00	(622.27)
Amounts written off	-	-	-	-
Gross carrying amount as at 31 March, 2023	15,885.07	53.02	33.21	15,971.30

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

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 31 March, 2024

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 April, 2023	47.78	1.58	6.41	55.77
Assets derecognised or repaid	(34.73)	(1.41)	(6.01)	(42.15)
New assets originated	21.69	0.11	-	21.80
Impact on ECL of exposures transferred between stages during the year	(8.88)	0.06	-	(8.82)
Transfers from Stage 1	(0.18)	0.18	-	-
Transfers from Stage 2	0.02	(0.02)	-	-
Transfers from Stage 3	0.41	-	(0.41)	-
ECL allowance as at 31 March, 2024	26.11	0.50	(0.01)	26.60

Reconciliation of ECL balance as at 31 March, 2023

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 April, 2022	14.48	2.02	13.42	29.92
Assets derecognised or repaid	(10.37)	(1.34)	(8.64)	(20.35)
New assets originated	43.39	-	-	43.39
Impact on ECL of exposures transferred between stages during the year	(2.28)	0.91	4.18	2.81
Transfers from Stage 1	(0.17)	0.13	0.04	-
Transfers from Stage 2	0.03	(0.14)	0.11	-
Transfers from Stage 3	2.70	-	(2.70)	-
ECL allowance as at 31 March, 2023	47.78	1.58	6.41	55.77

Note 20: Other non-financial liabilities

Particulars	31 March, 2024	31 March, 2023
Statutory dues payable	259.16	206.50
Other payables	96.38	45.16
Total	355.54	251.66

Note 21: Equity Share Capital

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

Particulars	31 March, 2024	31 March, 2023
Authorised:		
2,70,00,000 (Previous year 27,00,000 of ₹ 10/- Each) Equity Shares of ₹1/- Each	270.00	270.00
	270.00	270.00
Issued, Subscribed and Paid-up:		
Issued and Subscribed Capital		
20,29,8020 (Previous year 20,14,202 of ₹10/- Each) Equity Shares of ₹1/- Each Fully paid	202.98	201.42
Called-Up and Paid Up Capital - Fully Paid-Up		
20,29,8020 (Previous year 20,14,202 of ₹10/- Each) Equity Shares of ₹1/- Each Fully paid	202.98	201.42
Total	202.98	201.42

Shares held by promoters

Equity Shares held by promoters* at 31 March, 2024				
S.NO	Promoter Name	No of Shares	% of Total Shares	% Change during the year
1	Mr. Sanjay Chaturvedi	25,00,000	12.32	(0.09)
2	Ms. Rupa Basu	25,00,000	12.32	(0.09)
Total		50,00,000	24.64	

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

Equity Shares held by promoters* at 31 March, 2023

S.No	Promoter Name	No of Shares	% of Total Shares	% Change during the year
1	Mr. Sanjay Chaturvedi	25,00,000	12.41	(14.08)
2	Ms. Rupa Basu	25,00,000	12.41	(14.08)
Total		50,00,000	24.82	-

* 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 period:

Particulars	31 March, 2024		31 March, 2023	
	No. of shares	₹ In Lakhs	No. of shares	₹ In Lakhs
Equity shares at the beginning of year	20,14,202	201.42	9,43,690	94.37
Share extinguished on splitting of shares (refer note below)	(20,14,202)	(201.42)		
Add: shares issued/converted during the period			10,70,492	107.05
Add: shares issued during the year on split of existing shares	2,01,42,020	201.42	-	-
Equity Share Allotted during the year	1,56,000	1.56	20	0.00
Equity share at the end of year	2,02,98,020	202.98	20,14,202	201.42

During the year ended 31 March, 2024 there has been sub-division (split) of the nominal value of each Equity Share having a face value of ₹ 10/- (Rupees Ten Only) each into 10 (Ten) Equity Shares of ₹ 1/- (Rupee One Only) each.

Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	31 March, 2024		31 March, 2023	
	No. of shares	% of holding	No. of shares	% of holding
Promoters:				
Mr. Sanjay Chaturvedi	25,00,000	12.32	2,50,000	12.41
Ms. Rupa Basu	25,00,000	12.32	2,50,000	12.41
Non-Promoters:				
PI Opportunities Fund I- Scheme II	46,10,920	22.72	4,61,092	22.89
Topaz Inclusion Pte. Ltd.	39,18,670	19.31	3,91,867	19.46
PI Opportunities Fund I	23,68,180	11.67	2,36,818	11.76
Helion Venture Partners II LLC	16,37,630	8.07	1,63,763	8.13
Shubham Employees Welfare Trust	11,80,470	5.82	1,19,047	5.91
Motilal Oswal Financial Services Limited	10,23,090	5.04	1,02,309	5.08
Total	1,97,38,960	97.27	19,74,896	98.05

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 ₹ 1. 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. 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.

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

Note 22: Instruments entirely equity in nature

Particulars	31 March, 2024	31 March, 2023
Authorised :		
5,00,00,000 (Previous year 50,00,000 of ₹ 10/- Each) Preference Shares of ₹ 1/- Each	500.00	500.00
2,15,00,000 (Previous year 21,50,000 of ₹ 20/- Each) Preference Shares of ₹ 2/- Each	430.00	430.00
	930.00	930.00
Issued, Subscribed and Paid-up:		
28,56,640 (Previous year 2,85,664 of ₹ 10/- Each) Compulsorily convertible preference shares of ₹ 1 each-Series A	28.57	28.57
42,47,230 (Previous year 4,24,723 of ₹ 10/- Each) Compulsorily convertible preference shares of ₹ 1 each-Series B	42.47	42.47
97,73,610 (Previous year 9,77,361 of ₹ 10/- Each) Compulsorily convertible preference shares of ₹ 1 each-Series C	97.74	97.74
1,74,21,290 (Previous year 17,42,129 of ₹ 10/- Each) Compulsorily convertible preference shares of ₹ 1 each-Series D	174.21	174.21
2,12,08,440 (Previous year 21,20,844 of ₹ 20 Each) Compulsorily convertible preference shares of ₹ 2 each-Series E	424.17	424.17
Total	767.16	767.16

During the year ended 31 March, 2024 there has been sub-division (split) of the nominal value of each Compulsorily Convertible Preference Share (CCPS) having a face value ₹ 10/- (Rupees Ten Only) each into 10 (Ten) CCPS of ₹ 1/- (Rupee One Only) each and CCPS having a face value ₹ 20/- (Rupees Twenty Only) each into 10 (Ten) CCPS of ₹ 2/- (Rupee Two Only).

Rights, preference and restrictions attached to Compulsorily convertible preference shares ('CCPS')

The Company has issued its compulsorily convertible preference shares of face value of ₹ 1/- each in series A, B, C, D and of face value of ₹ 2/- each in Series E. 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 the last date on which all convertible instruments of the Company undertaking an IPO must be converted into Equity Shares under applicable law or on 31 July, 2029, whichever is earlier.

For series B shares, the shares will be automatically converted into equity shares either 2 days prior to filing of the draft red herring prospectus in connection with the occurrence of the qualified IPO or the last date on which all convertible instruments of the Company undertaking an IPO must be converted into Equity Shares under applicable law or on 25 July, 2032, whichever is earlier.

For series C shares, the shares will be automatically converted into equity shares either 2 days prior to filing of the draft red herring prospectus in connection with the occurrence of the qualified IPO or the last date on which all convertible instruments of the Company undertaking an IPO must be converted into Equity Shares under applicable law or on 25 July, 2032, whichever is earlier.

For series D shares, the shares will be automatically converted into equity shares either 2 days prior to filing of the draft red herring prospectus in connection with the occurrence of the qualified IPO or the last date on which all convertible instruments of the Company undertaking an IPO must be converted into Equity Shares under applicable law or on 23 January, 2037, whichever is earlier.

For series E1 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 the last date on which all convertible instruments of the Company undertaking an IPO must be converted into Equity Shares under applicable law or 26 September, 2041 whichever is earlier.

For series E2 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 the last date on which all convertible instruments of the Company undertaking an IPO must be converted into Equity Shares under applicable law or 26 June, 2041, whichever is earlier.

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

Note 22: Instruments entirely equity in nature (continued)

Details of compulsorily convertible preference shares held by shareholders holding more than 5% of the aggregate shares in the Company

Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	31 March, 2024		31 March, 2023	
	No. of shares	% of holding	No. of shares	% of holding
Series A - Compulsorily convertible preference shares				
Helion Venture Partners II LLC	28,56,640	100.00%	2,85,664	100.00%
Series B - Compulsorily convertible preference shares				
PI Opportunities Fund I	32,00,220	75.35%	3,20,022	75.35%
Helion Venture Partners II LLC	10,47,010	24.65%	1,04,701	24.65%
Series C - Compulsorily convertible preference shares				
India Business Excellence Fund- IIA	37,21,410	38.08%	3,72,141	38.08%
Helion Venture Partners II LLC	25,20,660	25.79%	2,52,066	25.79%
Motilal Oswal Financial Services Limited	10,44,610	10.69%	1,04,461	10.69%
PI Opportunities Fund I	20,66,100	21.14%	2,06,610	21.14%
Series D - Compulsorily convertible preference shares				
PI Opportunities Fund I	1,68,32,630	96.62%	16,83,263	96.62%
Series E1 - Compulsorily convertible preference shares				
Topaz Inclusion Pte. Ltd.	24,00,820	50.31%	2,40,082	50.31%
PI Opportunities Fund I	23,71,120	49.69%	2,37,112	49.69%
Series E2 - Compulsorily convertible preference shares				
Asian Development Bank	65,39,230	39.78%	6,53,923	39.78%
British International Investment plc (formerly known as CDC Group plc),	98,97,270	60.22%	9,89,727	60.22%

Note 22.1 The reconciliation of compulsorily convertible preference shares outstanding at the beginning and at the end of the reporting period:

Name of the shareholder	31 March, 2024		31 March, 2023	
	No. of shares	% of holding	No. of shares	% of holding
Series A - Compulsorily convertible preference shares				
Shares at the beginning of year	2,85,664	2.86	5,71,328	57.13
Add/(Less): shares issued/(converted) during the year	25,70,976	25.71	(2,85,664)	(28.56)
Share at the end of period	28,56,640	28.57	2,85,664	28.57
Series B - Compulsorily convertible preference shares				
Shares at the beginning of year	4,24,723	4.25	5,29,424	52.94
Add/(Less): shares issued/(converted) during the year	38,22,507	38.23	(1,04,701)	(10.47)
Share at the end of period	42,47,230	42.47	4,24,723	42.47

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

Name of the shareholder	31 March, 2024		31 March, 2023	
	No. of shares	% of holding	No. of shares	% of holding
Series C - Compulsorily convertible preference shares				
Shares at the beginning of year	9,77,361	9.77	13,84,888	138.49
Add/(Less): shares issued/(converted) during the year	87,96,249	87.96	(4,07,527)	(40.75)
Share at the end of period	97,73,610	97.74	9,77,361	97.74
Series D - Compulsorily convertible preference shares				
Shares at the beginning of year	17,42,129	17.42	20,14,729	201.47
Add/(Less): shares issued/(converted) during the year	1,56,79,161	156.79	(2,72,600)	(27.26)
Share at the end of period	1,74,21,290	174.21	17,42,129	174.21
Series E - Compulsorily convertible preference shares				
Shares at the beginning of year	21,20,844	42.42	-	-
Add/(Less): shares issued/(converted) during the year	1,90,87,596	381.75	21,20,844	424.17
Share at the end of period	2,12,08,440	424.17	21,20,844	424.17
Total	5,55,07,210	767.16	55,50,721	767.16

Note 23: Other equity

Particulars	31 March, 2024	31 March, 2023
Share premium account		
Opening balance	98,153.38	39,461.27
Addition/(Deduction)	319.73	58,692.11
Closing balance	98,473.11	98,153.38
Statutory reserve under Section 29C of the NHB Act, 1987		
Opening balance	4,826.32	2,991.09
Addition/(Deduction)	2,719.38	1,835.23
Closing balance	7,545.70	4,826.32
Share based payment reserve		
Opening balance	1,811.69	1,389.29
Addition during the year	1,048.98	422.40
Transfer to share premium account	(139.40)	-
Transfer to retained earnings	(30.30)	-
Closing balance	2,690.97	1,811.69
Retained earnings		
Opening balance	17,983.73	10,588.19
Profit for the year	13,596.88	9,176.17
Transfer to statutory reserve under Section 29C of the NHB Act, 1987	(2,719.38)	(1,835.23)
Remeasurement of defined employee benefit plans	(56.24)	54.60
Transfer from share based payment reserve	30.30	-
Closing balance	28,835.29	17,983.73
Equity component of compound financial Instrument	15.77	15.77
Total	1,37,560.84	1,22,790.89

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

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 to note 50)

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 31 March, 2024, the Company has transferred an amount of ₹1,905.24 lakhs (Previous year: 1,541.99 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 ₹ 814.15 lakhs (Previous year: ₹ 293.24 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, ESOP Scheme 2020 and under ESOP Scheme 2022. This Reserve is transferred to Securities Premium Account on exercise of vested options.

Note 24: Interest income

Particulars	31 March, 2024	31 March, 2023
On financial assets measured at amortised cost		
Interest on term loans	54,724.02	40,664.05
Interest income on deposits with banks	281.14	565.20
Others	11.39	13.80
Total	55,016.55	41,243.05

Note 25: Fee and commission income

Particulars	31 March, 2024	31 March, 2023
Application fee	1,202.66	1,112.69
Other fee income	725.92	637.38
Total	1,928.58	1,750.07

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.

Particulars	31 March, 2024	31 March, 2023
Geographical markets		
India	1,928.58	1,750.07
Outside India	-	-
Total revenue from contracts with customers	1,928.58	1,750.07
Timing of revenue recognition		
Services transferred at a point in time	1,928.58	1,750.07
Services transferred over time	-	-
Total revenue from contracts with customers	1,928.58	1,750.07

Note 26: Net gain on fair value change

Particulars	31 March, 2024	31 March, 2023
Net gain on instruments at fair value through profit or loss		
- Realised	1,751.85	1,275.60
Total	1,751.85	1,275.60

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

Note 27: Net gain on derecognition of financial instruments under amortised cost category

Particulars	31 March, 2024	31 March, 2023
Net gain on derecognition of financial instruments	1,570.45	544.53
Total	1,570.45	544.53

Note 28: Other operating income

Particulars	31 March, 2024	31 March, 2023
Recovery from assets written off	8.00	30.95
Recovery from acquired properties	52.00	49.73
Total	60.00	80.68

Note 29: Other income

Particulars	31 March, 2024	31 March, 2023
Marketing support income	1,264.75	277.10
Interest on income tax refund	11.28	-
Miscellaneous income	42.98	182.00
Total	1,319.01	459.10

Note 30: Finance costs

Particulars	31 March, 2024	31 March, 2023
On financial liabilities measured at amortised Cost:		
Interest on debt securities	131.58	735.76
Interest on borrowings (other than debt securities)	21,568.32	15,366.28
Interest on cash credit facilities and overdraft	0.34	28.82
Interest on lease liability	79.48	45.71
Total	21,779.72	16,176.57

Note 31: Impairment on financial instruments

Particulars	31 March, 2024	31 March, 2023
Loans		
Loans assets and EIS receivable	(123.14)	(252.43)
Recoverable from employees & other	-	2.23
Loan commitment (refer note 19)	(29.17)	25.85
Loans write off	115.17	91.02
Others		
Assets held for sale (refer note 14)	23.11	31.55
Loss on sale and settlement of assets acquired	179.35	200.32
Provision for diminution in value of Investment	(134.22)	336.62
Total	31.10	435.16

Note 32: Employee benefits expenses

Particulars	31 March, 2024	31 March, 2023
Salaries and wages	14,553.85	11,311.75
Share based payments to employees	1,048.98	422.40
Contribution to provident and other funds (refer note 36)	737.99	598.69
Provision for gratuity	106.06	124.78
Provision for compensated absences	202.70	89.64
Staff welfare expenses	338.46	154.13
Total	16,988.04	12,701.39

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

Note 33: Other expenses

Particulars	31 March, 2024	31 March, 2023
Rent	437.00	338.40
Rates and taxes	7.44	9.66
Printing and stationery	129.21	107.86
Brokerage & commission	2.53	10.98
Advertisements and sales promotion	199.22	94.28
Legal and professional	572.73	394.37
Auditors's fees*	88.49	82.80
Loan acquisition	578.99	350.83
Information technology support	891.49	742.56
Postage, telegrams and telephones	79.66	72.59
Corporate social responsibility (refer note 45)	134.57	94.28
Storage	28.13	24.65
Communication	76.95	86.51
Travelling and conveyance	437.77	310.91
Repairs and maintenance	203.96	162.66
Insurance	131.55	121.96
Offices Supplies	83.86	90.74
Bank charges	183.07	386.26
Net loss on derecognition of property, plant and equipment	10.47	4.62
Electricity and water charges	150.31	134.34
Director's sitting fees	23.22	32.05
Customer Service Expenses	121.06	210.95
Miscellaneous	90.14	39.85
Total	4,661.82	3,904.11

(A) Payment to auditor*:

Particulars	31 March, 2024	31 March, 2023
- Statutory audit	50.00	50.00
- Limited review	23.50	16.00
- Certification fee	9.00	10.00
- Tax audit [#]	3.30	5.00
- Outlays	2.69	1.80
Total	88.49	82.80

* The figures are exclusive of GST

[#] Payment to another auditor

Note 34: Current tax & Deferred tax

The components of income tax expense for the period ended 31 March, 2024 and 31 March, 2023 are:

Profit or loss section	31 March, 2024	31 March, 2023
Current income tax:		
Current income tax charge	3,252.70	2,480.66
Adjustments in respect of current income tax of previous year	(47.21)	-
Deferred tax:		
Relating to origination and reversal of temporary differences	394.40	(229.38)
Income tax expense reported in the statement of profit or loss	3,599.89	2,251.28

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

Other Comprehensive Income section	31 March, 2024	31 March, 2023
Deferred tax:		
Relating to origination and reversal of temporary differences	18.91	(18.37)
Income tax expense reported in the Other Comprehensive section	18.91	(18.37)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March, 2024 & 31 March, 2023

Particulars	31 March, 2024	31 March, 2023
Accounting profit before tax from continuing operations	17,196.77	11,427.45
Tax at statutory Income Tax rate of @25.17% (Previous year 25.17%)	4,328.08	2,876.06
Other permanent difference	122.57	157.26
Impact of tax deduction under Section 36(1)(viii) of Income-tax Act 1961	(479.51)	(388.09)
Others (including rate change)	(342.95)	(375.58)
Tax for earlier years	(47.21)	-
Tax on other comprehensive Income	18.91	(18.37)
Tax at effective Income Tax rate of @ 20.93% (Previous year 19.70%)	3,599.89	2,251.28
Income tax expense reported in the statement of profit and loss	3,599.89	2,251.28

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
	31 March, 2024	31 March, 2024	31 March, 2024	FY 2023-24	FY 2023-24
Property, plant & equipment	46.37	-	46.37	(20.38)	-
Un-amortised loan origination costs (net of un-amortised processing fee)	-	(419.26)	(419.26)	148.31	-
Deduction for provision for doubtful debt u/s 36(1)(viiia) of The Income- tax Act, 1961	-	(344.89)	(344.89)	148.25	-
Expected credit loss (ECL)	850.91	-	850.91	38.33	-
Provision for acquired properties held for sale	44.79	-	44.79	(5.82)	-
Disallowance as per section 43B of income tax act 1961	132.35	-	132.35	(13.90)	(18.91)
Employee stock option compensation expenses	309.62	-	309.62	-	-
Allowance amount for share issue expenses	168.04	-	168.04	56.02	-
EIR on processing fees of loans	889.40	-	889.40	(119.43)	-
EIS receivable	-	(827.27)	(827.27)	184.83	-
Others	1.53	-	1.53	0.73	-
Right of use assets net of lease liabilities	-	12.79	12.79	(22.54)	-
Total	2,443.01	(1,578.63)	864.38	394.40	(18.91)

Particulars	Deferred tax assets	Deferred tax liabilities	Net Deferred tax asset	Income statement	OCI
	31 March, 2023	31 March, 2023	31 March, 2023	FY 2022-23	FY 2022-23
Property, plant & equipment	25.99	-	25.99	(6.50)	-
Un-amortised loan origination costs (net of un-amortised processing fee)	-	(270.95)	(270.95)	34.12	-
Deduction for provision for doubtful debt u/s 36(1)(viiia) of The Income- tax Act, 1961	-	(196.64)	(196.64)	114.50	-
Expected credit loss (ECL)	889.24	-	889.24	57.03	-
Provision for acquired properties held for sale	38.97	-	38.97	(7.94)	-

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For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

Particulars	Deferred tax assets	Deferred tax liabilities	Net Deferred tax asset	Income statement	OCI
	31 March, 2023	31 March, 2023	31 March, 2023	FY 2022-23	FY 2022-23
Disallowance as per section 43B of income tax act 1961	99.54	-	99.54	9.29	18.37
Employee stock option compensation expenses	309.62	-	309.62	40.04	-
Allowance amount for share issue expenses	224.06	-	224.06	(224.06)	-
EIR on processing fees of loans	769.97	-	769.97	(225.09)	-
EIS receivable	-	(642.44)	(642.44)	(29.73)	-
Others	2.26	-	2.26	0.31	-
Right of use assets net of lease liabilities	-	(9.75)	(9.75)	8.65	-
Total	2,359.65	(1,119.78)	1,239.87	(229.38)	18.37

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	31 March, 2024	31 March, 2023
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.)	7,57,77,623	7,05,94,020
Net profit for calculation of basic EPS (In Lakhs)	13,596.88	9,176.17
Basic earnings per share (In ₹)	17.94	13.00
Diluted		
Weighted average number of equity shares for computation of Diluted EPS (in Nos.)	7,94,75,752	7,35,10,600
Net profit for calculation of Diluted EPS (in lakhs)	13,617.45	9,192.51
Diluted earnings per share (In ₹)	17.13	12.51
Reconciliation of profit for calculation of diluted EPS		
Net profit for calculation of basic EPS (₹ in lakhs)	13,596.88	9,176.17
Interest on optionally convertible debentures (net of income tax)	20.57	16.34
Net profit for calculation of Diluted EPS (₹ in lakhs)	13,617.45	9,192.51
Reconciliation of Weighted average number of shares outstanding		
Weighted average number of equity shares for computation of Basic EPS	7,57,77,623	7,05,94,020
Employee stock options	4,29,219	1,47,810
Optionally convertible debentures	32,68,910	27,68,770
Weighted average number of equity shares for computation of Diluted EPS	7,94,75,752	7,35,10,600
Nominal/Face Value of equity shares (In ₹)	1.00	1.00

During the year ended 31 March, 2024 there has been sub-division (split) of the nominal value of each Equity Share having a face value of ₹ 10/- (Rupees Ten Only) each into 10 (Ten) Equity Shares of ₹ 1/- (Rupee One Only) each, Compulsorily Convertible Preference Share having a present face value ₹ 10/- (Rupees Ten Only) each into 10 (Ten) Preference Shares of ₹ 1/- (Rupee One Only) each and Compulsorily Convertible Preference Share having a present face value ₹ 20/- (Rupees Twenty Only) each into 10 (Ten) Preference Shares of ₹ 2/- (Rupee Two Only). Accordingly, EPS and diluted EPS for the previous year has been restated.

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	31 March, 2024	31 March, 2023
Employers' Contribution to Employee's Provident Fund	638.03	514.67

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

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:

Table showing change in the present value of projected benefit obligation

Particulars	31 March, 2024	31 March, 2023
Change in benefit obligations		
Present value of benefit obligation at the beginning of the year	513.17	516.62
Interest cost	37.28	25.04
Current Service cost	102.08	116.62
Liability Transferred In/Acquisition	-	-
Benefit Paid From the Fund	(59.43)	(73.44)
Actuarial (Gains) on Obligations - Due to Change in Demographic Assumptions	8.88	(60.72)
Actuarial (Gains) on Obligations - Due to Change in Financial Assumptions	19.02	(67.86)
Actuarial Losses on Obligations - Due to Experience	72.19	56.91
Liability at the end of the year	693.19	513.17

Table Showing Change in the Fair Value of Plan Assets

Particulars	31 March, 2024	31 March, 2023
Fair Value of Plan Assets at the beginning of the year	458.36	348.27
Interest income	33.30	16.88
Contributions by the Employer	160.00	165.35
Benefit Paid From the Fund	(59.42)	(73.44)
Return on Plan Assets, Excluding Interest Income	24.94	1.30
Fair Value of Plan Assets at the end of the year	617.18	458.36

Amount recognized in the Balance Sheet

Particulars	31 March, 2024	31 March, 2023
Present value of benefit obligation at the end of the year	693.19	513.17
Fair value of plan assets at the end of the year	617.18	458.37
Net liability recognized in the balance sheet	(76.01)	(54.80)

Expenses recognized in the Statement of Profit and Loss

Particulars	31 March, 2024	31 March, 2023
Current service cost	102.08	116.62
Net Interest cost	3.98	8.16
Expenses recognised	106.06	124.78

Expenses recognized in the Other comprehensive income (OCI)

Particulars	31 March, 2024	31 March, 2023
Actuarial Gains on obligation for the year	100.09	(71.67)
Return on Plan Assets, excluding Interest Income	(24.94)	(1.30)
Net Income for the year recognized in OCI	75.15	(72.97)

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

The actuarial assumptions used to determine benefit obligations for gratuity as at 31 March, 2024 and 31 March, 2023 are as follows:

Particulars	31 March, 2024	31 March, 2023
Discount Rate	7.10%	7.25%
Salary escalation rate	11.00%	10.00%
Rate of Employee Turnover:		
Business year	14.30%	18.00%
Manager year	74.50%	76.00%
Executive year	84.00%	74.00%

Balance sheet reconciliation

Particulars	31 March, 2024	31 March, 2023
Opening net liability	54.80	168.35
Expenses recognized in Statement of Profit and Loss	106.06	124.78
Expenses recognized in OCI	75.15	(72.97)
(Employer's Contribution)	(160.00)	(165.36)
Net liability recognized in the balance sheet	76.01	54.80

Cash Flow Projection

Maturity analysis of the benefit payments from the fund

Particulars	31 March, 2024	31 March, 2023
Projected benefits payable in future years from the date of reporting		
1st following year	381.90	259.04
2 to 5 years	258.65	244.02
6 to 10 years	127.64	86.87
More than 10 years	123.38	49.09

Sensitivity analysis

Particulars	31 March, 2024	31 March, 2023
Projected benefit obligation on current assumptions		
Delta effect of +1% change in rate of discounting	(19.59)	(12.72)
Delta effect of -1% change in rate of discounting	21.23	13.59
Delta effect of +1% change in rate of salary increase	20.26	13.11
Delta effect of -1% change in rate of salary increase	(19.10)	(12.52)
Delta effect of +50%/+5% change in rate of employee turnover	(37.65)	(35.33)
Delta effect of -50%/-5% change in rate of employee turnover	100.61	71.69

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's main business is financing by way of loans for purchase or construction of residential houses, commercial real estate and certain other purposes in India. All other activities of the Company revolve around the main business. Accordingly, there are no separate reportable segments as per IND-AS 108 dealing with Operating Segment.

Note 38: Leases where the Company is a Lessee

The Company's lease asset class primarily consist of leases for buildings, car 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).

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Particulars	31 March, 2024	31 March, 2023
Opening net carrying balance	721.33	612.33
Additions	726.42	459.40
Deletion	(37.10)	-
Depreciation	(529.38)	(350.40)
Closing net carrying balance	881.27	721.33

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

Particulars	31 March, 2024	31 March, 2023
Opening Balance	682.58	607.96
Additions	725.95	458.93
Deletions	(37.10)	-
Accretion of interest	79.48	45.71
Payments	(518.84)	(430.02)
Closing Balance	932.07	682.58

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
31 March, 2024			
Termination options expected to be exercised	11.80	-	11.80
31 March, 2023			
Termination options expected to be exercised	153.44	-	153.44

Amounts recognized in the statement of Profit and Loss	31 March, 2024	31 March, 2023
Depreciation expense		
Depreciation on right of use assets	529.38	350.40
Other expenses		
Short-term lease rent expense	428.53	326.03
Finance cost		
Interest expense on lease liability	79.48	45.71

The Company has total cash outflows for leases of ₹ 790.57 (in lakhs) for the year ended 31 March, 2024 (₹ 649.67 (in lakhs) in 31 March, 2023).

Amount recognised in statement of cash flow

Particulars	31 March, 2024	31 March, 2023
a) cash payments for the principal portion of the lease liability within financing activities;	439.36	384.31
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	79.48	45.71
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.	271.73	219.65

Note 39: Change in liabilities arising from financing activities

Particulars	1 April, 2023	Cash flows (net)	Other*	31 March, 2024
Debt securities including commercial papers	4,574.18	(4,250.00)	3.04	327.22
Borrowings other than debt securities	1,76,037.05	1,51,511.21	(593.05)	3,26,955.21
Total	1,80,611.23	1,47,261.21	(590.01)	3,27,282.43

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

Particulars	1 April, 2022	Cash flows (net)	Other*	31 March, 2023
Debt securities including commercial papers	12,736.20	(8,243.01)	80.99	4,574.18
Borrowings other than debt securities	1,67,329.48	8,832.70	(125.13)	1,76,037.05
Total	1,80,065.68	589.69	(44.14)	1,80,611.23

* Other column represents amortisation of transaction cost

Note 40: Contingent liabilities and commitments

i) Contingent liabilities

a) Income tax

The Company has two pending matters related to the income tax for AY 2018-19 and AY 2020-21.

For AY 2018-19, Company has received a demand order of ₹ 111.21 lakh under section 156 of Income Tax Act, 1961 based on assessment done under section 143(3). Management is of the view that probability of demand raised by Assessing officer (AO) is very remote. Hence, no provision has been recorded in books of accounts as on reporting date. Further, the Company has filed an appeal on 24 May, 2021 before Commissioner of Income Tax (Appeals) (CIT (A)) against the said order. The matter is yet to be heard before CIT(A).

For AY 2020-21, on the same ground as in AY 2018-19, AO has raised a demand order of ₹ 74.82 lakh under section 156 of Income Tax Act, 1961 based on assessment done under section 143(3). The said matter is already subjudice before CIT (A) for AY 2018-19 and management is of the view that probability of demand raised by AO is very remote. The Company has filed an appeal against the said order as well on 19 October, 2022 before CIT (A). Hence, no provision has been recorded in books of accounts as on reporting date. The matter is yet to be heard before CIT(A).

b) The Company has given Bank Guarantees for refinance facilities from NHB of ₹ 200 lakhs (31 March, 2023: 200 lakhs).

c) The Company's pending litigations comprise of claims against the Company primarily by the customers. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements.

ii) Capital Commitments

Particulars	31 March, 2024	31 March, 2023
Undisbursed amount of loans sanctioned (refer note 19.1)	15,790.53	15,971.30
Property, plant and equipment	49.74	31.26

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	Wholtime Director
Ms. Rupa Basu	Wholtime Director
Mr. Vinod Rai	Independent Director
Mr. Rakesh Rewari	Independent Director
Ms. Latika Thukral	Independent Director
Mr. Manoj Dattatraya Rane	Independent Director
Mr. Sarvanan Nattanmai	Nominee Director
Mr. Manoj Jaiswal	Nominee Director
Mr. Rahul Chandra	Nominee Director
Mr. Pranav Kumar	Nominee Director
Mr. Gaurav Malhotra	Nominee Director
Mr. Vishal Kanodia	Chief Financial Officer
Ms. Neeta Kamra	Company Secretary & Compliance Officer

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

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 are in the ordinary course of business and are as follows :

Payments to key managerial personnel*

Particulars	31 March, 2024	31 March, 2023
Short term benefits (remuneration)	780.71	644.37
Share based payment [#]	461.03	127.99

*The amount excludes provision made for gratuity and leave encashment which are provided for a group of employees on overall basis.

[#] Share based payments includes the expenses booked during the year on proportionate basis as per vesting schedule against ESOPs granted to the KMPs on the basis of ESOP option valuation for respective grants till 31 March, 2024.

Transactions during the year

Particulars	31 March, 2024	31 March, 2023
Key management personnel:		
Optionally Convertible debentures issued (refer note 16)	-	256.99
Sitting fees paid	21.30	29.40
Interest paid on Optionally convertible debentures	27.50	21.84

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

Shubham Gratuity Trust:

Particulars	31 March, 2024	31 March, 2023
Contribution to Gratuity Trust	160.00	165.35
Reimbursement from Trust	59.53	65.14

Balances at year end

Particulars	31 March, 2024	31 March, 2023
Key management personnel		
Optionally Convertible debentures**	342.99	342.99
Interest outstanding	0.05	0.05
ESOPs outstanding ^{##}	622.10	418.88
Receivable from Gratuity trust		
Gratuity amount receivable	4.89	1.27

** Outstanding balance of optionally convertible debentures are as per contractual repayment term.

^{##} 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 13 times of their net owned funds (NOF) on or after 31 March, 2023. The Company includes with in debt, its all interest bearing loans and borrowings.

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

Debt to Net worth ratio is as under:

Particulars	31 March, 2024	31 March, 2023
Debts	3,27,282.43	1,80,611.23
Net worth***	1,30,324.48	1,17,224.42
Debt to Net worth (in times)	2.51	1.54

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

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:

Assets	31 March, 2024			31 March, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	26,207.55	-	26,207.55	15,432.24	-	15,432.24
Bank balance other than cash and cash equivalents	103.47	202.54	306.01	308.09	201.01	509.10
Loans	16,843.65	4,20,203.95	4,37,047.60	10,182.47	2,86,910.58	2,97,093.05
Investments	500.85	1,794.51	2,295.36	968.31	2,259.37	3,227.68
Other financial assets	1,920.14	2,134.48	4,054.62	1,189.22	1,954.30	3,143.52
Non-financial assets						
Current tax assets (net)	836.02	-	836.02	720.33	-	720.33
Deferred tax assets (net)	-	864.38	864.38	-	1,239.87	1,239.87
Property, plant and equipment	-	910.43	910.43	-	845.60	845.60
Intangible assets under development	-	49.27	49.27	-	43.40	43.40
Intangible assets	-	96.94	96.94	-	116.78	116.78
Right-of-use assets	-	881.27	881.27	-	721.33	721.33
Other non-financial assets	4,378.82	13.58	4,392.40	2,828.45	50.70	2,879.15
Assets held for sale	605.48	1,347.67	1,953.15	-	1,695.29	1,695.29
Total assets	51,395.98	4,28,499.03	4,79,895.00	31,629.11	2,96,038.23	3,27,667.34

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For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

LIABILITIES	31 March, 2024			31 March, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities						
Trade Payables						
(i) total outstanding dues of micro enterprises and small enterprises	169.37	-	169.37	45.24	-	45.24
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	889.46	-	889.46	757.14	-	757.14
Debt Securities	68.23	258.99	327.22	4,246.96	327.22	4,574.18
Borrowings (other than debt securities)	72,780.19	2,54,175.02	3,26,955.21	48,356.29	1,27,680.76	1,76,037.05
Other financial liabilities	11,667.96	446.80	12,114.76	21,425.00	366.31	21,791.31
Non-financial liabilities						
Provisions	139.96	412.50	552.46	342.56	108.73	451.29
Other Non-financial Liabilities	355.54	-	355.54	251.66	-	251.66
Total liabilities	86,070.71	2,55,293.31	3,41,364.02	75,424.85	1,28,483.02	2,03,907.87
Net	(34,674.73)	1,73,205.72	1,38,530.98	(43,795.74)	1,67,555.21	1,23,759.47

On the basis of ageing as given above, expected dates of realization of assets and payment of financial liabilities along with maturity analysis and management plans to raise funds, the Company is capable of meeting its liabilities as and when they fall due within a period of one year from the balance sheet date.

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.

Notes to the Financial Statements

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(All amount in ₹ lakhs, unless stated otherwise)

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.

Disclosures below represents owned book term loans portfolio i.e. excluding MRR of securitised and assigned loans.

Loans to Customers:

As at 31 March, 2024

LTV bucket	Stage 1	Stage 2	Stage 3	Total
<=40	88,907.53	2,796.96	1,821.42	93,525.91
40-60	1,17,475.76	3,311.46	1,461.68	1,22,248.90
60-70	59,689.89	1,655.27	599.13	61,944.29
70-80	58,287.80	1,614.44	391.30	60,293.54
>80	97,117.44	1,710.93	881.07	99,709.44
Total	4,21,478.42	11,089.06	5,154.60	4,37,722.08

Sector/Employment	Stage 1	Stage 2	Stage 3	Total
Housing:				
Salaried	1,84,268.66	3,276.18	1,082.15	1,88,626.99
Self Employed	1,20,076.63	4,100.93	1,925.63	1,26,103.19
Non-Housing:				
Salaried	39,108.85	980.86	597.24	40,686.95
Self Employed	78,024.28	2,731.09	1,549.58	82,304.95
Total	4,21,478.42	11,089.06	5,154.60	4,37,722.08

Geographical Concentration	Stage 1	Stage 2	Stage 3	Total
Maharashtra	1,41,874.71	3,833.60	1,971.39	1,47,679.70
Delhi	71,905.75	781.80	267.10	72,954.65
Uttar Pradesh	56,199.82	1,821.97	939.30	58,961.09
Haryana	36,348.82	1,393.94	428.11	38,170.87
Madhya Pradesh	22,914.24	1,061.08	431.39	24,406.71
Rajasthan	16,610.07	786.33	218.24	17,614.64
Gujarat	24,893.21	551.34	231.64	25,676.19
Punjab	18,407.33	476.68	380.19	19,264.20
Uttarakhand	7,056.75	162.90	92.74	7,312.39
Telangana	8,070.46	-	29.25	8,099.71
Bihar	485.16	128.94	73.85	687.95
Andhra Pradesh	11,253.51	-	-	11,253.51
Jharkhand	331.73	44.52	76.98	453.23

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For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

Geographical Concentration	Stage 1	Stage 2	Stage 3	Total
Chhattisgarh	234.24	45.97	14.42	294.63
Tamil Nadu	4,892.61	-	-	4,892.61
Total	4,21,478.41	11,089.07	5,154.60	4,37,722.08

As at 31 March, 2023

LTV bucket	Stage 1	Stage 2	Stage 3	Total
<=40	65,946.39	2,280.66	2,166.66	70,393.71
40-60	86,568.40	2,856.99	1,395.04	90,820.43
60-70	43,880.52	1,385.53	526.84	45,792.89
70-80	36,607.36	1,479.40	607.82	38,694.58
>80	50,849.43	1,692.85	667.25	53,209.53
Total	2,83,852.10	9,695.43	5,363.61	2,98,911.14

Sector/Employment	Stage 1	Stage 2	Stage 3	Total
Housing:				
Salaried	1,25,659.18	3,242.54	1,133.64	1,30,035.36
Self Employed	74,997.46	3,737.10	2,159.90	80,894.46
Non-Housing:				
Salaried	24,250.63	882.44	596.80	25,729.87
Self Employed	58,944.83	1,833.35	1,473.27	62,251.45
Total	2,83,852.10	9,695.43	5,363.61	2,98,911.14

Geographical Concentration	Stage 1	Stage 2	Stage 3	Total
Maharashtra	1,00,048.37	3,175.61	1,834.52	1,05,058.50
Delhi	48,019.54	937.16	247.53	49,204.23
Uttar Pradesh	40,375.87	1,547.86	830.50	42,754.23
Haryana	28,180.09	957.81	396.77	29,534.67
Rajasthan	17,216.44	826.27	722.09	18,764.80
Madhya Pradesh	14,573.62	767.72	688.86	16,030.20
Gujarat	14,831.01	451.46	235.74	15,518.21
Punjab	12,584.51	573.52	252.93	13,410.96
Uttarakhand	4,581.99	147.57	39.07	4,768.63
Bihar	1,519.54	-	-	1,519.54
Jharkhand	636.04	163.50	56.77	856.31
Chhattisgarh	587.05	-	-	587.05
Telangana	408.54	80.43	47.50	536.47
Andhra Pradesh	289.49	66.52	11.33	367.34
Total	2,83,852.10	9,695.43	5,363.61	2,98,911.14

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.

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

The table below summaries the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities:

As at 31 March, 2024

Particulars	Up to 1 year	1-3 years	3-5 years	5 years above	Total
Cash and bank balances	26,311.26	2.30	-	200.00	26,513.56
Loans	75,555.58	1,55,572.02	1,44,710.28	8,63,559.14	12,39,397.02
Investments	545.01	638.18	532.27	782.30	2,497.77
Other financial assets	1,920.15	1,811.21	313.33	9.93	4,054.62
Total	1,04,332.00	1,58,023.72	1,45,555.88	8,64,551.37	12,72,462.97
Borrowings (including debt securities)	99,066.84	1,61,486.48	99,117.20	46,385.56	4,06,056.07
Trade payables	1,058.83	-	-	-	1,058.83
Other financial liabilities (Other than lease liability)	11,182.69	-	-	-	11,182.69
Lease liability	485.27	372.71	74.09	-	932.07
Total	1,11,793.63	1,61,859.19	99,191.29	46,385.56	4,19,229.66

As at 31 March, 2023

Particulars	Up to 1 year	1-3 years	3-5 years	5 years above	Total
Cash and bank balances	15,741.34	-	-	200.00	15,941.34
Loans	56,460.83	1,09,288.07	1,06,771.09	7,10,168.16	9,82,688.16
Investments	1,069.29	1,603.94	891.08	-	3,564.30
Other financial assets	1,189.22	1,654.86	292.52	6.92	3,143.52
Total	74,460.68	1,12,546.86	1,07,954.69	7,10,375.08	10,05,337.32
Borrowings (including debt securities)	67,205.48	88,540.18	50,601.96	11,824.06	2,18,171.68
Trade payables	802.38	-	-	-	802.38
Other financial liabilities (Other than lease liability)	21,108.73	-	-	-	21,108.73
Lease liability	316.27	354.95	11.36	-	682.58
Total	89,432.86	88,895.13	50,613.32	11,824.06	2,40,765.37

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.

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:

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

(a) Loans (at floating rate)

Particulars	Year ended 31 March, 2024		Year ended 31 March, 2023	
	Basis points	Effect on profit before tax	Basis points	Effect on profit before tax
Increase in basis points	50	2,155.70	50	1,464.23
Decrease in basis points	(50)	(2,155.70)	(50)	(1,464.23)

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

Particulars	Year ended 31 March, 2024		Year ended 31 March, 2023	
	Basis points	Effect on Profit before tax	Basis points	Effect on Profit before tax
Increase in basis points	50	1,540.66	50	855.54
Decrease in basis points	(50)	(1,540.66)	(50)	(855.54)

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. Accordingly, 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 31 March, 2024

Nature of Activity	To be incurred	Incurred	Shortfall	Total
Construction/acquisition of any asset	-	-	-	-
Education and welfare	134.57	134.57	-	134.57

As at 31 March, 2023

Nature of Activity	To be incurred	Incurred	Shortfall	Total
Construction/acquisition of any asset	-	-	-	-
Education and welfare	94.28	94.28	-	94.28

(b) CSR Contribution with Related Party

Contribution to a trust controlled by the Company in relation to CSR expenditure Nil (Previous Year Nil)

Note 46: Expenditure in foreign currency

Particulars	31 March, 2024	31 March, 2023
Other service charges	-	-
Total	-	-

Note 47: Employee Stock Option Plan

(i) Details of the plan are given below:

The shareholders of the Company passed special resolution in the extra-ordinary general meeting of the Company held on 27 June, 2022 authorizing Board/Compensation Committee to create, offer, issue and allot from time to time such Employee Stock Options not exceeding 1,63,667 to employees under the Employee Stock Option Scheme 2022 ('ESOP Scheme 2022'). Each such stock option, upon satisfying all such conditions as may be prescribed in accordance with the ESOP Scheme 2022, is exercisable for one (1) equity share of face value of ₹ 10/- fully paid up on payment to the Company such price as may be determined in accordance with ESOP Scheme 2022.

The shareholders of the Company passed special resolution in the extra-ordinary general meetings of the Company in previous years authorizing Board/Compensation Committee to create, offer, issue and allot from time to time such Employee Stock Options not exceeding 1,27,889 and 1,19,047 to employees under the Employee Stock Option Scheme 2020 ('ESOP Scheme 2020') and ESOP Scheme 2013 respectively. Each such stock option, upon satisfying all such conditions as may be prescribed in accordance with the ESOP Scheme 2020 and ESOP Scheme 2013, is exercisable for one (1) equity share of face value of ₹ 10/- fully paid up on payment to the Company such price as may be determined.

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

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, ESOP Scheme 2020 and ESOP Scheme 2022 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 31 March, 2024 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	1 May, 2015 and 24 Aug, 2015	17,442	10	Equity	1-4 years	955.28 to 956.74
Series II	1 Oct, 2017	17,800	10	Equity	1-4 years	1,158.76 to 1,160.10
Series III	1 Jul, 2018	12,500	10	Equity	1-4 years	1,379.06 to 1,380.74
Series IV	1 May 2019, 1 Oct ,2019 and 1 January, 2020	41,900	10	Equity	1-4 years	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	2,675.86 to 2,677.49
Series VI	1 June, 2022 and 1 January, 2023	26,850	10	Equity	1-4 years	2,821.16 and 3,002.19
Series VII	1 June, 2023	500	10	Equity	1-4 years	3,042.63
ESOP Scheme 2020						
Series I	1 May ,20	25,000	1166.41	Equity	1-4 years	392.81 to 560.85
Series II	1 May, 2021	10,895	1166.41	Equity	1-4 years	1690.95 to 1932.32
Series III	1 June, 2022	28,762	1166.41	Equity	1-4 years	1,957.11 and 1,998.48
Series IV	1 June, 2023	19676	1166.41	Equity	1-4 years	2,234.65 , 2,279.90 and 2,315.77
Series V	1 October, 2023	5000	1166.41	Equity	1-4 years	2,484.08
ESOP Scheme 2022						
Series I	1 June, 2023	17950	2,829.00	Equity	1-4 years	1,610.67
Series II	1 October, W2023	12500	2,829.00	Equity	1-4 years	1,758.48
Series III	1 January, 2024	1000	2,829.00	Equity	1-4 years	1,682.41

Vesting conditions:

The Compensation Committee, in its discretion, at the time of each Grant, may lay down certain performance metrics on the achievement of which the granted options would vest, the detailed terms and conditions relating to such performance based vesting, and the proportion in which options are granted would vest (subject to the minimum and maximum vesting period as specified above).

The Options would vest only if the Option Grantee continues to be in employment of the Company on the date that they are due to vest. No options would vest in case employment is severed and in such case the date of resignation / termination shall be considered for reckoning the period of vesting.

(ii) The expense recognised for employee services received during the year is shown in the following table:

Particulars	31 March, 2024	31 March, 2023
Expense arising from equity-settled share-based payment transactions	1,048.98	422.40
Total	1,048.98	422.40

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

(iii) Movements during the year

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

As at 31 March, 2024

Particulars	ESOP Scheme 2022	ESOP Scheme 2020	ESOP Scheme 2013
	Series-I to III	Series-I to V	Series-I to VII
Outstanding at 1 April, 2023	-	64,657	1,16,992
Granted during the year	33,300	25,701	500
Forfeited during the year	(1,850)	(3,661)	-
Exercised during the year	-	(15,600)	(4,850)
Expired during the year	-	(1,691)	(400)
Outstanding at 31 March, 2024	31,450	69,406	1,12,242
Exercisable at 31 March, 2024	-	21,755	87,442
Weighted average exercise prices (WAP) (₹)	2,829	1,166	10

As at 31 March, 2023

Particulars	ESOP Scheme 2020	ESOP Scheme 2013
	Series-I & II	Series-I to V
Outstanding at 1 April, 2022	37,870	96,454
Granted during the year	33,137	26,850
Forfeited during the year	(2,575)	-
Exercised during the year	-	-
Expired during the year	(3,775)	(6,312)
Outstanding at 31 March, 2024	64,657	1,16,992
Exercisable at 31 March, 2024	21,101	75,917
Weighted average exercise prices (WAP) (₹)	1,166	10

1. Weighted average remaining contractual life for the share options outstanding as at 31 March, 2024 was 0.31 years, 2.09 years and 3.42 years (Previous year 0.58 years and 1.96) for ESOP Scheme 2013, ESOP Scheme 2020 and ESOP Scheme respectively.
2. Weighted average fair value of options granted during the year was ₹ 3,042.63, ₹ 2,234.65 & ₹ 2,279.90 & ₹ 2,315.77 & ₹ 2,484.08 and ₹ 1,610.67 & ₹ 1,758.48 & ₹ 1,682.41 (Previous year was ₹ 2,821.16 & ₹ 3,002.19 and ₹ 1,957.11 & ₹ 1,998.48) for ESOP Scheme 2013, ESOP Scheme 2020 and Scheme 2022 respectively.
3. Exercise prices for options outstanding at the end of the year was ₹ 10, ₹ 1,166 and ₹ 2,829 per option (Previous year ₹ 10 and 1,166 per option) for ESOP Scheme 2013, ESOP Scheme 2020 and Scheme 2022 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 vesting
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	6.70 to 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
Series V	2,676.67	43.80 to 44.06	4.47 to 5.81	Nil	Up to 5.50 years
Series VI	2,821.16 and 3,002.19	43.94 to 45.00 and 38.66 to 42.07	6.50 to 7.03 and 6.96 to 7.17	Nil	Up to 4.50 years
Series VII	3,042.63	40.49 to 41.92	6.78 to 6.81	Nil	Up to 5 years

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

Particulars	Fair value on Grant date	Expected volatility (%)	Risk free interest rate (%)	Dividend yield (%)	Expected maturity from date of vesting
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
Series III	1,957.11 and 1,998.48	45.00 to 45.68	6.50 to 7.18	Nil	Up to 5.50 years
Series IV	2,234.65 , 2,279.90 and 2,315.77	40.49 to 47.60	6.78 to 6.88	Nil	Up to 7 years
Series V	2,484.08	39.59 to 41.28	7.11 to 7.14	Nil	Up to 7 years
ESOP Scheme 2022					
Series I	1,610.67	40.49 to 47.60	6.78 to 6.88	Nil	Up to 7 years
Series II	1,758.48	39.59 to 41.28	7.11 to 7.14	Nil	Up to 7 years
Series III	1,682.41	39.59 to 41.28	7.02 to 7.09	Nil	Up to 7 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 31 March, 2024

Particulars	Carrying value	Fair Value			Total
		Level I	Level II	Level III	
Financial assets					
Investments	2,497.77	-	-	2,295.36	2,295.36
Asset held for sale	1,953.15	-	-	3,121.85	3,121.85
Financial liabilities					
Debt Securities at fixed rate	-	-	-	-	-
Borrowings (Other than debt securities) at fixed rate	19,776.94	-	18,704.70	-	18,704.70

As at 31 March, 2023

Particulars	Carrying value	Fair Value			Total
		Level I	Level II	Level III	
Financial assets					
Investments	3,564.30	-	-	3,227.68	3,227.68
Asset held for sale	1,695.29	-	-	3,084.21	3,084.21
Financial liabilities					
Debt Securities at fixed rate	4,246.97	-	4,254.69	-	4,254.69
Borrowings (Other than debt securities) at fixed rate	5,990.83	-	5,557.62	-	5,557.62

There have been no transfers between Level 1, Level 2 and Level 3 for the year ended 31 March, 2024, 31 March, 2023

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.

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

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 or as per Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated 24 September, 2021 .

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					
31 March, 2024	-	39.93	-	39.93	39.93
31 March, 2023	-	102.46	-	102.46	102.46

Note 50: 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 17 February, 2021 and additional disclosure required in terms of Notifications –Scale Based Regulation (SBR): A Revised regulation framework for NBFCs vide reference no. DOR.CRE.REC.No.60/03.10.001/2021-22, dated 22 October, 2021 are given in **Annexure 1**.

Note 51: Additional regulatory disclosures

- The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken.
- 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.
- 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.
- The Company is not declared a wilful defaulter by any bank or financial Institution or other lender during the year.
- 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
-	-	-	-

Details are verified as on 31 March, 2024

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

Notes to the Financial Statements

For the year ended 31 March, 2024

(All amount in ₹ lakhs, unless stated otherwise)

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 funds) to 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 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 is not applicable to the Company as on the reporting date.

Note: 52 : Amendment in Prevailing Standards

On 31 March, 2023, MCA amended the companies (Indian Accounting Standards) Rules, 2015. The effective date of adoption of these amendments is annual period beginning on or after 1 April, 2023. The significant amendments are as below.

(i) Ind AS -1, Presentation of Financial Statements

This amendments requires the entities to disclosure their material account policies information rather than their significant accounting policies. The Company has evaluated the amendment and the impact of amendment is insignificant on its financials statements.

(ii) Ind AS -8, Accounting Policies, Change in Accounting Estimates and Error

This amendments has introduced a definition of 'Accounting estimates' and included amendments to Ind AS 8 to help entities distinguish change in accounting policies from change in accounting estimates. The Company has evaluated the amendment and the impact of amendment is insignificant on its financial statement.

Note 53: 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

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration Number: 105047W

Prateek Khandelwal

Partner

Membership Number: 139144

Place: Gurugram

Date: 16 May, 2024

For and on behalf of the Board of Directors of

Shubham Housing Development Finance Company Limited

Sanjay Chaturvedi

Director

DIN : 01636432

Vishal Kanodia

Chief Financial Officer

Place: Gurugram

Date: 16 May, 2024

Rupa Basu

Director

DIN : 08068918

Neeta Kamra

Company Secretary

(M. No.: ACS 22892)

Notes to the Financial Statements

For the year ended 31 March, 2024

Annexure 1 to Note 50 of the Financial Statements

Disclosures as 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 17 February, 2021, Scale Based Regulation (SBR): A Revised regulation framework for NBFCs vide reference no. DOR.CRE.REC. No.60/03.10.001/2021-22, dated 22 October, 2021 and other regulatory disclosures.

Note 1: Capital

Particulars	(Amount in crores)	
	31 March, 2024	31 March, 2023
Capital to Risk Assets Ratio (CRAR) (%)	41.88%	61.31%
CRAR - Tier I Capital (%)	41.45%	60.62%
CRAR - Tier II Capital (%)	0.43%	0.69%
Amount of subordinated debt raised as Tier- II Capital	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-

Note 2: Reserve Fund u/s 29C of NHB Act, 1987

Particulars	(Amount in crores)	
	31 March, 2024	31 March, 2023
Balance at the beginning of the year		
Statutory reserve under Section 29C of the NHB Act, 1987	6.68	3.75
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	41.58	26.16
Total	48.26	29.91
Addition / appropriation/ withdrawal during the year		
Add: Amount transferred under Section 29C of the NHB Act, 1987	8.14	2.93
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	19.05	15.42
Less: Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
Less: Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
Total	27.19	18.35
Balance at the end of the year		
Statutory reserve under section 29C of the NHB Act, 1987	14.83	6.68
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	60.63	41.58
Total	75.46	48.26

Note 3: Details of loans transferred/acquired during the year ended 31 March, 2024 under the Master Direction - RBI (Transfer of Loan Exposures) Directions, 2021 dated 24 September, 2021 are given below:

(i) Details of stressed loans transferred/acquired:

Sr. No.	Particulars	(Amount in crores)					
		31 March, 2024			31 March, 2023		
		To ARC	To permitted transferees	To other transferees	To ARC	To permitted transferees	To other transferees
(i)	No. of accounts	-	-	-	-	-	-
(ii)	Aggregate principal outstanding of loans transferred	-	-	-	-	-	-
(iii)	Weighted average residual tenure of the loans transferred (in years)	-	-	-	-	-	-
(iv)	Net book value of the loans transferred (at the time of transfer)	-	-	-	-	-	-
(v)	Aggregate consideration	-	-	-	-	-	-
(vi)	Aggregate consideration realised in respect of loans transferred in earlier years	-	-	-	-	-	-

Note:- The Company has not acquired/transferred stressed loan.

Note:- Details of ratings of security receipts are as below:

Notes to the Financial Statements

For the year ended 31 March, 2024

			(Amount in crores)	
Particulars	Rating Agency	Recovery rating	Outstanding as on 31 March, 2024	Outstanding as on 31 March, 2023
Security Receipts-1	Acuité Ratings & Research Limited	ACUITE RR1+	0.65	1.76
Security Receipts-2	Infomerics Valuation and Rating Private Limited	IVR RR1	24.33	33.88

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

		(Amount in crores)			
Sr. No.	Particulars	31 March, 2024		31 March, 2023	
		Transferred	Acquired	Transferred	Acquired
(i)	Aggregate amount of loans transferred	139.29	-	32.21	-
(ii)	Weighted average maturity (in years)	11.75	-	7.61	-
(iii)	Weighted average holding period (in years)	1.73	-	2.92	-
(iv)	Retention of beneficial economic interest by obligator (%)	10%	-	10%	-
(v)	Tangible security coverage (%)	100%	-	100%	-
(vi)	Rating wise distribution of rated loans	Not Applicable	-	Not Applicable	-

Note:

- 1) The Company has not agreed to replace loans transferred to transferee(s) or pay damages arising out of any representation or warranty.
- 2) No stressed loans have been transferred and acquired during the year.

Note 4: Investments

		(Amount in crores)	
Sr. No.	Particulars	31 March, 2024	31 March, 2023
	Value of Investments		
(i)	Gross value of Investments		
	(a) In India	24.98	35.64
	(b) Outside India	-	-
(ii)	Provisions for Depreciation		
	(a) In India	2.02	3.37
	(b) Outside India	-	-
(iii)	Net value of Investments		
	(a) In India	22.95	32.28
	(b) Outside India	-	-
	Movement of provisions held towards depreciation on investments		
(i)	Opening Balance	3.37	-
(ii)	Add: Provisions made during the year	(1.34)	3.37
(iii)	Less: Write-off/Written-back of excess provisions during the year	-	-
(iv)	Closing Balance	2.03	3.37

Notes to the Financial Statements

For the year ended 31 March, 2024

Note 5: Derivative

Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

(Amount in crores)

Sr. No.	Particulars	31 March, 2024	31 March, 2023
(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	31 March, 2024	31 March, 2023
(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 reporting date (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)		

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	-	-

Notes to the Financial Statements

For the year ended 31 March, 2024

Note 6: Securitization

a) Securitisation and Minimum Retention Requirement

		(Amount in crores)	
Sr. No.	Particulars	31 March, 2024	31 March, 2023
		No./Amount	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	-	-
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	-	-
	b) Others	0.40	1.02
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	-	-
	b) Others	-	-
	b) Exposures to third party securitisation		
	a) First loss	-	-
	b) Others	-	-
5	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	-	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
7	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.	-	-
	(a) Amount paid	-	-
	(b) Repayment received	-	-
	(c) Outstanding amount	-	-
8	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	-	-
9	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	-	-
10	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	-	-

Notes to the Financial Statements

For the year ended 31 March, 2024

Note 7: Asset Liability Management

Maturity pattern of certain items of assets and liabilities as at 31 March, 2024

(Amount in crores)

Particulars	1 Day to 7 Days	8 to 14 Days	15 Days to 30/31 Days	Over one month upto 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from banks	6.35	0.59	33.76	39.46	56.81	140.28	258.31	917.77	554.21	115.69	2,123.22
Market borrowings	26.56	-	1.98	7.31	7.32	53.43	96.33	357.98	299.56	299.13	1,149.61
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances*	63.89	17.52	36.87	78.48	74.90	211.52	404.08	1,549.57	853.01	1,096.97	4,386.81
Investments	0.06	0.06	0.32	0.45	0.45	1.44	2.66	6.38	5.32	7.82	24.98
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-

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

* Advances are net of Stage3 ECL and excluding the minimum retention requirement of securitisation deals.

Maturity pattern of certain items of assets and liabilities as at 31 March, 2023

(Amount in crores)

Particulars	1 Day to 7 Days	8 to 14 Days	15 Days to 30/31 Days	Over one month upto 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from banks	8.70	0.82	16.92	23.92	45.96	95.28	180.10	559.89	337.37	63.83	1,332.78
Market borrowings	17.73	1.27	2.26	4.93	46.63	28.73	52.78	160.54	112.11	46.35	473.33
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances*	16.04	12.53	27.50	31.17	36.15	184.10	341.69	1,103.85	589.97	645.10	2,988.10
Investments	0.22	0.22	0.45	0.89	0.89	2.67	5.35	16.04	8.91	-	35.64
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-

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

* Advances are net of Stage3 ECL and excluding the minimum retention requirement of securitisation deals.

Notes to the Financial Statements

For the year ended 31 March, 2024

Note 8: Exposure

A) Exposure to Real Estate Sector*

		(Amount in crores)	
Sr. No.	Particulars	31 March, 2024	31 March, 2023
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:	2,843.01	1,980.23
(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	182.54	60.05
(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	-	-
	Total Exposure to Real Estate Sector	3,025.55	2,040.28

* The Company has considered only housing loans for the purpose of determining the exposure to real estate sector.

B) Exposure to Capital Market

The Company does not have any capital market exposure as on reporting date.

		(Amount in crores)	
Sr. No.	Particulars	31 March, 2024	31 March, 2023
(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)	Underwriting commitments taken up by the HFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds.	-	-
(ix)	Financing to stockbrokers for margin trading	-	-
	All exposures to Alternate Investment Funds		
(x)	(a) Category I	-	-
	(b) Category II		
	(c) Category III		
	Total Exposure to Capital Market	-	-

Notes to the Financial Statements

For the year ended 31 March, 2024

C) Sectoral exposure*

		(Amount in crores)					
Sr. No.	Sectors	31 March, 2024			31 March, 2023		
		Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1	Agriculture and Allied Activities	-	-	-	-	-	-
2	Industry	-	-	-	-	-	-
	i....	-	-	-	-	-	-
	ii....	-	-	-	-	-	-
	Others	-	-	-	-	-	-
	Total of Industry (i+ii+...+ Others)	-	-	-	-	-	-
3	Services						
	i. Housing Loans	2,960.35	28.72	0.97%	2,070.06	31.57	1.53%
	ii. Commercial Real Estate-RH	182.54	-	0.00%	60.05	-	-
	ii. Non Housing Loans	1,418.27	23.12	1.63%	1,033.95	22.50	2.18%
	Total of Services	4,561.16	51.84	1.14%	3,164.06	54.07	1.71%
4	Personal Loans						
	i....	-	-	-	-	-	-
	ii....	-	-	-	-	-	-
	Others	-	-	-	-	-	-
	Total of Personal Loans	-	-	-	-	-	-
5	Others, if any (please specify)	-	-	-	-	-	-

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

D) 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.

E) Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the HFC

During the year ended 31 March, 2024 and 31 March, 2023, 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.

F) Unsecured Advances

i) The Company has not given any unsecured loan 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	31 March, 2024		31 March, 2023	
		Amount (in crore)	% of owned fund	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	-	-	-	-

Notes to the Financial Statements

For the year ended 31 March, 2024

Note 10: Intra-group exposures

		(Amount in crores)	
Sr. No.	Category	31 March, 2024	31 March, 2023
i)	Total amount of intra-group exposures	-	-
ii)	Total amount of top 20 intra-group exposures	-	-
iii)	Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	-	-

Note 11: Unhedged foreign currency exposure

		(Amount in crores)	
Sr. No.	Category	31 March, 2024	31 March, 2023
i)	Unhedged foreign currency exposures	-	-

Note 12: Related Party Transactions

Transactions during the year:

		(Amount in crores)							
Related Party	Directors	Key Management Personnel		Relatives of Key Management Personnel		Gratuity Trust		Total	
Particulars	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year
Borrowings	-	-	-	-	-	-	-	-	-
Optionally Convertible debentures issued	-	2.57	-	-	-	-	-	-	2.57
Deposits	-	-	-	-	-	-	-	-	-
Placement of Deposits	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Purchase of Fixed/other assets	-	-	-	-	-	-	-	-	-
Sale of Fixed/other assets	-	-	-	-	-	-	-	-	-
Interest paid	0.27	0.22	-	-	-	-	-	-	0.27
Interest received	-	-	-	-	-	-	-	-	-
Contribution to Gratuity Trust	-	-	-	-	-	-	1.60	1.65	1.60
Reimbursement from Trust	-	-	-	-	-	-	0.60	0.65	0.60
Short term benefits (remuneration)*	5.42	4.58	2.39	1.86	-	-	-	-	7.81
Share based payment#	-	-	4.61	1.28	-	-	-	-	4.61
Sitting Fees	0.21	0.29	-	-	-	-	-	-	0.21
Others	-	-	-	-	-	-	-	-	-

* The amount excludes provision made for gratuity and leave encashment which are provided for a group of employees on overall basis.

Share based payments includes the expenses booked during the year on proportionate basis as per vesting schedule against ESOPs granted to the KMPs bases of option valuation for respective equity settled grants till 31 March, 2024.

The company does not have any subsidiaries, associates and joint ventures

Notes to the Financial Statements

For the year ended 31 March, 2024

Balances at the year end:

(Amount in crores)

Related Party	Directors		Key Management Personnel		Relatives of Key Management Personnel		Gratuity Trust		Total	
Particulars	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Borrowings	-	-	-	-	-	-	-	-	-	-
Optionally Convertible debentures issued	3.43	3.43	-	-	-	-	-	-	3.43	3.43
	(3.43)	(3.43)	-	-	-	-	-	-	(3.43)	(3.43)
Deposits	-	-	-	-	-	-	-	-	-	-
Placement of Deposits	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-
Purchase of Fixed/other assets	-	-	-	-	-	-	-	-	-	-
Sale of Fixed/other assets	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-	-	-
Contribution to Gratuity Trust	-	-	-	-	-	-	-	-	-	-
Reimbursement from Trust	-	-	-	-	-	-	-	-	-	-
Short term benefits (remuneration)*	-	-	-	-	-	-	-	-	-	-
Share based payment [#]	-	-	-	-	-	-	-	-	-	-
Sitting Fees	-	-	-	-	-	-	-	-	-	-
Amount receivable	-	-	-	-	-	-	0.05	0.01	0.05	0.01
	-	-	-	-	-	-	(0.47)	(0.42)	(0.47)	(0.42)
ESOPs outstanding ^{##}	-	-	-	-	6.22	4.19	-	-	6.22	4.19
	-	-	-	-	(6.22)	(4.19)	-	-	(6.22)	(4.19)
Others	-	-	-	-	-	-	-	-	-	-

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

Figures in bracket are maximum outstanding during the year.

Policy on dealing with related party transactions displayed on the website.

Note 13: Registration obtained from other financial sector regulators

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

Note 14: Group Structure

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

Note 15: Rating assigned by Credit Rating Agencies and migration of rating during the year

During the year, ICRA, CRISIL and India Ratings has affirmed company's Long-Term Rating A with stable. The Company carries following ratings from ICRA & CRISIL and India Ratings:

Notes to the Financial Statements

For the year ended 31 March, 2024

Instrument	(Amount in crores)	
	Rating	
	31 March, 2024	31 March, 2023
Non-convertible Debentures (Unsecured)		[ICRA]A (Stable)
Term Loans	[ICRA]A (Positive), [IND]A+ (Stable)	[ICRA]A (Stable), [IND]A (Stable)
Non-convertible Debentures (Secured)		[CRISIL]A (Stable)
Commercial paper (Unsecured)	[ICRA]A1	[ICRA]A1

Note 16: Net Profit or Loss for the period, prior period items and changes in accounting policies

During the year net profit or loss for the period, Prior period expenses and changes in accounting policies is ₹ Nil (previous year- ₹ Nil).

Note 17: Revenue Recognition

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

Note 18: Consolidated Financial Statements (CFS)

The Company does not have any subsidiary, associate or joint venture accordingly consolidation of financial statements is not applicable.

Note 19: Provisions and Contingencies

		(Amount in crores)	
Sr.No.	Category	31 March, 2024	31 March, 2023
(i)	Provision for depreciation on investment	(1.34)	3.37
(ii)	Provision made towards Income tax	32.53	24.81
(iii)	Provision towards Non-Performing Assets	0.17	(9.51)
(iv)	Provision for Standard Assets	(1.75)	7.02
(v)	Provision for loan commitments	0.29	0.26
(vi)	Provision for EIS receivable & Securitised MRR	(0.04)	(0.13)
(vii)	Provision for Standard Assets- Teaser Loan	-	-
(viii)	Provision for Standard Assets- CRE	-	-
(ix)	Provision for Standard Assets- CRE-RH	0.40	0.10
(x)	Provision for Assets acquired under SARFAESI	0.23	0.32
(xi)	Provision for recoverable from employees & others	-	0.02
(xii)	Provision for Gratuity	1.06	1.25
(xiii)	Provision for Compensated Absences	2.03	0.90

Note 20: Break up of Loan & Advances and Provisions thereon

(A) Loans

		(Amount in crores)			
Particulars	Housing		Non-Housing		
	31 March, 2024	31 March, 2023	31 March, 2024	31 March, 2023	
Standard assets					
a) Total outstanding amount	2,968.87	1,969.22	1,382.53	981.06	
b) Provision made	9.16	10.31	7.73	7.94	
Sub-standard assets					
a) Total outstanding amount	19.52	19.91	14.57	13.78	
b) Provision made	6.09	5.96	4.55	4.14	
Doubtful assets-I					
a) Total outstanding amount	5.52	11.42	5.15	8.67	
b) Provision made	1.72	3.42	1.61	2.59	
Doubtful assets-II					
a) Total outstanding amount	3.35	0.20	3.36	0.02	
b) Provision made	1.05	0.06	1.05	0.01	
Doubtful assets-III					
a) Total outstanding amount	0.04	0.04	0.03	0.03	
b) Provision made	0.03	0.04	0.03	0.03	

Notes to the Financial Statements

For the year ended 31 March, 2024

Particulars	(Amount in crores)	
	Housing	Non-Housing
	31 March, 2024	31 March, 2023
Loss assets		
a) Total outstanding amount	0.29	-
b) Provision made	0.29	-
Total		
a) Total outstanding amount	2,997.59	2,000.79
b) Provision made	18.34	19.79

(b) Investments

		(Amount in crores)	
Sr.No.	Category	31 March, 2024	31 March, 2023
a)	Total outstanding amount	24.98	35.64
b)	Provision made	2.02	3.37

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

Note 21: Divergence in Asset Classification and Provisioning

- the additional provisioning requirements assessed by RBI or National Housing Bank (NHB) in the case of Housing Finance Companies) exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments for the year ended 31 March, 2024 is Nil (previous year: Nil).
- the additional Gross NPAs identified by RBI/NHB exceeds 5 per cent of the reported Gross NPAs for the reference period.

		(Amount in crores)	
Sr.No.	Category	31 March, 2024	31 March, 2023
1	Gross NPAs as on 31 March, 2024* as reported by the HFC	-	-
2	Gross NPAs as on 31 March, 2024 as assessed by the Reserve Bank of India/ NHB	-	-
3	Divergence in Gross NPAs (2-1)	-	-
4	Net NPAs as on 31 March, 2024 as reported by the HFC	-	-
5	Net NPAs as on 31 March, 2024 as assessed by Reserve Bank of India/ NHB	-	-
6	Divergence in Net NPAs (5-4)	-	-
7	Provisions for NPAs as on 31 March, 2024 as reported by the HFC	-	-
8	Provisions for NPAs as on 31 March, 2024 as assessed by Reserve Bank of India/ NHB	-	-
9	Divergence in provisioning (8-7)	-	-
10	Reported Profit before tax and impairment loss on financial instruments for the year ended 31 March, 2024	-	-
11	Reported Net Profit after Tax (PAT) for the year ended 31 March, 2024	-	-
12	Adjusted (notional) Net Profit after Tax (PAT) for the year ended 31 March, 2024 after considering the divergence in provisioning	-	-

* 31 March, 2024 is the close of the reference period in respect of which divergences were assessed

Note 22: Draw down from reserves

During the year, there have been no draw down from the statutory reserves (previous year - ₹ Nil).

Note 23: Concentration of public deposits

The Company did not have any public deposits

		(Amount in crores)
Particulars	31 March, 2024	31 March, 2023
Total Deposits of twenty largest depositors	-	-
Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC	-	-

Notes to the Financial Statements

For the year ended 31 March, 2024

Note 24: Concentration of Loan and advances

Particulars	(Amount in crores)	
	31 March, 2024	31 March, 2023
Total loans and advances to twenty largest borrowers*	153.60	84.36
Percentage of loans and advances to twenty largest borrowers to total advances of the Company*	3.49%	2.81%

* Largest borrowers represent highest loan outstanding at reporting period

Note 25: Concentration of all exposure (including off-balance sheet exposure)

Particulars	(Amount in crores)	
	31 March, 2024	31 March, 2023
Total exposure to twenty largest borrowers/customers	172.93	124.22
Percentage of exposures to twenty largest borrowers/customers to total exposure of Company	3.79%	3.93%

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

Particulars	(Amount in crores)	
	31 March, 2024	31 March, 2023
Total exposure to top ten NPA accounts	3.08	2.89

Note 27: Sector-wise NPAs

(Amount in crores)					
Sr. No.	Particulars	31 March, 2024		31 March, 2023	
		₹	%	₹	%
	Housing Loans:				
(a)	Individuals	28.72	1.01%	31.57	1.58%
(b)	Builders/Project Loans	-	-	-	-
(c)	Corporates	-	-	-	-
(d)	Others	-	-	-	-
	Non-Housing Loans:				
(a)	Individuals	23.12	1.69%	22.50	2.24%
(b)	Builders/Project Loans	-	-	-	-
(c)	Corporates	-	-	-	-
(d)	Others	-	-	-	-

Note 28: Movement of Non-Performing Assets (NPAs)

Sr.No.	Category	(Amount in crores)	
		31 March, 2024	31 March, 2023
I	Net NPAs to Net Advances (%)*	0.81%	1.27%
II	Movement of NPAs (Gross)		
a)	Opening balance	54.07	81.41
b)	Additions during the year	32.01	26.82
c)	Reductions during the year	34.24	54.16
d)	Closing balance	51.84	54.07
III	Movement of Net NPAs		
a)	Opening balance	37.82	55.79
b)	Additions during the year	21.81	19.14
c)	Reductions during the year	24.21	37.11
d)	Closing balance	35.42	37.82

Notes to the Financial Statements

For the year ended 31 March, 2024

		(Amount in crores)	
Sr.No.	Category	31 March, 2024	31 March, 2023
IV	Movement of provisions for NPAs and Contingencies (excluding provisions on standard assets)		
a)	Opening balance	16.25	25.62
b)	Provision made during the year	10.20	7.68
c)	Written-off/Write back of excess provisions	10.03	17.05
d)	Closing balance	16.42	16.25

* (Gross stage III loans EAD - impairment loss allowance for stage III) / (Gross total loans EAD - Impairment loss allowance for stage III)

Note 29: Overseas Assets

The Company does not hold any overseas assets

		(Amount in crores)	
Particulars		31 March, 2024	31 March, 2023
Overseas Assets		-	-
Total		-	-

Note 30: Off-balance Sheet SPVs sponsored

The Company does not have any off-balance sheet Special Purpose Vehicle (SPV) sponsored which is required to be consolidated as per accounting norms (previous year- Nil).

		Name of the SPV sponsored	
		Domestic	Overseas
		-	-

Note 31: Customer Complaints[#]

1. Summary information on complaints received by the Company from customers and from the offices of Ombudsman

		(Amount in crores)	
Sr. No.	Particulars	31 March, 2024	31 March, 2023
	Complaints received by the Company from its customers		
I)	Number of complaints pending at beginning of the year	4	7
II)	Number of complaints received during the year	323	406
III)	Number of complaints disposed during the year:	323	409
	IIIa) Of which, number of complaints rejected by the Company	-	-
IV)	Number of complaints pending at the end of the year	4	4
	Maintainable complaints received by the HFC from Office of Ombudsman		
V)	Number of maintainable complaints received by the HFC from Office of Ombudsman	-	-
Va)	Of V, number of complaints resolved in favour of the HFC by Office of Ombudsman	-	-
Vb)	Of V number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
Vc)	Of V, number of complaints resolved after passing of Awards by Office of Ombudsman against the HFC	-	-
VI)	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

Notes to the Financial Statements

For the year ended 31 March, 2024

2. Top five grounds of complaints received by the HFCs from customers during the year

(Amount in crores)

Sr. No.	Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year (i)	Number of complaints received during the year (ii)	% increase/decrease in the number of complaints received over the previous year (iii)	Number of complaints pending at the end of the year (iv)	Of iv, number of complaints pending beyond 30 days
(a)	EMI Payment and Refund related	1	142	8%	3	-
(b)	Delay in disbursement	2	116	(11%)	2	-
(c)	Change in base rate	1	23	(41%)	-	-
(d)	Loan closure related	-	20	(50%)	-	-
(e)	Loan application related	-	20	(20%)	-	-
(f)	Complaints relating to-Others	-	45	(44%)	-	-

2a. Top five grounds of complaints received by the HFCs from customers during the previous year

Sr. No.	Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year (i)	Number of complaints received during the year (ii)	% increase/decrease in the number of complaints received over the previous year (iii)	Number of complaints pending at the end of the year (iv)	Of iv, number of complaints pending beyond 30 days
(a)	EMI Payment and Refund related	2	131	(42%)	1	-
(b)	Delay in disbursement	4	131	(17%)	2	-
(c)	CLSS Related	-	16	(82%)	-	-
(d)	Loan closure related	-	40	(39%)	-	-
(e)	Change in base rate	-	39	(25%)	1	-
(f)	Complaints relating to-Others	2	81	(43%)	-	-

Includes complaints reported through NHB – GRIDS portal as disclosed in Note 30 of Annexure 1 to the financial statements

Notes to the Financial Statements

For the year ended 31 March, 2024

Note 32 Corporate governance

A. 1) Composition and size of the Board

Sr. No.	Name of Director	Director since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN	Number of Board Meetings		No. of other Directorships	Remuneration (in ₹ Crores)			No. of shares held in and convertible instruments held in the NBFC
					Held	Attended		Salary and other compensation	Sitting Fee#	Commission	
1	Mr. Sanjay Chaturvedi	23 February, 2010	Executive	01636432	4	4	0	2.75	-	-	25,00,000 ES*; 1,55,875 OCDs**
2	Ms. Rupa Basu	13 November, 2018	Executive	08068918	4	4	0	2.67	-	-	25,00,000 ES*; 1,71,016 OCDs**
3	Mr. Vinod Rai	6 November, 2015	Chairman, Non-Executive Independent	00041867	4	4	4	-	0.05	-	Nil
4	Mr. Rakesh Rewari	6 November, 2015	Non-Executive Independent	00286853	4	4	5	-	0.07	-	Nil
5	Ms. Latika Thukral	7 February, 2020	Non-Executive Independent	08680862	4	4	1	-	0.04	-	Nil
6	Mr. Manoj Dattatraya Rane	11 November, 2020	Non-Executive Independent	02653448	4	4	0	-	0.05	-	Nil
7	Mr. Rahul Chandra	18 April, 2012	Non-Executive	01213049	4	1	4	-	-	-	Nil
8	Mr. Manoj Jaiswal	14 September, 2020	Non-Executive	07873564	4	3	9	-	-	-	Nil
9	Mr. Pranav Kumar	27 June, 2022	Non-Executive	07896173	4	4	1	-	-	-	Nil
10	Mr. Gaurav Malhotra	6 June, 2022	Non-Executive	07640504	4	3	2	-	-	-	Nil
11	Mr. Saravanan Nattanmai	31 March, 2023	Non-Executive	06989767	4	4	2	-	-	-	Nil

* ES= equity shares

** OCDs = Optionally convertible debentures; where one unit of debenture held is convertible into 10 equity shares

It includes sitting fees of the board and other committees.

Notes to the Financial Statements

For the year ended 31 March, 2024

2) Details of change in composition of the Board during the current and previous financial year.

a) Change in composition of the Board during the current financial year.

Sr. No.	Name of Director	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (Resignation, Appointment)	Effective date
NIL				

b) Change in composition of the Board during the previous financial year.

Sr. No.	Name of Director	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (Resignation, Appointment)	Effective date
1	Mr. Vishal Tulsyan	Non Executive Director	Resignation	18 May, 2022
2	Mr. Pranav Kumar	Non Executive Director	Appointment	27 June 2022
3	Mr. Gaurav Malhotra	Non Executive Director	Appointment	27 June 2022
4	Mr. Rahul Garg	Non Executive Director	Resignation	31 March 2023
5	Mr. Saravanan Nattanmai	Non Executive Director	Appointment	31 March 2023

There are no inter-se relationship amongst Directors.

2) Committees of the Board and their composition

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 Master Direction NBFC-HFC (Reserve Bank) Directions, 2021.

(a) 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:

1. 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.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the auditors and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Approval of the Changes made in the Accounting Policy.
5. Approval or any subsequent modification of transactions of the Company with related parties
6. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. 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.
 - b. Major accounting entries involving estimates based on the exercise of judgment by management
 - c. Significant adjustments made in the financial statements arising out of audit findings.
 - d. Compliance with listing and other legal requirements relating to financial statements.
 - e. Disclosure of any related party transactions.
 - f. Audit report with specific reference to qualifications therein, if any.

Notes to the Financial Statements

For the year ended 31 March, 2024

7. Reviewing, with the management, the quarterly /half yearly, as applicable, from time to time, financial statements before submission to the board for approval.
8. monitoring the end use of funds raised through public offers and related matters. In case the funds are raised through listed Non-Convertible Securities (NCS), then end use of funds shall be monitored by the audit committee, whether the NCS were issued on private placement basis or public issue and the statement indicating deviation in use of funds, if any, shall be placed before Audit Committee for quarterly review.
9. Reviewing, with the management, performance of auditors, and their independence and adequacy of the internal control systems and effectiveness of audit process.
10. 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.
11. Discussion with internal auditors any significant findings and follow up there on.
12. 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.
13. 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.
14. 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.
15. To review the functioning of the Whistle Blower mechanism/Vigil Mechanism, in case the same is exists.
16. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
17. To Review
 - (i) Management discussion and analysis of financial condition and results of operations
 - (ii) Statement of related party transactions (as defined under the provisions of Companies Act, 2013), submitted by management
 - (iii) Management letters / letters of internal control weaknesses issued by the statutory auditors
 - (iv) Audit reports either submitted by Internal Auditors, Statutory Auditors, Secretarial Auditors or IS Auditors
 - (v) IS Audit Policy and oversee IS Audit
 - (vi) monitor implementation and progress of EWS framework
 - (vii) Transactions of Inter-corporate loans and investments, if any
 - (viii) Valuation of undertakings or assets of the company, wherever it is necessary
18. To deal with the matters arising out of Compliance Policy formulated by the Company in pursuance of requirements of scale based regulations issued by the RBI.
19. To perform such other functions as the Board may delegate and; duties, acts, deeds and things required to be done in pursuance of the requirements set out in the policy of the Company and the provisions of Companies Act, 2013 and any other law applicable on the Company.

Notes to the Financial Statements

For the year ended 31 March, 2024

(b) Details of composition of the Audit Committee and attendance of Members:

Sr. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the HFC
				Held	Attended	
1	Mr. Rakesh Rewari	1 April, 2016	Chairman, Independent Director	4	4	Nil
2	Mr. Vinod Rai	6 December, 2019	Member, Independent Director	4	4	Nil
3	Mr. Manoj Jaiswal	31 March, 2023	Member, Non-Executive Director	4	3	Nil

II. Assets Liability Management Committee (ALM Committee)

The Company had constituted the Asset Liability Management Committee (ALCO) as per the provisions of the Master Direction NBFC-HFC (Reserve Bank) Directions, 2021.

(a) Terms of Reference-

The terms of reference for the ALM Committee includes:

- To review liquidity, investment of funds and yield on deployment of funds.
- To review cost of borrowings and lending rate of the Company.
- To review asset- liabilities of the Company, any mismatch therein, ALM statements and stress analysis
- To perform such other functions as the Board may delegate and; duties, acts, deeds and things required to be done in pursuance of the requirements set out in the policy of the Company and the NHB/RBI Regulations and any other law applicable on the Company.

(b) Details of composition of the ALM Committee and attendance of Members:

Sr. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the HFC
				Held	Attended	
1	Mr. Sanjay Chaturvedi	15 June, 2011	Chairman, Executive Director	4	4	25,00,000 Equity Shares
2	Mr. Rakesh Rewari	19 February, 2016	Member, Independent Director	4	4	Nil
3	Mr. Manoj Dattatraya Rane	28 May, 2021	Member, Independent Director	4	4	Nil
4	Mr. Manoj Jaiswal	28 May, 2021	Member, Non- Executive Director	4	2	Nil

III. 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 borrow funds from Banks/FIs, operations of the Bank, deal with various banks from time to time and 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

(a) Terms of Reference-

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

- To negotiate/execute/sign/modify/cancel any document/resolution related with borrowing of any nature from any Bank/ Institution within the overall limit set by the Board/shareholders, from time to time and matters incidental thereto.
- To execute/sign any resolution and other related forms/documents for opening/modifying/closing of Bank Account(s), Net Banking Facilities, other products and services and other related activities, from time to time
- To negotiate/execute/sign/modify/cancel any document/resolution related with the securitization, assignment, selling or otherwise dispose off the loan receivables/book debts of the Company and other related activities within the threshold limit as approved by the Board/ Shareholders from time to time.

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For the year ended 31 March, 2024

- d) To delegate/modify/withdraw such authority to such persons as deemed fit including as Power of Attorney, from time to time.
- e) To review its scope and its performance at least annually.
- f) To perform such other functions as the Board may delegate and; duties, acts, deeds and things required to be done in pursuance of the requirements set out in the policy of the Company and any other law applicable on the Company.

(b) Details of composition of the Banking and Borrowing Committee and attendance of Members:

Sr.No	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the HFC
				Held	Attended	
1	Mr. Sanjay Chaturvedi	26 February, 2013	Chairman, Executive Director	13	13	25,00,000 Equity Shares
2	Rupa Basu	23 February, 2018	Member, Executive Director	13	13	25,00,000 Equity Shares

IV. Corporate Social Responsibility Committee (CSR Committee)

The Corporate Social Responsibility (CSR) committee monitors implementation of the CSR Policy and appraises the Board accordingly. The CSR budget of the company and actual spent on CSR activity during the FY24 is enclosed hereto in CSR report of the Company.

(a) Terms of Reference-

The terms of reference for the CSR Committee include:

- a) Formulating and recommending to the Board of Directors the CSR Policy and activities to be undertaken.
- b) Recommending the amount of expenditure for the CSR activities,
- c) Recommending to Board the CSR Projects to be undertaken and manner of implementation.
- d) Monitoring CSR Projects and satisfy itself about the utilization of funds disbursed in CSR Projects.
- e) To perform such other functions as the Board may delegate and; duties, acts, deeds and things required to be done in pursuance of the requirements set out in the policy of the Company, Companies Act, 2013 and rules thereto and any other law applicable on the Company.

(b) Details of composition of the Corporate Social Responsibility Committee and attendance of Members:

Sr.No	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the HFC
				Held	Attended	
1	Ms.Rupa Basu	13 November, 2018	Chairperson, Executive Director	1	1	25,00,000 Equity Shares
2	Ms. Latika Thukral	7 February, 2020	Member, Independent Director	1	1	Nil
3	Mr. Sanjay Chaturvedi	23 February, 2018	Member, Executive Director	1	1	25,00,000 Equity Shares

V. IT Strategy 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.

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 November, 2018 to enhance the safety, security and efficiency of the Company and their customers.

(a) Terms of Reference-

The terms of reference for the IT Committee includes:

- a) To review IT Strategy and policy documents.
- b) To ascertain whether management has implemented processes and practices that ensures that IT delivers value to the business.

Notes to the Financial Statements

For the year ended 31 March, 2024

- c) To ensure IT investments represents a balance of risks and benefits.
- d) To review IT related outsourced activities and other IT governance items like BCP drill, IS Audit, etc.
- e) To perform such other functions as the Board may delegate and; duties, acts, deeds and things required to be done in pursuance of the requirements set out in the policy of the Company and the NHB/RBI Regulations and any other law applicable on the Company.

(b) Details of the composition of the IT Strategy Committee and attendance of Members

Sr.No	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the HFC
				Held	Attended	
1	Mr. Rakesh Rewari	13 December, 2019	Chairman, Independent Director	2	2	Nil
2	Ms.Rupa Basu	13 November, 2018	Member, Executive Director	2	2	25,00,000 Equity Shares
3	Mr. Rahul Chandra	13 November, 2018	Member, Non-Executive Director	2	1	Nil
4	Mr. Sanjay Chaturvedi	13 November, 2018	Member, Executive Director	2	2	25,00,000 Equity Shares

VI. 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.

(a) Terms of Reference-

The terms of reference for the Risk Management Committee includes:

- a) Review portfolio trends covering coincidental delinquency, AUM growth, origination trends, collections performance and ECL updates;
- b) Review results of periodic exercises such as mark to market analyses, portfolio benchmarking with industry using credit bureau information, scorecard performance etc.
- c) Review enterprise risk monitoring results through KRI update, periodic stress testing results and RCSA update and discuss corrective actions for areas of breach as applicable
- d) Suggest, as applicable, new areas of analysis that the company should conduct and present in the next meeting
- e) Review all credit policy changes and new product proposals/launches since the previous meeting
- f) Review the IT related risks, including the Cyber Security related risks in consultation with the ITSC through the presence of ITSC chair.

(b) Details of the composition of the Risk Management Committee and attendance of Members

Sr.No	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the HFC
				Held	Attended	
1	Mr. Vinod Rai	19 February, 2016	Chairman, Independent Director	2	2	Nil
2	Mr. Sanjay Chaturvedi	4 June, 2013	Member, Executive Director	2	2	25,00,000 Equity Shares
3	Mr. Rakesh Rewari	4 August, 2022	Member, Independent Director	2	2	Nil
4	Mr. Saravanan Nattanmai	31 March, 2023	Member, Non-Executive Director	2	2	Nil
5	Mr. Manoj Dattatraya Rane	4 August, 2022	Member, Independent Director	2	2	Nil
6	Mr. Pranav Kumar	4 August, 2022	Member, Non-Executive Director	2	2	Nil

Notes to the Financial Statements

For the year ended 31 March, 2024

VII. Review Committee

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

(a) 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
- To perform such other functions as the Board may delegate and; duties, acts, deeds and things required to be done in pursuance of the requirements set out in the policy of the Company and the NHB/RBI Regulations and any other law applicable on the Company

(b) Details of the composition of the Review Committee and attendance of Members

Sr.No	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the HFC
				Held	Attended	
1	Mr. Sanjay Chaturvedi	17 June, 2020	Chairman, Executive Director	0	0	25,00,000 Equity Shares
2	Mr. Saravanan Nattanmai	31 March, 2023	Member, Non-Executive Director	0	0	Nil
3	Ms. Latika Thukral	17 June, 2020	Member, Independent Director	0	0	Nil

VIII. Recruitment, Compensation and Nomination Committee (RCNC)

Recruitment, Compensation and Nomination Committee (RCNC) comprises of three members and all the three members comprising the committee are Non-executive directors.

(a) 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 employees drawing remuneration equal or more than ₹ 50 Lakhs p.a., to evaluate their performances in light of these goals and objectives and other factors it deems appropriate and based on this review and evaluation, recommend to the Board their compensation;
- To formulate and oversee the Company's compensation plans and equity-based plans and recommend changes therein to the Board. 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 Management;
- 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 and to make recommendations to Board regarding their remuneration.
- To review the compensation of non-executive directors (including sitting fees) for service on the Board and its committees and recommend changes in compensation to the Board;
- To carry out evaluation of performance of Board as a whole, Committees thereof and that of Individual Director including Executive, Non-Executive Directors and Chairman of Board or in substitution thereof to specify the manner in which evaluation of performance of Board as a whole, its Committees and that of individual directors shall be carried out.

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- h) 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;
- i) To periodically review and assess the adequacy of this policy and recommend any proposed changes to the Board for approval; and
- j) To issue such guidelines, procedures, formats, reporting mechanism and manuals as appropriate, to supplement and implement Nomination and Remuneration Policy of the Company.
- k) To administer, implement and review from time to time the Nomination and Remuneration Policy of the Company.
- l) To perform such other functions as the Board may delegate and; duties, acts, deeds and things required to be done in pursuance of the requirements of policy of the Company and the provisions of Companies Act, 2013 and rules thereto and any other law applicable on the Company.

(b) Details of the composition of the Recruitment, Compensation and Nomination Committee and attendance of Members

Sr.No	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the HFC
				Held	Attended	
1	Ms. Latika Thukral	7 February, 2020	Chairperson, Independent Director	1	1	Nil
2	Mr. Vinod Rai	18 May, 2016	Member, Independent Director	1	1	Nil
3	Mr. Saravanan Nattanmai	31 March, 2023	Member, Non-Executive Director	1	1	Nil

3) General Body Meetings

There are certain matters for which the approval of the members is required. The Company in compliance with the Companies Act, 2013, sends notice to all the members along with the agenda notes. In case of urgent matters, the Company convenes the extra-ordinary general meetings with the due consent of the members.

Sr. No.	Type of Meeting (Annual/ Extra-Ordinary)	Date and Place	Special resolutions passed
1	14th Annual General Meeting	17-08-2023, Registered Office	- Re-appointment of Ms. Rupa Basu as the Whole-time director. - Approval of selling assignment or otherwise dispose-off its loan receivables/book debts upto ₹ 350.00 crores in a F.Y. - Amendment in ESOP, 2013 - Amendment in ESOP, 2020 - Amendment in ESOP, 2022
2	1st (23-24) ExtraOrdinary General Meeting	07-12-2023 Corporate Office	- Amendment in ESOP, 2013 - Amendment in ESOP, 2020 - Amendment in ESOP, 2022
3	2nd (23-24) ExtraOrdinary General Meeting	25-01-2024, Corporate Office	- To approve and adopt the amended articles of association of the Company - To increase the borrowing power of the Company - Creation of charge over the assets of the company

4) Details of non-compliance with requirements of Companies Act, 2013 - Nil

5) Details of penalties and strictures - Nil

6) Remuneration of Directors : (Refer to note no. 21 of Annexure 1)

B) Breach of covenant

There is no instance of breach of covenant of loan availed or debt securities issued.

Notes to the Financial Statements

For the year ended 31 March, 2024

Note 33: Penalties imposed by NHB and other regulators

During the year there is no penalty (Previous year ₹ Nil) imposed on the Company.

Note 34: A comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 'Financial instruments' as per RBI circular DOR (NBFC).CC.PD. No.109/22.10.106/2019-20 dated 13 March, 2020.

(Amount in crores)

Asset Classification as per RBI Norms	31 March, 2024					
	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	4,240.11	13.39	4,226.72	13.81	(0.42)
	Stage 2	111.29	3.50	107.79	2.22	1.28
Subtotal performing assets		4,351.40	16.89	4,334.51	16.03	0.86
Non-Performing Assets (NPA)						
Substandard	Stage 3	34.09	10.64	23.45	5.39	5.25
Doubtful assets						
Up to 1 year	Stage 3	10.67	3.33	7.34	4.30	(0.97)
1 to 3 years	Stage 3	6.72	2.11	4.61	4.06	(1.95)
More than 3 years	Stage 3	0.06	0.05	0.01	0.07	(0.02)
Subtotal- Doubtful		17.45	5.49	11.96	8.43	(2.94)
Loss Assets	Stage 3	0.30	0.30	-	0.30	-
Loan commitments	Stage 1	157.23	0.26	156.97	-	0.26
	Stage 2	0.68	0.02	0.66	-	0.02
	Stage 3	-	-	-	-	-
Subtotal of loan commitments		157.91	0.28	157.63	-	0.28
Grand Total	Stage 1	4,397.34	13.65	4,383.69	13.81	(0.16)
	Stage 2	111.97	3.52	108.45	2.22	1.30
	Stage 3	51.84	16.43	35.41	14.12	2.31
	Total	4,561.15	33.60	4,527.55	30.15	3.45

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

(Amount in crores)

Asset Classification as per RBI Norms	31 March, 2023					
	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	2,852.95	13.32	2,839.63	9.34	3.98
	Stage 2	97.33	4.93	92.40	3.69	1.24
Subtotal performing assets		2,950.28	18.25	2,932.03	13.03	5.22
Non-Performing Assets (NPA)						
Substandard	Stage 3	35.91	10.76	25.15	5.50	5.26

Notes to the Financial Statements

For the year ended 31 March, 2024

(Amount in crores)

Asset Classification as per RBI Norms	31 March, 2023					
	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
Doubtful assets						
Up to 1 year	Stage 3	17.87	5.35	12.52	7.28	(1.93)
1 to 3 years	Stage 3	0.22	0.07	0.15	0.13	(0.06)
More than 3 years	Stage 3	0.07	0.07	-	0.08	(0.01)
Subtotal- Doubtful		18.16	5.49	12.67	7.49	(2.00)
Loss Assets	Stage 3	-	-	-	-	-
Loan commitments	Stage 1	158.85	0.48	158.37	-	0.48
	Stage 2	0.53	0.02	0.51	-	0.02
	Stage 3	0.33	0.07	0.26	-	0.07
Subtotal of loan commitments		159.71	0.57	159.14	-	0.57
Grand Total	Stage 1	3,011.80	13.80	2,998.00	9.34	4.46
	Stage 2	97.86	4.95	92.91	3.69	1.26
	Stage 3	54.40	16.32	38.08	12.99	3.33
	Total	3,164.06	35.07	3,128.99	26.02	9.05

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

Note 35: 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 36: Overseas Operations

The Company did not have overseas operations and joint venture partners with regard to joint ventures and overseas subsidiaries.

Note 37: Details on Principal Business Criteria

Principal Business Criteria for the Company to be classified as "Housing Finance Company" as per the Paragraph 4.1.17 of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC. CC.No.120/03.10.136/2020-21, 17 February, 2021 is given below:

Particulars	(Amount in crores)	
	31 March, 2024	31 March, 2023
Percentage of total assets towards housing finance	63.18%	61.47%
Percentage of total assets towards housing finance to individuals	59.94%	60.85%

Note 38: Schedule to the balance sheet

(1) Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:

Liabilities Side	31 March, 2024		31 March, 2023	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
a) Debentures : Secured	-	-	31.58	-
Unsecured	3.27	-	16.19	-
(other than falling within the meaning of public deposits*)				
b) Deferred Credits	-	-	-	-
c) Term Loans	3,288.46	-	1,770.40	-
d) Inter-corporate loans and borrowing	-	-	-	-
e) Commercial Paper	-	-	-	-
f) Public Deposits	-	-	-	-
g) Other Loans (Overdraft facility)	-	-	-	-

Notes to the Financial Statements

For the year ended 31 March, 2024

Note 38: Schedule to the Balance Sheet (Continued)

(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):

Liabilities Side	(Amount in crores)			
	31 March, 2024		31 March, 2023	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
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	-	-	-	-

(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:

Assets Side	(Amount in crores)	
	31 March, 2024	31 March, 2023
	Amount Outstanding	Amount Outstanding
a) Secured	4,403.39	3,005.04
b) Unsecured	0.40	0.41

(4) Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities

Assets Side	(Amount in crores)	
	31 March, 2024	31 March, 2023
	Amount Outstanding	Amount Outstanding
(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

Assets Side	(Amount in crores)	
	31 March, 2024	31 March, 2023
	Amount Outstanding	Amount Outstanding
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) Security Receipts	5.45	10.69

Notes to the Financial Statements

For the year ended 31 March, 2024

Assets Side	(Amount in crores)	
	31 March, 2024	31 March, 2023
	Amount Outstanding	Amount Outstanding
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) Security Receipts	19.53	24.95

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

Category	(Amount in crores)					
	Amount net of provisions					
	31 March, 2024			31 March, 2023		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
a) Subsidiaries	-	-	-	-	-	-
b) Companies in the same group	-	-	-	-	-	-
c) Other related parties	-	-	-	-	-	-
2. Other than related parties [#]	4,369.67	0.25	4,369.92	2,969.52	0.33	2,969.85
Total	4,369.67	0.25	4,369.92	2,969.52	0.33	2,969.85

[#] excluding securitised loans

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Category	(Amount in crores)			
	31 March, 2024		31 March, 2023	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties				
a) Subsidiaries	-	-	-	-
b) Companies in the same group	-	-	-	-
c) Other related parties	-	-	-	-
2. Other than related parties*	22.95	22.95	32.28	32.28
Total	22.95	22.95	32.28	32.28

* Amount net of provisions

Notes to the Financial Statements

For the year ended 31 March, 2024

(8) Other information

Particulars	(Amount in crores)	
	31 March, 2024	31 March, 2023
(i) Gross Non-Performing Assets		
a) Related parties	-	-
b) Other than related parties	51.84	54.07
(ii) Net Non-Performing Assets		
a) Related parties	-	-
b) Other than related parties	35.42	37.82
(iii) Assets acquired in satisfaction of debt	-	-

Note 39: Disclosure as required by Liquidity Risk Management Framework for Non-Banking Financial Companies - Public disclosure on liquidity risk

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

Particulars	(Amount in crores)	
	31 March, 2024	31 March, 2023
i) Number of Significant Counterparties*	21	23
ii) Amount	3,033.75	1,665.64
iii) Percentage of funding concentration to total deposits	NA	NA
iv) Percentage of funding concentration to total liabilities	88.87%	81.69%

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

(2) Top 10 borrowings

Particulars	(Amount in crores)	
	31 March, 2024	31 March, 2023
i) Total amount of top 10 borrowings	2,484.60	1,218.39
ii) Percentage of amount of top 10 borrowings to total borrowings	75.92%	67.46%

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

Liabilities Side	31 March, 2024		31 March, 2023	
	Amount	Percentage of total liabilities	Amount	Percentage of total liabilities
i) Redeemable non-convertible debentures	NA	NA	42.47	2.08%
ii) Term Loans	3,269.55	95.78%	1,760.37	86.33%
iii) Commercial papers	NA	NA	NA	NA

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

(4) Stock Ratio

Particulars	(Amount in crores)	
	31 March, 2024	31 March, 2023
(i) Non convertible debentures (original maturity of less than one year) as a percentage of total public funds**	NA	NA
(ii) Non convertible debentures (original maturity of less than one year) as a percentage of total liabilities*	-	-
(iii) Non convertible debentures (original maturity of less than one year) as a percentage of total assets	-	-
(iv) Short term liabilities as a percentage of total public funds ***	NA	NA
(v) Short term liabilities as a percentage of total liabilities**	25.21%	36.99%
(vi) Short term liabilities as a percentage of total assets #	17.94%	23.02%
(vii) Short term liabilities as a percentage of long term assets #	20.09%	25.52%
(viii) Commercial paper as a percentage of total public funds**	NA	NA
(ix) Commercial paper as a percentage of total liabilities*	NA	NA
(x) Commercial paper as a percentage of total assets	NA	NA
(xi) Long term assets as a percentage of total assets	89.29%	90.19%

Notes to the Financial Statements

For the year ended 31 March, 2024

* 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 subcommittee 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 40: 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 6 August, 2020 read with RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 dated 5 May, 2021 in relation to resolution framework-2.0:

Format - B

Type of Borrower	Amount (in Crores)				
	Exposure to accounts classified as standard consequent to the implementation of resolution plan- position as the end of the previous half- year (A) (30 September, 2023)	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 March, 2024) #
Personal loan	1,828.59	120.27	16.46	305.00	1,368.49
Corporate persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	1,828.59	120.27	16.46	305.00	1,368.49

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

The Company has given moratorium to its borrowers as a part of restructuring

Note 41: The Company has not received any whistle-blower complaints during the year.

Note 42: The frauds detected and reported for the year amounted to ₹ 29.87 lakhs (Previous year ₹ Nil).

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration Number: 105047W

Prateek Khandelwal

Partner

Membership Number: 139144

Place: Gurugram

Date: 16 May, 2024

For and on behalf of the Board of Directors of

Shubham Housing Development Finance Company Limited

Sanjay Chaturvedi

Director

DIN : 01636432

Vishal Kanodia

Chief Financial Officer

Place: Gurugram

Date: 16 May, 2024

Rupa Basu

Director

DIN : 08068918

Neeta Kamra

Company Secretary

(M. No.: ACS 22892)



**SHUBHAM HOUSING DEVELOPMENT
FINANCE COMPANY LIMITED**

**Corporate and Communication Address: Shubham House,
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Community Centre, Naraina Vihar, New Delhi - 110028
Corporate Identity Number (CIN) - U65921DL2010PLC199469