

**INNOVATIVE AND  
SIMPLIFIED SOLUTIONS FOR  
INDIA'S**



**NEEDS**

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# MD's Message



FY2023-24 marked an extraordinary period of achievement for your Company. Ending the year with 135 branches, a customer base exceeding 64,900, a portfolio of ₹18,420 Crore and a net worth of ₹2,260 Crore, we have reaffirmed our robust liquidity and balance sheet with AAA long-term credit rating for the seventh consecutive year.

**Pankaj Gadgil**  
MD & CEO

## Dear Shareholders,

I am delighted to present to you all the progress of your Company on the occasion of ABHFL's annual report for the fiscal year 2023-2024.

### Business and Portfolio Performance

The fiscal year 2023-2024 marks an extraordinary period of achievement for your Company. By steadfastly pursuing risk-calibrated growth strategies across diverse segments, your Company has achieved remarkable results, including a 33% year-on-year (YOY) growth in Assets Under Management (AUM) and a 22% YOY growth in Profit Before Tax (PBT). Furthermore, there has been a notable improvement in asset quality, with stage 3 decreasing by 141 basis points from 3.23% in FY23 to 1.82% in FY24.

Your Company has made significant strides across all pillars of growth, including digital reinvention, data analytics-driven decision-making, enhancing distribution networks, and strengthening due diligence processes. Ending the year with 135 branches, a customer base exceeding 64,900, a portfolio of ₹18,420 Crore, and a net worth of ₹2,260 Crore, we have reaffirmed our strong liquidity and balance sheet with AAA long term credit rating from ICRA and India Ratings, for the seventh consecutive year.

### Digital Platforms

In alignment with our commitment to leading in digital and analytical innovation, we launched five significant platforms during FY24. The flagship platform, Finverse, a unified lending platform, went live in a record nine months, achieving 100% adoption within three months of its launch. Finverse provides customers with e-commerce-like features, enabling them to track the real-time status of their loan applications, including pending stages and reasons for delays. Additionally, the platform serves as a centralized source of information for employees, customers, and channel partners, ensuring uniform access to comprehensive data. With over 1,800 design hours invested, Finverse enhances customer control by providing predictability right at the time onboarding regarding loan amount eligibility, interest rates, and disbursement timelines. Presently, Finverse hosts 120+ APIs, 30+ microservices, and 6+ integrated verifications.



The second platform, the sales CRM, has demonstrated early gains in sourcing productivity by 24% and a 23% reduction in customer on-boarding. The third platform, ABHFL Finserve, helps in strengthening our position as the preferred choice for customers, maintaining a service guarantee of four hours for 50% of customer interactions, resulting in a notable improvement in the Net Promoter Score to 69. The fourth platform, ABHFL FinCollect, facilitates digital debt management interactions and offers mobility-led solutions for field staff, including system-generated payment links and instant receipting. The fifth platform, ABHFL FinCF, enhances end-to-end monitoring at the builder and project levels with real-time inventory analysis and built-in event triggers. Going forward, these platforms will continue to evolve, reshaping customer journeys and improving predictability.

### Analytics

On the analytics front, we have successfully deployed 16 models and nine data marts during FY2023-24, spanning the customer life-cycle from demand to collections. While presently in the predictive phase, we aim to transition to the prescriptive stage within the next 18 to 24 months, enabling our models to evolve from telling us 'What will happen?' to providing recommendations on 'How to make it happen?'

### Culture and People

Throughout the year, your Company welcomed a diverse cohort of mid and senior-level team members from various industries, enhancing our talent pool and ensuring preparedness for the future. With 92% representation from millennials and Gen Z, our workforce embodies a healthy mix of experienced and youthful talent. Investments in talent development have positioned us ahead of time, fostering a scalable workforce adhering to industry-leading practices. Our people initiatives prioritize fostering a sense of belonging, encouraging diversity of thought, nurturing positive relationships, and providing fulfilling growth opportunities aligned with individuals' aspirations.

### The Year Gone By: Global and Indian Economy

Over the past year global trade and supply chains have shown signs of recovery, yet they have to reach pre-pandemic levels. Despite these challenges, the Indian economy has demonstrated remarkable resilience, surpassing expectations with a year-on-year growth rate of 7.6%. Positioned on the brink of becoming the world's third-largest economy by 2027, India's growth story is driven primarily by domestic demand. This shift is evident in the increasing participation of retail investors in stock markets highlighting the strength and assurance within the domestic market.

Currently, the mortgage market in India is estimated to surpass ₹ 43 trillion. With a large and growing market, buoyed by a youthful workforce, with an emphasis on infrastructure development, improved regional connectivity, educational reforms, upskilling initiatives, and the establishment of regional manufacturing hubs, the nation presents substantial housing demand prospects that extend beyond metropolitan and tier 1 cities.

### Way forward

FY24 marks a transformative year of growth, laying the foundation for continued expansion across product segments and accelerated digitalization efforts. We remain committed to sustaining profitability, maintaining a quality portfolio, and investing in long-term growth.

I extend my heartfelt gratitude to all our stakeholders, including employees, customers, channel partners, bankers, and regulators, for their invaluable support.

Sincerely,

**Pankaj Gadgil**  
MD & CEO

## Board of Directors

# Guiding to Achieve Excellence



**Ms. Vishakha Mulye**  
Non-Executive Director

Vishakha Mulye is Non-Executive Director of the Company and the Chief Executive Officer at Aditya Birla Capital Limited ("ABCL"), the holding company.

She joined the organisation in 2022 and has been instrumental in scripting the transformational journey of Aditya Birla Capital to build accelerated growth momentum across its various businesses, while maintaining a sharp focus on profitability and return on capital. Under her leadership, the Company embarked on a strategic roadmap of 'One ABC One P&L' approach, resting it on the fundamental pillars of One Customer, One Experience and One Team, to maximise its share of opportunities in the financial services space and delivering long-term, sustainable value to stakeholders.

A strong proponent of digital-first and customer-first value proposition, Vishakha has been bolstering ABCL's digital capabilities by building an integrated portfolio of digital assets to serve customers in a frictionless manner, across channels of their choice. The Company incorporated Aditya Birla Capital Digital Limited ("ABCDL") to serve as a one-stop shop for delivering PIFA offerings to customers through an omni-channel D2C platform; forayed into the digital payment space through collaboration with the NPCI; launched Udyog Plus, a comprehensive digital B2B platform to provide seamless lending and value-added services to the MSME ecosystem; and incubated Infinite, the flagship start-up engagement programme to co-create solutions with tech-driven start-ups. She has also led successful fundraising from marquee investors towards supporting the future growth prospects of the businesses.

Vishakha is on the board of ABCL's operating companies including, Aditya Birla Sun Life Insurance Company Limited, Aditya Birla Finance Limited, Aditya Birla Housing Finance Limited, Aditya Birla Sun Life AMC Limited, Aditya Birla Health Insurance Co. Limited and Aditya Birla ARC Limited. She is a director on the board of Aditya Birla Capital Foundation and Aditya Birla Management Corporation Private Limited. She also serves as an independent director on the board of NPCI International

Payments Limited. In addition, Vishakha is the Deputy Co-Chair of CII's National Forum on NBFC & HFCs 2023-24 and a member of Aspen Institute's 'India Leadership Initiative'.

A chartered accountant and a career banker with over 3 decades of track record in driving large-scale, long-term profitable businesses, Vishakha held significant leadership roles and led several strategic initiatives, as a part of the ICICI Group. Prior to joining Aditya Birla Capital, she was the Executive Director at ICICI Bank, overseeing their domestic and international Wholesale Banking, Proprietary Trading, Markets and Transaction Banking Group. During her long career span, she also served as the Group CFO of the ICICI Bank and was on the Board of ICICI Lombard General Insurance Company, served as the MD and CEO of ICICI Venture Funds Management Company, and chaired the Board of ICICI Bank, Canada.



**Mr. Pankaj Gadgil**  
Managing Director & CEO

Pankaj Gadgil is the Managing Director & CEO of Aditya Birla Housing Finance Limited (ABHFL). Pankaj is responsible for providing strategic direction to the housing finance company and building it to be a material player in the industry.

He is also a member of the Senior Management Team at Aditya Birla Capital and will be responsible for developing the digital platform for Aditya Birla Capital and developing strategy for its payments business.

Pankaj has diverse experience spanning over 25 years, having handled multiple roles in areas of banking and finance. Before joining Aditya Birla Capital, Pankaj worked for 19 years at ICICI Bank, in the areas of Retail Assets & Liabilities, Business Banking, SMEs, Payments, and large ecosystems. He is credited with several 'industry first' digital propositions, like InstaBIZ, Connected & API Banking, Trade Online, Eazypay & InstaOD etc. These digital propositions have won the bank several domestic and international awards, accredited by Asian Banker, Gartner Innovation, IBA, Business Today, etc.



In his earlier stint, his thought leadership, focus on customer insights, distribution efficiency, enabling service architecture, and digital transformation have created a footprint of more than 2 million customers. This has led to significant growth in profit pools and market share in the Small Business segment for the Bank.

He has also served as the Bank's nominee member on the Board of National Payments Corporation of India (NPCI), NPCI International, ICICI Merchant Services Ltd., and ICICI Securities Ltd.

Pankaj is an MBA from Savitribai Phule Pune University and holds a diploma in foreign trade from the Department of Economics.



**Ms. Anita Ramachandran**  
Independent Director

Anita is a MBA from the Jamnalal Bajaj Institute, Mumbai and has won several academic honours.

She is a HR expert having has over 40 years' experience as a management consultant and is one of the first generation of women entrepreneur. She began her career with AF Ferguson & Co (the KPMG network company in India then) in Mumbai in 1976 as the first woman consultant in the firm. In her nineteen years stint with AFF she worked in finance, industrial market research, strategy and human resources consulting and was finally a Director of the firm.

Anita founded Cerebrus Consultants in 1995 to focus on HR advisory services and had soon nationwide presence. Over the last 25 years Cerebrus worked with over 700 companies in South Asia on a wide variety of HR projects.

Anita has been an Independent Director on company Boards for the last 20 years and has in this capacity been associated with a wide range of industries.

She has been in the past Chairperson of TIE Women and on the Executive committee of TIE Mumbai and earlier on the Advertising Standards Council of India.



**Mr. V. Chandrasekaran**  
Independent Director

Mr. Chandrasekaran has worked for nearly 32 years in the Finance and Investment functions of Life Insurance, Housing Finance, and Mutual Fund at the Life Insurance Corporation of India (LIC) with adequate exposure to a gamut of investments. He has been involved in investment decision-making processes, investment monitoring, and accounting.

At LIC, he had served as the Executive Director of Finance and Accounts, Investment Monitoring and Accounting, Investment Operations, Investment, Risk Management, and Research.

He is currently on the Board of reputed companies as Independent Director following his superannuation from his service of LIC as the Executive Director.

Mr. Chandrasekaran is a qualified Chartered Accountant.



**Mr. Narayanan N. R.**  
Independent Director

Mr. Narayanan holds degree in Engineering from IIT Roorkee and completed PGDM from IIM Bangalore.

Mr. Narayanan has over 35 years of experience across various functions of retail banking and extensive experience of retail assets financing business, including housing finance.

Mr. Narayanan superannuated from ICICI Bank and headed the Retail Secured Assets Business, Debt Service Management Group - Collections, Construction & Reality Funding Group, Retail Structured Finance Group and Group Company 'I-Process Services (India) Private Limited' and served as Nominee Director on the Board of ICICI Home Finance Company Limited.

He has served as an independent director on the Boards of reputed financial institutions post his superannuation from ICICI Bank.

## Leadership Team

# Driving Growth at ABHFL



**Mr. Ashish Damani**  
Chief Financial Officer



**Mr. Dharmendra Patro**  
Chief Credit Officer



**Mr. Subhajeet Roy Choudhury**  
Chief Risk Officer



**Mr. Vikas Malpani**  
Head - Construction Finance



**Mr. Nitin Phanse**  
Head- Prime Housing



**Mr. Mohit Sapru**  
Head- Affordable Housing



**Mr. Sachin Jadhav**  
Head - Information Technology



**Ms. Shreya Shah**  
Chief Compliance Officer



**Mr. Jay Thakkar**  
Head - Human Resources  
& Administration





**Mr. Kunal Urdhwareshe**  
Head - Analytics



**Ms. Mohua Chowdhury**  
Head - Operations & Process Excellence



**Ms. Preeti Mishra**  
Head - Product, Digital Transformation,  
Business Development, Partnerships &  
Customer Service



**Mr. Sachin Mishra**  
Head - Informal



**Ms. Shraddha Bhujabal**  
Head - Marketing



**Mr. Vipin Chaudhary**  
Head- Collections

# Bridging Aspirations

## Unlocking Ownership

### **ENABLING PEOPLE TO REALISE THE ASPIRATIONS OF OWNING A HOME AND BUSINESS OWNERSHIP**

Since its establishment, Aditya Birla Housing Finance Limited (ABHFL) has been realizing customers' aspirations of homeownership. Over time, ABHFL has cultivated a robust housing finance platform by consistently improving the processes and addressing the distinct needs of our customers. Our sustained efforts in risk management, product diversification, and technology adoption have contributed to maintaining a strong asset quality while achieving consistent growth.

The Company has prioritized facilitating convenient access and delivering a seamless customer experience through digital transformation and a data-centric approach. We leverage technology to equip our employees, customers, and channel partners with the necessary tools to streamline processes, expedite turnaround times, and while maintaining rigorous data security standards. In our pursuit to become the preferred partner for mortgage loans, we have reimagined the entire customer journey, offering an e-commerce-like experience to our customers.





## FY2023-24 IN NUMBERS

₹8,450 cr

Disbursements

₹18,420 cr

Assets under management  
(AUM)

₹376 cr

Profit before tax (PBT)

5.39%

Net Interest Income (NII)

1.82%

Gross Stage 3

13.87%

Return on equity (ROE)

16.79%

Capital to risk-weighted  
assets ratio (CRAR)

AAA (stable)

Long-term Credit Rating by  
ICRA and India Ratings and  
Research

2,600+

Employees

135

Branches

64,900+

Customers

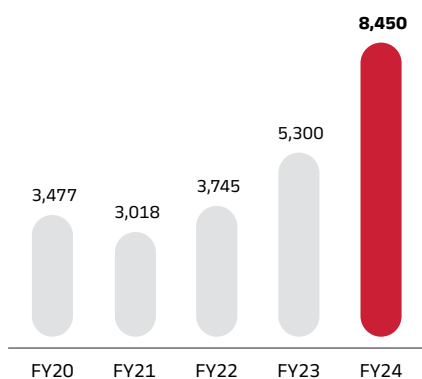
12,000+

Channel Partners

# Delivering robust performance

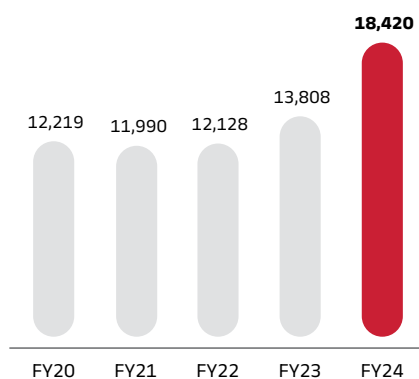
## Disbursements

(₹ Cr)



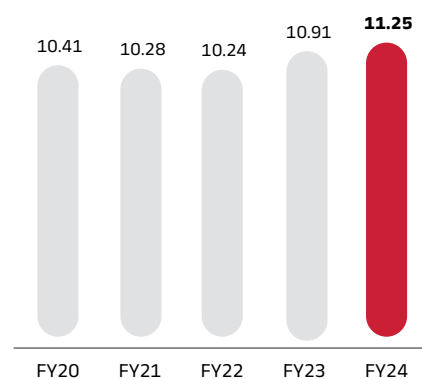
## Assets under management

(₹ Cr)



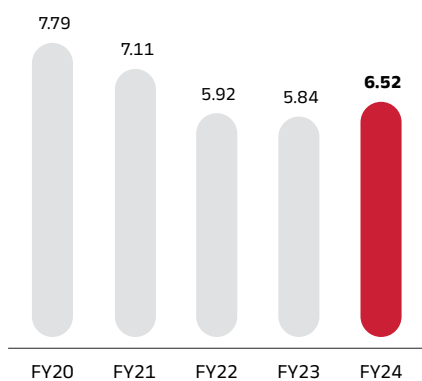
## Effective interest rate

(%)



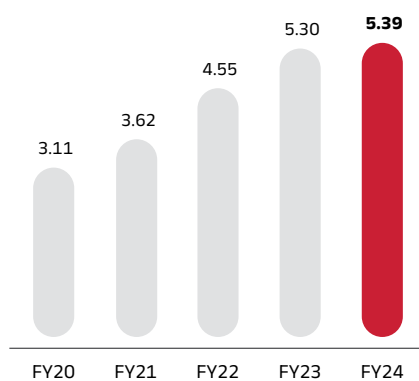
## Cost of funds

(%)



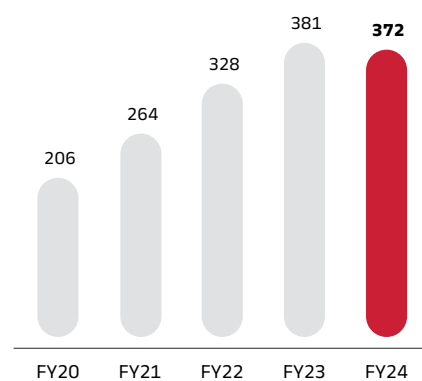
## Net interest income

(%)



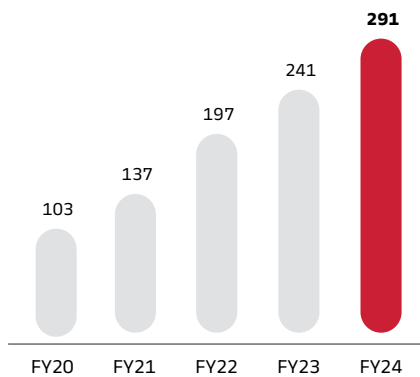
## Pre-provision operating profit

(₹ Cr)

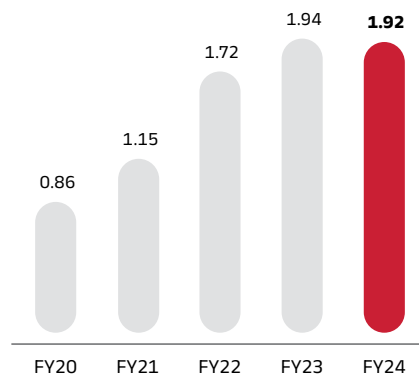


**Profit after tax**

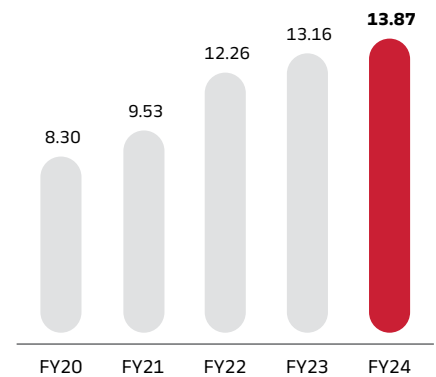
(₹ Cr)

**Return on assets**

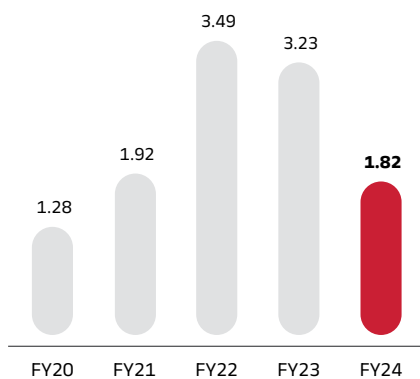
(%)

**Return on equity**

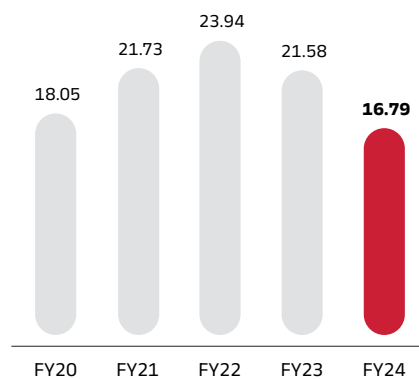
(%)

**Gross non-performing assets**

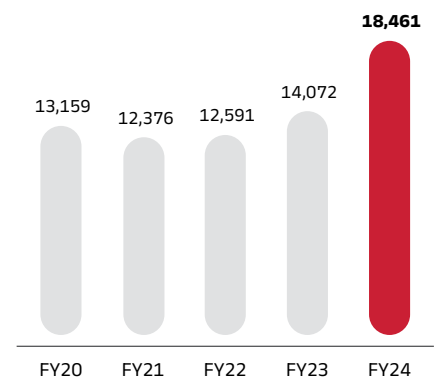
(%)

**Capital to risk-weighted assets ratio**

(%)

**Balance sheet size**

(₹ Cr)



# ABHFL Playbook

Our organisational roadmap revolves around growth, service excellence, digital reinvention, distribution network, analytics, and due diligence. We accelerated growth in both prime and affordable segments through geographically focused micro market penetration strategy and leveraging the ABG ecosystem. We are accelerating our digital reinvention efforts across the entire customer journey. We have launched a seamless loan origination system, 'Finverse', enabling higher face time with customers. We have actively enhanced our analytics capabilities across data engineering, data science, and decision science.

## FULL STACK MORTGAGE PLAYER

- Presence across customer segments - prime, affordable and construction finance
- Micro market-facing policies
- Product market-fit strategy



## LEVERAGING ABG ECOSYSTEM

### ABG legacy

- Cost of borrowing advantage
- Trust of partners and customers
- AAA long-term credit rating from ICRA and India Ratings

### Ecosystem synergy

- ABC digital
- Select ABC ecosystem
- Real estate ecosystem
- 10% of disbursal from ABG ecosystem in FY 2023-24



## OUR PILLARS (4Ds)

### Digital

Platforms across customer lifecycle

### Distribution

8,100+  
pin codes

135  
branches

12,000+  
partners

2,600+  
employees

### Data analytics

9  
data marts live

### Due diligence

Framework across stages: birth and portfolio management





## DIGITAL PLATFORMS ACROSS CUSTOMER LIFECYCLE

A fully integrated, unified end-to-end lending platform, 'Finverse' within the organisation facilitates faster customer onboarding and ensures smoother servicing. ABHFL has enhanced its technological infrastructure, adopting cloud and API gateways to enable seamless integration with 120+ APIS and 30+ microservices and 6+ integrated verifications. This approach has improved productivity across business operations and customer service functions. Throughout the year, ABHFL has focused on enhancing its IT infrastructure, bolstering information security, deploying new business applications, and leveraging data analytics to strengthen data control.

Moreover, ABHFL has implemented various risk scorecards to support data-driven decision-making processes. Over the past few years, ABHFL has made significant investments in technology to adopt a more data and analytics-driven approach. We have developed real-time business reports to monitor business activities promptly. We also created analytical models to provide early warning signals, facilitate business forecasting, predict foreclosure events, and assess prospect quality.



**D** DEMAND

**Sales - customer relationship management**



**Platform and features**

**ABHFL sales - customer relationship management**

- Demand funnel planning
- Channel engagement
- Campaign management
- Field activity management

**Partner onboarding**

- Paperless onboarding
- Integrated verifications
- End-to-end journey tracking



**Early gains**

**24%**  
Sourcing Productivity

**2.1x ↑**  
12,000+ partners

**60% ↓**  
Channel onboarding TAT

**End-to-end unified loan origination platform: ABHFL Finverse**

**F** FULFILMENT

**Retail**



**Platform and features**

- Single sign on from prospecting to disbursement
- E-commerce-like TrackMyLoan
- 120+ APIs
- 30+ microservices
- India Stack-KYC and bureau analytics
- Approved project financial module
- 6+ integrated verifications
- In-built query module



**Early gains**

**55% ↑**  
Retail disbursal

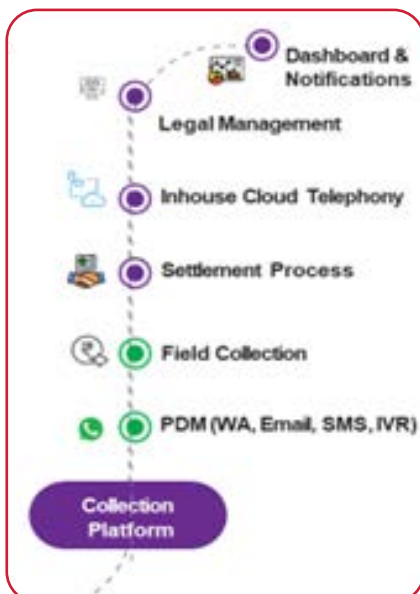


**S** SERVICE**Emerging as the most preferred choice of customers: ABHFL Finverse****Decongestion**

- Servicing through digital channels
- FAQs on WhatsApp chatbot
- Queue management and complaint resolution service-level agreements optimised

**Early gains**

**69**  
NPS

**C** COLLECTION**Robust end-to-end digital debt management system: ABHFL FinCollect****Platform and features****ABHFL FinCollect**

- End-to-end unified digital platform
- Pre-delinquency management via SMS, e-mail, interactive voice response and WhatsApp, PTP alerts
- Post-delinquency – System-generated payment links and receipts

**Early gains**

**141** bps ↓  
Stage 3 reduction

**68** bps ↓  
Stage 2 reduction

# Corporate Information

## BOARD OF DIRECTORS

**Mrs. Vishakha Mulye**  
Non-Executive Director

**Mrs. Anita Ramachandran**  
Independent Director

**Mr. V Chandrasekaran**  
Independent Director

**Mr. Narayanan N R**  
Independent Director

**Mr. Pankaj Gadgil**  
Managing Director & Chief Executive Officer

## COMMITTEES OF THE BOARD

### AUDIT

Mr. V. Chandrasekaran (Chairman)

Mrs. Anita Ramachandran

Mrs. Vishakha Mulye

Mr. Narayanan N R

### NOMINATION AND REMUNERATION

Mrs. Anita Ramachandran (Chairperson)

Mr. V. Chandrasekaran

Mrs. Vishakha Mulye

Mr. Narayanan N R

### STAKEHOLDER RELATIONSHIP

Mrs. Anita Ramachandran\* (Chairperson)

Mrs. Vishakha Mulye\*\* (Chairperson)

Mr. Pankaj Gadgil

Mr. Narayanan N R

\* Resigned w.e.f. April 18, 2024

\*\* Appointed w.e.f. April 18, 2024

### CORPORATE SOCIAL RESPONSIBILITY

Mr. Narayanan N R (Chairman)

Mr. Pankaj Gadgil

Mrs. Vishakha Mulye

## RISK MANAGEMENT

Mr. Narayanan N R (Chairman)

Mr. V. Chandrasekaran

Mrs. Vishakha Mulye

Mr. Pankaj Gadgil

## ASSET- LIABILITY MANAGEMENT

Mr. Pankaj Gadgil (Chairman)

Mr. Ashish Damani

Ms. Preeti Mishra

Mr. Subhajeet Roy Choudhury

Mr. Dharmendra Patro

Mr. Anubhav Katara

## INFORMATION TECHNOLOGY (IT) STRATEGY

Mr. Narayanan N R (Chairman)

Mrs. Anita Ramachandran\*

Mr. Pankaj Gadgil

Mr. Ashish Damani

Mr. Subhajeet Roy Choudhury

Ms. Preeti Mishra

Mr. Dharmendra Patro

Mr. Sachin Jadhav

Mr. Ashish Chauhan

\* Appointed w.e.f. January 19, 2024

## KEY MANAGERIAL PERSONNEL

**Mr. Pankaj Gadgil**  
Managing Director & Chief Executive Officer

**Mr. Ashish Damani**  
Chief Financial Officer

**Ms. Swati Singh\***  
Company Secretary

**Ms. Hiral Sidhpura\*\***  
Company Secretary

\*Resigned w.e.f. October 30, 2023

\*\*Appointed w.e.f. November 1, 2023

## SENIOR MANAGEMENT

**Ms. Shreya Shah**  
Chief Compliance Officer

**Mr. Subhajeet Roy Choudhury**  
Chief Risk Officer

## STATUTORY AUDITORS

**kkc & Associates LLP**  
Chartered Accountants

## SECRETARIAL AUDITORS

**BNP & Associates**  
Company Secretaries

## DEBENTURES TRUSTEES

**Vistra ITCL (India) Limited**  
IL&FS Financial Centre, Plot C-22,  
G- Block, BKC Bandra (E),  
Mumbai – 400 052  
Tel: +91 22 2653 3333

## REGISTRAR & SHARE TRANSFER AGENT

**Linkintime India Private Limited**  
C 101, 247 Park, L B S Marg, Vikhroli  
West, Mumbai - 400 083  
Tel: +91 22 49186000  
Fax: +91 22 49186060  
E-mail Id: [debtca@linkintime.co.in](mailto:debtca@linkintime.co.in)

## REGISTERED OFFICE

Indian Rayon Compound,  
Veraval - 362 266  
Gujarat  
T: +91 22 6279 9505  
CIN: U65922GJ2009PLC083779  
E: [abhfl.secretarial@adityabirlacapital.com](mailto:abhfl.secretarial@adityabirlacapital.com)  
W: [www.homefinance.adityabirlacapital.com/](http://www.homefinance.adityabirlacapital.com/)

## CORPORATE OFFICE

One World Center,  
Tower-1, 9<sup>th</sup> Floor,  
Jupiter Mill Compound,  
841, Senapati Bapat Marg,  
Elphinstone Road,  
Mumbai - 400 013  
T: +91 22 6279 9505



# Management Discussion and Analysis

## OVERVIEW OF GLOBAL ECONOMY

Central banks around the world have raised policy rates significantly over the past two years. Many observers thought higher rates would lead to a slowdown or even a recession, but global growth has held steady. At the same time, some economies are in fact slowing down. Historically, the United States and China have been the main drivers of the global economy. In 2023, the US experienced unexpected growth as consumers spent a substantial portion of the over \$2.25 trillion in excess savings accumulated during the pandemic. Looking ahead, consumer spending will increasingly depend on wage increases and, to a lesser extent, Federal Reserve interventions. Meanwhile, China's growth stumbled due to a crisis in the housing sector, which constitutes a significant portion of its GDP. However, various levels of government have announced stimulative measures expected to improve prospects in the coming year.

The Eurozone faced stagflation for much of 2023, but conditions are anticipated to improve in 2024 as disinflation progresses. Japan stands out as the only developed economy maintaining negative interest rates. It is projected to continue growing above its potential through 2024 as the Bank of Japan aims to combat deflation effectively. Geopolitical risks are at their highest in decades, exacerbating economic uncertainty. Ongoing conflicts in Ukraine, humanitarian crises in the Middle East, and escalating tensions between China and the West mean geopolitics remain a concern. Looking ahead to 2024, global growth, which rose by an estimated 3.1% in 2023, is projected to slow to 2.9% in 2024 and then increase to 3.0% in 2025.

## OVERVIEW OF INDIAN ECONOMY

India's economic resilience against global challenges has persisted for three fiscal years. This resilience can be attributed to supportive policies and regulations, as well as prudent measures, alongside a gradual revitalization of the private sector. Looking ahead, India is poised to maintain robust growth throughout this decade, leveraging significant investments in emerging sectors, continued government spending, and efficiency improvements driven by advances in digitalization and physical connectivity.

For the upcoming fiscal year, it is expected that India's GDP growth to moderate to 6.8% (NSO estimates) after exceeding expectations with a 7.6% expansion this fiscal year. Continued disinflation will strengthen purchasing power, while favorable agricultural output and a gradual increase in private capital expenditure will contribute to broader-based investment growth. The government's budgetary support for rural incomes and infrastructure spending will also play a role in sustaining

growth momentum. Productivity gains will complement the dominant role of capital, facilitated by enhanced physical and digital connectivity and ongoing economic and process reforms. The country's growth trajectory will be supported by both manufacturing and services sectors, reflecting a robust and balanced growth path.

Manufacturing is expected to accelerate, driven by improvements in competitiveness, increased investments, global opportunities from supply-chain diversification, green transition imperatives, and domestic policy initiatives. Meanwhile, services will maintain a significant footprint, indicating a sturdy growth trajectory for the Indian economy.

India is poised to retain its status as the fastest-growing large economy, with its economy expected to approach the \$7 trillion mark between fiscal years 2025 and 2031, driven by an average annual growth rate of 6.7%. This would elevate India to the position of the world's third-largest economy and elevate its per capita income to the upper-middle-income category.

## OVERVIEW OF HOUSING FINANCE SECTOR

**Housing Credit Demand to Stay Strong:** The mortgage industry in India stood at ₹ 39.4 trillion as on August 30, 2023, and is estimated to grow at 15% CAGR to cross ₹ 100 trillion by March 31, 2030, backed by increase in urbanization, higher affordability, and preference for home ownership post Covid.

Within the mortgage industry, the home loan portfolio constitutes 78.9% i.e., ₹ 31.1 trillion as on Aug 30, 2023, as per a CIBIL TransUnion report. 40% of this portfolio belongs to PSU banks, 33% with Private Banks, 22% with HFCs, 2% with DCCBs and RRBs, 1% with NBFCs and the remaining 1% with foreign banks and small finance banks.

**Upscaling at play:** The revival of housing demand since the pandemic has been anchored on increased preference for home ownership as well as significant up-scaling among homebuyers with a preference for bigger houses and better-rated developers. This is reflected in the increasing contribution of higher ticket-sizes of loans.

As per NHB data for Mar 2023, on the origination front of the total ₹ 8.1 trillion home loans disbursed by banks and HFCs in FY23 Regular segment (> 25L) constituted 72% (66% in FY22) and Affordable Housing (< 25 L) constituted only 28% (reduced from 34% in FY22). During the same period affordable housing loans showed muted growth of 3% yoy for FY23 while the regular loans showed 22% yoy growth resulting in 14% overall industry growth.

## Management Discussion and Analysis (Contd.)

India's Mortgage Finance Penetration % to GDP was 10% in FY23, lower in comparison with other countries like China, South Africa, USA, and Singapore, thus having the headroom to grow. Interestingly, although India's house-hold mortgage debt is much lower than in all almost advanced economies, non-mortgage household debt was ~25% of GDP in Dec'22. This level of non-mortgage household debt in India was the same as Australia and Japan, and higher than in many other countries including UK (18%), US (24%) and China (23%). RBI has raised concerns regarding the pace of the increase in household borrowings

### TRENDS IN HOUSING DEMAND

Secular Demand: India's housing demand is expected to continue to be strong due to a combination of demographic and structural factors. These include a large population base, a growing middle

class (which is becoming the largest consumer category), a rising pace of urbanization, a trend towards higher rates of home ownership, improving affordability, and a shortage of high-quality housing options for lower-income segments of the population.

The demand for housing experienced a substantial increase during the pandemic, and this trend is expected to continue. This is due to two factors: Firstly, there is a growing preference for higher-end housing among wealthy consumers, which is driving premiumization. Secondly, there is an improvement in affordability in the mass market segment because of the limited rise in asset prices (the All-India Housing Prices Index experienced a Compound Annual Growth Rate of only about 4% from FY15-FY22, while per capita income grew by 8% during the same period)

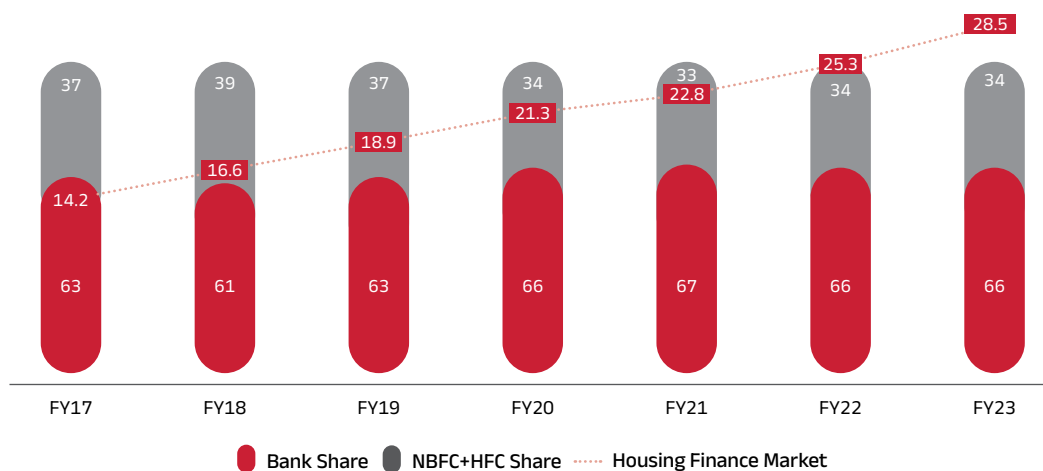
Population category (₹ Mn)	2016	2021	2031 (P)	2047 (P)
Affluent (>3)	37	55	169	437
Middle-class (0.5 - 3)	349	432	715	1,015
Aspirers (0.125 - 0.5)	735	732	568	184
Destitute (<0.125)	209	196	79	25

Source: HSIE, ICE 360 Household Survey 2021

**Banks Dominating the HL Segment:** After experiencing a growth of approximately ~500 basis points in the HL market share between FY17-23, banks are now striving to increase their already dominant market share of around ~66%. This is due to

the benefit of having a strong liability franchise, which results in a stable spread of over 300 basis points, combined with ongoing optimization efforts and the current interest rate environment, all of which contribute to robust unit economics.

### India's housing finance market was pegged at ₹28.5 Tn in FY23



Source: Rating agencies, research reports



**Asset Light Models at Play:** Mortgage market's micro-structure is undergoing a transformation as collaborative lending gains maturity. Banks and HFCs are exploring various asset-light models such as co-lending and DA to optimize their portfolio, capital structures, and liquidity. As stated by CARE the 9MFY23 alone has witnessed ₹ 1.13 Tn.

**Developer Funding:** The funding provided to developers, amounting to around ₹ 3.5 trillion, has undergone a significant change after the 2019 developer crisis, which was brought about by regulatory modifications to the funding of projects in their early stages, including land acquisition. While major banks focus on gaining market share beyond Grade-A developers, HFCs/NBFCs are expected to reduce a portion of their share in construction finance.

## INDUSTRY OUTLOOK - OPPORTUNITIES AND THREATS



### Opportunities

- The level of mortgage penetration in India is much lower than that of developed nations suggesting headroom for growth
- Post Covid there is a need for larger homes leading to rise in demand for ready to move in or near completion properties
- Shift in investor driven real estate market to an end user driven market leading to higher demand backed by new project launches by top developers
- Expansion in tier II and beyond with the rise in reverse migration
- Focus on technology to enhance end-to-end digital journeys and deliver superior borrowing experience to customers



### Threats

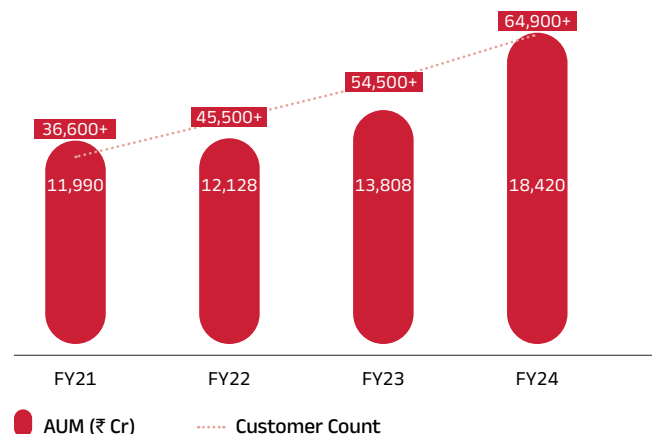
- Housing finance companies in India are facing challenges related to the increase in policy rates, which might cause slower demand and growth
- The flattening yield curves and increasing rate cycle, in turn, may result in short-term asset-liability mismatches and negatively affect their borrowing profile and profitability.
- The highly competitive market adds further pressure to maintain profitable expansion while preserving asset quality.
- If there is an economic downturn in major economies, it could result in macroeconomic issues such as heightened cost inflation, interest rates, and currency volatility, all of which may put stress on asset quality

## BUSINESS OVERVIEW

### Business performance

ABHFL's priority is to build a digital & analytics backed Retail housing franchise catering to the housing needs of salaried, self-employed and professionals running micro-businesses across tier-I suburbs, tier-II and tier-III cities with optimum credit quality. The Company currently services 64,900+ customers and its AUM stood at ₹18,420 Crore in FY 2024 of which ₹11,717 Crore was towards Housing loans, ₹4,754 Crore towards Mortgage Loans, and ₹1,949 Crore towards Developer Finance loans. ABHFL grew its AUM by ~33% in FY24.

### ABHFL portfolio trend and active customers



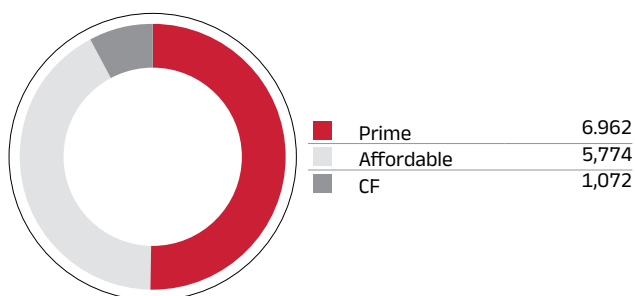
## Management Discussion and Analysis (Contd.)

### Retail Granularity:

The Company worked towards developing a robust, retail-led business model and acquired ~21000 new customers in FY24. The average ticket size is around ₹ 30 lakhs with the retail loans contributing to 89% of portfolio.

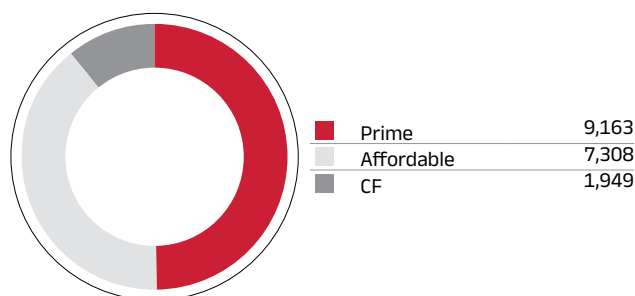
### Financial Year 2023

(₹ Cr)



### Financial Year 2024

(₹ Cr)



### Financial and operational performance

Positive Growth in key financial parameters: ABHFL continues to deliver strong core operating profit over the years. Organization reported NII of 5.39% (PY: 5.30%) backed by growth in all segments. Investments in talent and technology to drive future growth resulted in higher CIR of 54% in FY 2024 from 42% in FY 2023. Efficient collection management, improved resolution and bounce rate led to lowest credit cost at -0.03% (PY: 0.58%). Combined impact of above variables led to increase in PAT to ₹ 291 Crs (21% growth over P.Y.). The ROA and ROE were at 1.92% (P.Y:1.94%) and 13.87% (P.Y: 13.16%) respectively.

### Capital Adequacy Ratio (CAR)

The Capital adequacy ratio as on 31<sup>st</sup> March 2024 was 16.79%. The net worth of the Company as on 31<sup>st</sup> March 2024 was ₹2,260 Crore as against the previous year figure of ₹1,968 Crore.

### KEY FINANCIALS

Key performance parameters	₹ in Crore	
	FY24	FY23
<b>Asset under management (₹ Cr)</b>	18,420	13,808
Average yield (%)	11.25%	10.91%
Net interest cost/Average loan book (%)	6.52%	5.84%
Other income (₹ Cr)	0.65%	0.23%
Net interest income* (%)	5.39%	5.30%
<b>Net interest income (₹ Cr)</b>	<b>815</b>	<b>659</b>
Opex (₹ Cr)	443	278
Opex /Average loan book (%)	2.93%	2.24%
Cost income ratio (%)	54.35 %	42.21%
Credit provisioning (₹ Cr)	-5	72
Credit provisioning/Average loan book (%)	-0.03%	0.58%
<b>Profit before tax (₹ Cr)</b>	<b>376</b>	<b>309</b>
<b>Profit after tax (₹ Cr)</b>	<b>291</b>	<b>241</b>
<b>Net worth (₹ Cr)</b>	<b>2,260</b>	<b>1,968</b>

\*NII including fee (net of DSA expenses and processing cost)

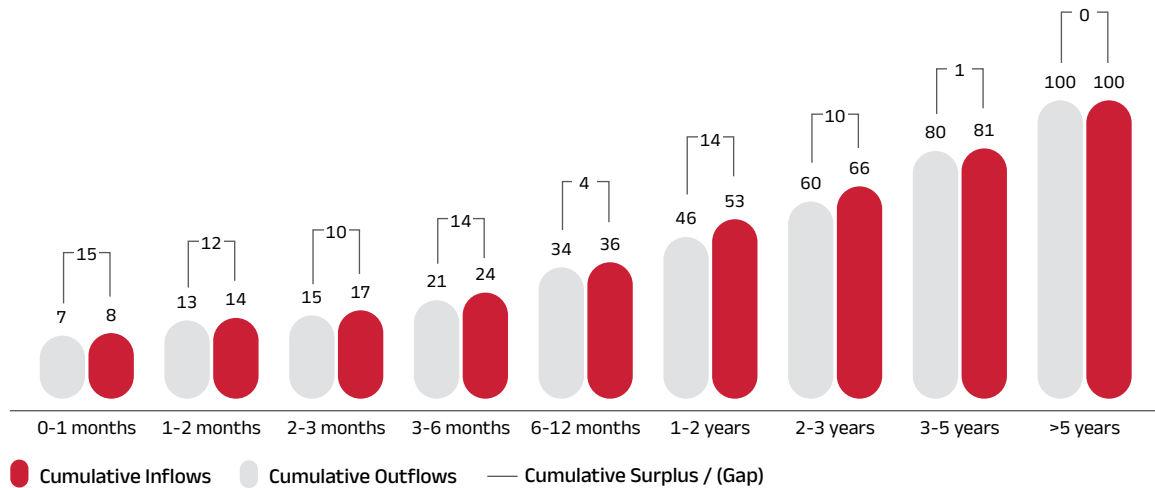


## Asset Liability Management (ALM)

**Positive ALM:** Asset Liability Management is addressed optimally and within the norms stipulated by NHB/Board. ABHFL is well positioned to meet its liquidity needs by maintaining positive ALM. The below chart depicts the mismatch between the inflows and outflows for each of the buckets.

### Asset liability management (ALM)

%



## Liquidity Management

The Company has maintained a healthy Liquidity Coverage Ratio (LCR) in Q4-FY24 by maintaining average LCR of 147% against regulatory requirement of 70%.

The Company has also maintained adequate liquidity in the form of unutilized Bank lines to the tune of ₹ 2,581 crores (Average Unutilized Long-Term Lines of ₹ 2,036 Crore and working Capital Lines of ₹ 545 Crore).

## Credit ratings

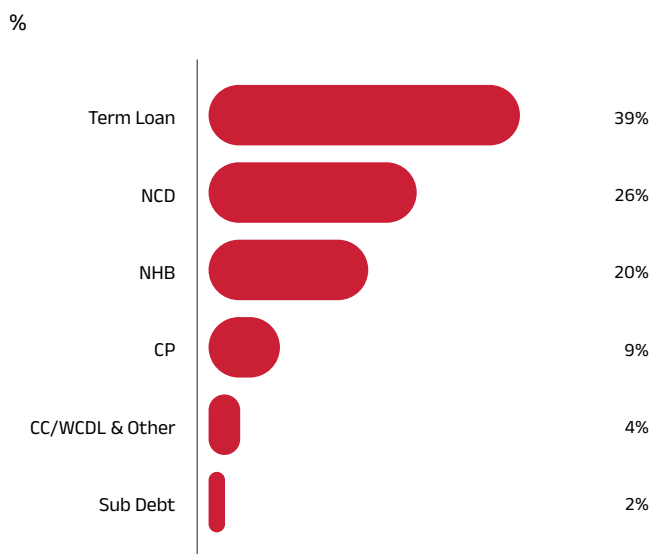
The company has been assigned the following Ratings by ratings agencies as details below:

Credit rating agency	Instruments	Ratings	Outlook
India Ratings and Research	Non-convertible debentures	AAA	Stable
	Subordinated debt	AAA	
	Commercial papers	A1+	
	Fund-based limits from banks	AAA/A1+	
ICRA	Non-convertible debentures	AAA	Stable
	Subordinated debt	AAA	
	Commercial papers	A1+	
	Fund-based limits from banks	AAA/A1+	

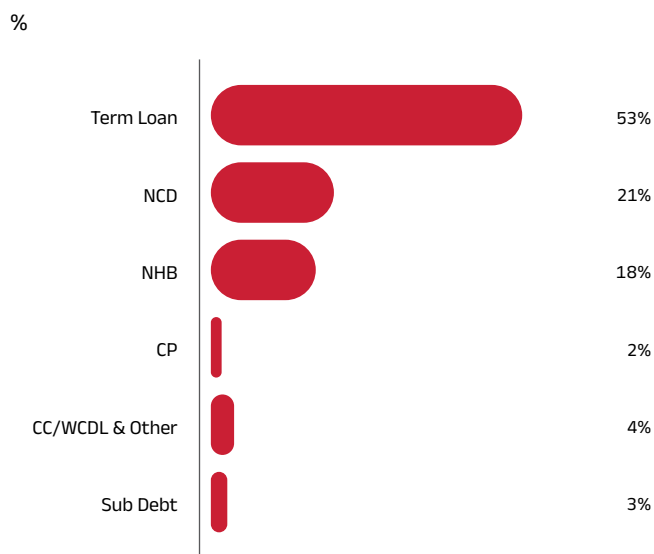
### Borrowing profile

The Company primarily sources funds from banks in the form of term loans and cash credit / WCDL, NHB and from the money market through Non-Convertible Debentures (NCDs) and commercial papers. During the year, the Company borrowed ₹ 3,492 crore (which includes NHB refinance of ₹ 1,547 crore). The Company also raised ₹ 2,205 Crore through private placement of Secured NCDs. The borrowing profile as on 31<sup>st</sup> March 2024 and 31<sup>st</sup> March 2023 is shown below:

#### 31st March 2024: ₹15,416 Crore



#### 31st March 2023: ₹11,755 Crore



### Our strategy:

ABHFL remains committed to implementing its strategy across diverse product lines and segments to stimulate and capitalize on the next phase of growth. Our unwavering focus on these strategic pillars is what drives our consistent performance.

### Product:

ABHFL moved towards a price market fit products approach to cover the entire mortgage spectrum. Evolving propositions are driven with the strategic framework focused on outside-in view.

15 + Product and Propositions were launched along with tools for higher uptake. Standardized collaterals classification was done during the year.

### Digital Transformation:

ABHFL embarked on a transformational journey with Digital and Analytics being the core drivers. Digital Platforms and analytical models were developed based on customer life cycle (Prospecting – Fulfillment – Servicing – Collections).

“Finverse” was introduced that has digitized the entire lending process from prospecting to disbursement, providing customers with a seamless experience, faster turnaround of loan applications, greater transparency of loan status, and real-time updates.

Digital Index 2.0 was introduced which was designed with robust framework to track customer onboarding journey with holistic representation of digital capability, adoption, and customer experience. Our digital index has risen significantly from 58% in Q2 FY '24 to 73% in Q4 FY '24.

**15+**  
Product propositions launched

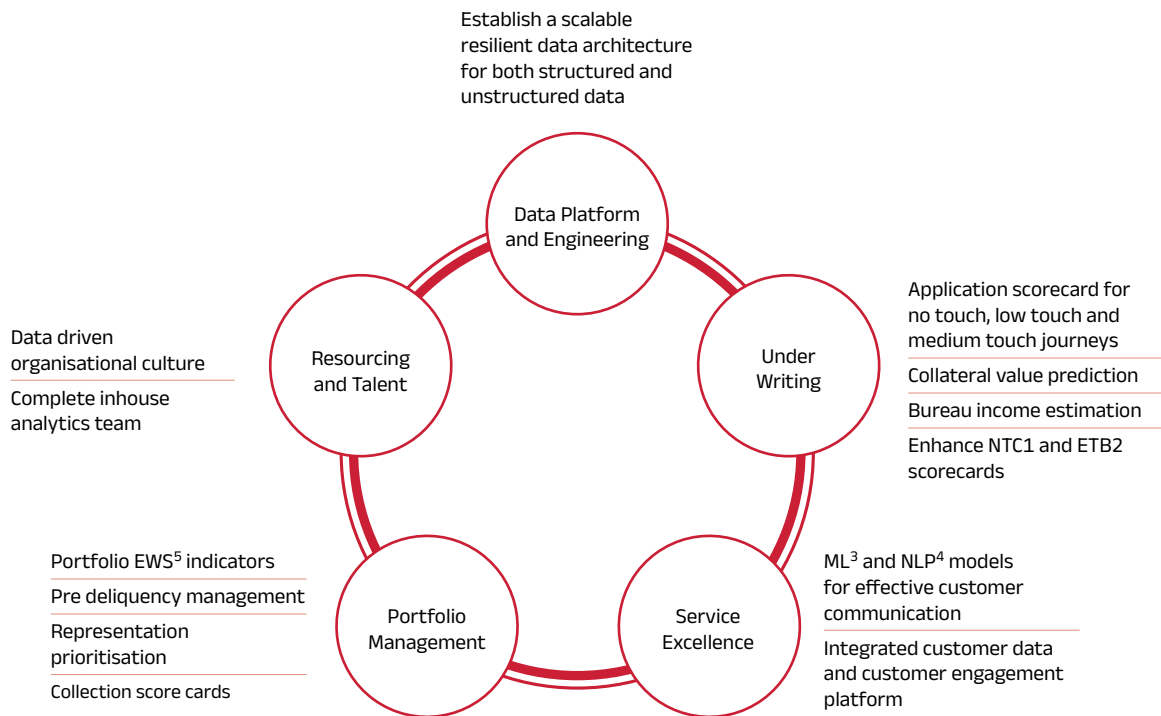
**100%**  
Adoption of Finverse





## Data Analytics:

We are leveraging data and analytics by committing to fortify its processes and analytical capabilities to harness data effectively. Our focus is to strengthen our data-driven capabilities to diagnose, predict and decide the next best course of action for employees, management, and customers alike. Data marts were the bedrock of all the analytical models deployed and under development. A total of 9 data marts and various analytical models across customer life cycle were deployed in FY '24.



<sup>1</sup>NTC: New to Credit

<sup>2</sup>ETB: Existing to Business

<sup>3</sup>ML: Machine Learning

<sup>4</sup>NLP: Natural Language Processing

<sup>5</sup>EWS - Early Warning Signal

## 9 Live data marts

### Distribution:

ABHFL has presence in 19 States & Union Territories and 117 Cities. A network of 130 branches servicing 8143 Pin codes covering ~85% of total origination opportunity. Our analytic driven Micro-market penetration strategy has helped scale business in Top 10 cities by 65% in FY '24. With the focus on scaling up retail business, it was imperative to create a sustainable distribution. ABHFL onboarded 2.1x of channel base exit of FY 23. The unique channel activation saw a growth of 1.5x in the year FY 24. We have extended our avenues of distribution for ABG Ecosystem to ABG Companies, Employees, and Distributors which has yielded a contribution of 10% in FY 24 from 7% in FY 23 (of Retail Disbursal).

**2.1x** ↑  
Channel partners

**10%**  
ABG ecosystem's contribution to retail disbursement



**Milaap Channel Partner** – ABHFL IP launched successfully in Oct'23, across 23 cities bringing together 1600 partners Pan India.

### Due Diligence:

At ABHFL, a strong and efficient collection process is crucial to our lending business. We have established a robust collection

infrastructure that incorporates both digital and physical modes of follow-up with customers. Throughout the year, we maintained a clear focus on mentioned critical themes: reduce bounce rates through effective pre delinquency Management, choking of flows from front end Bucket, minimizing new non-performing assets (NPA), improving recovery rates for Write off & NPA Recovery and minimize Credit Cost.

We follow three pronged approach towards the portfolio risk management.



Risk Control at origin



Pre delinquency Management



Portfolio risk management

### The following initiatives were taken in FY24:

#### Portfolio Risk

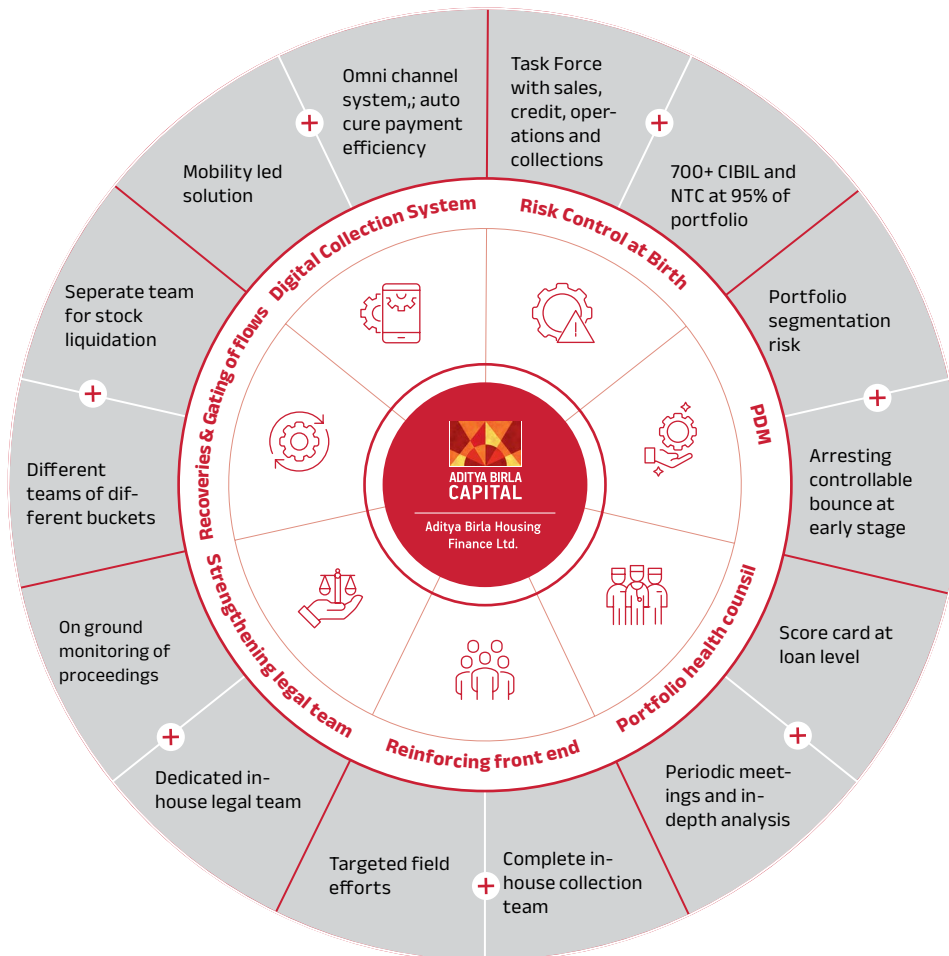
- The proactive tracking of risks stemming from various functions within the organization is facilitated by the implementation of an Enterprise Risk Management policy.
- Introduced an Early Warning Signal (EWS) policy ensuring the proactive monitoring of portfolios, aiding in the identification and remediation of weak accounts.
- The initiation of ECL automation is underway
- Hunter check has been incorporated to detect fraud at the origination stage.

#### Automation & Analytics:

- Comprehensive omni channel collection system covering the entire process
- Mobility led solutions for field collections team
- Propensity models and score cards based on performance



## Due Diligence Framework



## Risk Management

The Company's risk philosophy involves developing and maintaining a high credit-quality portfolio within its risk appetite and the regulatory framework. While it is exposed to various types of risks, the most important among them are credit risk, market risk (which includes liquidity risk and price risk), operational and fraud risk. The measurement, monitoring and management of risks remains a key focus area for the Company.

The Company's risk management strategy is based on a clear understanding of various risks, proactive identification of risk, disciplined risk assessment, continuous monitoring and mitigation. The policies and procedures established for this purpose are continuously and rigorously reviewed and benchmarked against best industry practices.

For credit risk assessment, specific policies and processes are in place. Management of credit risk is carried out through well-defined credit policies, portfolio appraisal and diversification, approval processes, analytical models, operations and fraud control, collection processes and remedial management procedures. We are also engaged in post disbursement file audit for checking data quality, policy and process adherence, periodic portfolio and collections review. For each product, programs defining customer segments, underwriting standards, security structures, etc. are specified to ensure consistency of credit patterns. All the cases are approved by the Credit Underwriting team and Credit Committees at different levels with respective approval limits.

### Cyber Security:

We have instituted a comprehensive set of cybersecurity measures, encompassing antivirus and endpoint detection and response, infrastructure vulnerability assessment, multi-factor authentication amongst others.

### Internal Controls

The Company has in place an effective risk-based internal audit framework to monitor the efficacy of internal controls with the objective of providing to the Audit Committee and the Board of Directors, an independent and reasonable assurance on the adequacy and effectiveness of the organization's risk management, internal control and governance processes. The framework is commensurate with the nature of the business, size, scale and complexity of its operations with a Risk Based Internal Audit (RBIA) Approach. Internal Audit function headed by the Head Internal Audit has organizational independence functionally reporting into the Audit Committee of the Board.

The Company has implemented a RBIA Programme in accordance with the requirements of RBI circular dated June 11, 2021 and the extant laws and regulations as applicable. The risk-based internal audit plan is developed based on the independent comprehensive assessment of the documented inherent risks, and the controls to manage / mitigate those risks across the business activities as well as the support and control functions of the organization. The audit plan covers process audits at the head office and across various branches of the organization. Thematic areas intrinsic to the businesses of the Company and the corresponding control and support functions are also covered in the audit planning. The risk-based Internal audit plan is approved by the Audit Committee of the Board and Internal audits are undertaken in accordance with the approved audit plan to independently validate and assess the adequacy and effectiveness of the existing risk management and controls. Internal Audit Reports are regularly reviewed by the management and necessary preventive/corrective action is initiated to strengthen the controls and enhance the effectiveness of existing systems.

High and Medium risk audit observations, if any, are presented to the Audit Committee along with the status of management actions and the progress of implementation of recommendations.

### Building Brand Equity

ABHFL has a customer centric approach of measuring NPS across all customer lifecycle stages – onboarding, service and foreclosure.

The key initiatives being taken are:

- Simplifying & digitizing the onboarding journey and reducing the end-to-end customer onboarding TAT
- Increasing the Straight-Through Processing (STP) journeys
- Enhancing the experience on digital channels viz. WhatsApp, Chatbot, Portal, and driving adoption of digital channels for self-service
- Simplifying the foreclosure and rate change journey by reducing hand offs, automating key processes in the journey, and ensuring TAT

# 69

NPS

### Material developments in Human resources, including number of people employed.

The Company has always aspired to be an organization and a workplace which attracts, retains and provides a canvas for talent to operate.

The average employee strength of the Company was 2681. The workforce also had a healthy representation of young talent (92% millennials and Gen Z) and 12% women.

During the last FY, multiple initiatives and interventions were carried out in the areas of Talent Management, Leadership Capability Building, Employee Engagement, and Learning – highlights of which are provided below:

### Key Highlights of Talent Initiatives during the FY 23-24:

Significant efforts were spent in identifying talent / high potential employees across levels. 370+ employees were covered in a structured process of potential identification. The Company invested leadership time and effort in ensuring objectivity and comprehensiveness of the process to identify future leaders of the organization.



Of the existing talent pool employees, 100% were covered in development interventions. From those eligible for movement, 81% underwent a role change/ enhancement as part of their career progression.

### Employee Wellness and Engagement

Our constant endeavor to provide a happy, healthy, and engaging work environment yielded positive outcomes as was testified by the results of the VIBES 2023 survey which was launched in October 2023 and witnessed widespread participation from ABHFL employees. 94% of all eligible employees completed the survey and provided valuable feedback across eight parameters

**Wellness:** The integrated wellness program launched for employees across Aditya Birla Group aimed at enabling employees to take charge of their physical as well as emotional well-being remained a key focus area for the Company. As of March 31, 2024, more than 700 employees were covered in health assessments that enabled them to initiate improvements in their lifestyle towards improving their health quotient

### Learning

Our philosophy to provide employees with equal and continuous opportunities to learn and grow was aptly supported by our learning interventions throughout the year. By the end of the year, we achieved an impressive 89% coverage of employees participating in one or more of our learning interventions.

### FY2025 – Macro Economic Outlook

For the forthcoming fiscal year, it is anticipated that India's GDP growth will moderate to 6.8% (as per NSO estimates), following a robust expansion of 7.6% in the current fiscal year, which surpassed expectations. The growth trajectory has displayed an upward trend over the past four quarters, supported by consistent momentum in capital expenditure (capex) and industrial activities. Additionally, there has been a rise in leverage, evident in the increased credit growth of 16.3% in March 2024 compared to the pre-pandemic growth rate of 7.1% year-on-year.

We anticipate that a combination of favorable policy measures such as the PLI scheme, rising capacity utilization rates, strengthened balance sheets of corporates, and a resilient banking sector will pave the way for a virtuous cycle of growth.

### NBFC-HFC Outlook

The combination of decadal low interest rates, attractive pricing schemes post Covid, and a rebound in household income

contributed to reaching peak affordability (measured by the home loan EMI to income ratio). The rise in interest rates and elevated inflation has dampened affordability, causing a decline in the quotient. Despite the upward trend in interest rates, the full impact on demand may not have materialized entirely, evident in the sustained growth of inquiries and disbursements. With the affordability gains reversing the impact on demand is yet to be seen.

Margin compression is witnessed amidst tightening liquidity and regulatory environment. The compression in margin for housing finance players is a result of two key factors: the increased interest rates and competitive intensity. While the assets side is largely floating-rate, liabilities are either fixed-rate (NCDs etc.) or MCLR-linked borrowings. This results in a delay in the adjustment of the borrowing costs in response to changes in the benchmark rate. The RBI has opted to maintain the current rate in the midst of ongoing market volatility. We anticipate that the cost of funds for HFCs will remain elevated and to reach peak during the mid of next fiscal.

As of November 16, 2023, RBI has raised the risk weight for unsecured lending by 25%, indicating an elevated perception of risk. The increased capital requirement has effects on overall profitability, placing constraints on available margins for lending activities. Consequently, this has led to intensified competition among banks and NBFCs and this may further result in elevated balance transfers which will further weigh down the NIMs. For non-banks (NBFCs), growth in assets under management may moderate compared to FY24, with regulatory measures curtailing expansion of unsecured book while the traditional secured book growing at steady pace.

Amidst this, ABHFL's purpose remains to further strengthen the government's vision of Housing for All and contribute to nation building in its humble way.

### Cautionary Statement

Statements in the Board's Report and the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. The Company is not obliged to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development information or events or otherwise.

# Board's Report

## Dear Members,

The Board of Directors of Aditya Birla Housing Finance Limited (“the Company” or “ABHFL”) is pleased to present the 15<sup>th</sup> (Fifteenth) Annual Report and the Audited financial statements of the Company for the financial year ended 31<sup>st</sup> March 2024 (“financial year under review”).

## FINANCIAL SUMMARY AND HIGHLIGHTS

The Company's financial performance for the financial year ended 31<sup>st</sup> March 2024 as compared to the previous financial year ended 31<sup>st</sup> March 2023 is summarised below:

Particulars	Financial Year	
	2023-24	2022-23
<b>Total Income</b>	<b>1,836.24</b>	<b>1,407.45</b>
Less: Finance Cost	1,014.24	748.37
<b>Net Total Income</b>	<b>822.00</b>	<b>659.08</b>
Less: Operating Expenses	442.73	278.19
<b>Pre-provision operating Profit</b>	<b>379.27</b>	<b>380.89</b>
Less: Impairment on financial instruments	2.81	72.36
<b>Profit before tax</b>	<b>376.46</b>	<b>308.53</b>
Less: Tax expenses	85.77	67.59
<b>Profit after tax</b>	<b>290.69</b>	<b>240.93</b>
Other comprehensive income (net of tax)	0.02	5.42
<b>Total comprehensive income (net of tax)</b>	<b>290.71</b>	<b>246.35</b>
Basic earnings per share	5.80	4.81
Diluted earnings per share	5.79	4.81
Transfer to Special Reserves	58.14	48.19

The above figures are extracted from the financial statements prepared in accordance with Indian Accounting Standards (“Ind AS”) as notified under Sections 129 and 133 of the Companies Act, 2013 (“the Act”) read with the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act. The detailed Financial Statements as stated above are available on the Company's website <https://homefinance.adityabirlacapital.com/>.

The financial statements of the Company are consolidated with Aditya Birla Capital Limited (“ABCL”), the Holding Company which has adopted Ind-AS. The Company has also prepared and submitted to ABCL the financial statements in Ind-AS Fair Value format.

## RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

### Key Highlights of the Company's Consolidated Performance for the Financial Year Ended 31<sup>st</sup> March 2024 are as under:

- As on 31<sup>st</sup> March 2024 the Company had AUM of ₹ 18,420 Crore with 65,740 active customers.
- Affordable Housing business had over ₹ 6,691 Crore of AUM with over 42,134 active customers.
- Overall disbursal during the year was ₹ 8,450 Crore.
- Total income for the financial year under review was ₹ 1,836.23 Crore against ₹ 1,407.45 Crore for previous year.

- Opex was ₹ 442.73 Crore compared to ₹ 278.18 Crore for previous year.
- Borrowing cost was ₹ 1,014.24 Crore compared to ₹ 748.37 Crore for previous year.
- Credit cost decreased to ₹ 4.61 Crore during the year against ₹ 72.36 Crore last year.
- Profit Before Tax was up by 22% to ₹376.46 Crore.

## MATERIAL EVENTS DURING THE YEAR

There were no material events during the year under review.



## HOLDING/SUBSIDIARIES/JOINT VENTURES/ ASSOCIATES COMPANIES

### HOLDING COMPANY

During the financial year under review, Grasim Industries Limited remains the ultimate Holding Company and Aditya Birla Capital Limited continues to be the Holding Company of the Company. Grasim Industries Limited and Aditya Birla Capital Limited are listed at BSE Limited, National Stock Exchange of India Limited and Luxembourg Stock Exchange. As per Clause 16(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is considered as a Material Subsidiary Company of Aditya Birla Capital Limited.

### SUBSIDIARY COMPANY

The Company doesn't have any Subsidiary Company.

## JOINT VENTURES/ASSOCIATE COMPANY

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

### TRANSFER TO RESERVES

An amount of ₹ 58.14 Crore was transferred to Special Reserve in terms of Section 29C of the National Housing Bank Act (including ₹ 37.09 Crore to reserve u/s 36(1)(viii) of the Income Tax Act, 1961) during the financial year under review.

### DIVIDEND

The Board of Directors did not recommend any dividend for the financial year under review.

### SHARE CAPITAL

The Company's paid up Equity Share Capital as on 31<sup>st</sup> March 2024 was ₹501.20 Crore.

## TRANSFER OF SHARES/CHANGE SHAREHOLDERS

During the financial year under review, the Board of Directors approved requests for transfer of shares from the nominees of Aditya Birla Capital Limited (ABCL), Holding Company as follows:

Sr. No.	Transferor	Transferee	Date of Transfer	No. of Shares
1.	Mr. Rajesh Bamanian (Nominee of ABCL)	Mr. Kamlesh Kanjiyani (Nominee of ABCL)	14 <sup>th</sup> February 2024	1
2.	Ms. Deepak Tripathi (Nominee of ABCL)	Mr. Sachin Navinchandra Chhag (Nominee of ABCL)		1

## DEPOSITORY

As on 31<sup>st</sup> March 2024, out of the Company's total equity paid-up share capital comprising of 50,11,97,682 Equity Shares, 50,11,97,668 Equity Shares were held in dematerialised mode.

## CREDIT RATING

The credit ratings enjoyed by the Company from various rating agencies as on 31<sup>st</sup> March 2024 are detailed below:

(₹ in Crore)

Facility	India Ratings	Amount	ICRA	Amount
Commercial Paper	IND A1+	3,000	[ICRA] A1+	3,000
Non-Convertible Debentures	IND AAA; Outlook Stable	7,855	[ICRA] AAA with Stable Outlook	7,516
Subordinate Bonds	IND AAA; Outlook Stable	1,000	[ICRA] AAA with Stable Outlook	1,000
Market Linked Debentures	IND- PP-MLD AAA; Outlook Stable	500	-	-
Bank Lines	IND AAA Outlook Stable	20,000	[ICRA] AAA (stable) / ICRA A1+	15,000

## **PUBLIC DEPOSITS**

The Company is non deposit accepting housing finance company. The Company had not accepted deposits during the year and the provisions of Section 73 of the Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 are not applicable.

## **PARTICULARS OF LOANS GIVEN, INVESTMENT MADE, GUARANTEES GIVEN OR SECURITY PROVIDED**

Pursuant to provisions of Section 186 (11) of the Act, the Company being a HFC registered with the National Housing Bank (NHB) and engaged in the business of giving loans, is exempted from the provisions of the said section. Thus, the provisions of Section 186, except sub-section (1) of the Act, are not applicable to the Company.

Further, details of the loans given, investment made, guarantees given or security provided are stated in the notes to accounts forming part of the Annual Report.

## **CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION**

The particulars with respect to the conservation of energy and technology absorption as required to be disclosed pursuant to provision of Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are attached as **Annexure I** to this report.

## **FOREIGN EXCHANGE EARNINGS AND OUTGO**

There were no foreign exchange earnings and outgo during the financial year under review as well as during the previous financial year.

## **PARTICULARS OF EMPLOYEES**

Disclosures pertaining to remuneration and other details, as required under Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are attached as **Annexure II** to this report.

Details as required under Section 197(12) of the Act, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, with respect to information of employees of the Company will be provided to Member upon request made.

In terms of the provisions of Section 136(1) of the Act, the report and accounts, as set out therein, are being sent to all the Members whose email address(es) are registered with the Company via electronic mode, excluding the aforesaid details which are available for inspection by the Members via electronic mode. If any Member is interested in obtaining a copy thereof, the Member may write to the Company Secretary at the Registered Office of the Company in this regard.

## **MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY**

There were no material changes and commitments affecting the financial position of the Company from the end of the financial year up to the date of this report.

## **CHANGE IN NATURE OF BUSINESS**

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

## **EMPLOYEE STOCK OPTION PLAN**

Employee Stock Options have been recognised as an effective instrument to attract talent and align the interest of employees with that of the Company, thereby providing an opportunity to the employees to share in the growth of the Company and to create long term wealth in the hands of employees, thereby and acting as a retention tool.

In view of the above, ABCL had formulated "Aditya Birla Capital Limited Employee Stock Option Scheme 2017" ("Scheme 2017") for the employees of the Company and its Subsidiaries. The shareholders of ABCL, vide their resolution passed on 19<sup>th</sup> July 2017 had also extended the benefits and coverage of the Scheme 2017 to the employees of its Subsidiary Companies. The shareholders of the Company at its meeting held on 10<sup>th</sup> August 2017 had approved the extension of benefits of the Aditya Birla Capital Limited Employee Stock Option Scheme 2017 ("Scheme 2017") to the permanent employees in the management cadre of the Company.

Further, the shareholders of ABCL, vide their resolution passed on 16<sup>th</sup> October 2022 had also extended the benefits and coverage of the Aditya Birla Capital Limited Employee Stock Option Scheme 2022 ("ABCL Scheme 2022") to the employees of its Subsidiary Companies. The shareholders of the Company at its meeting held on 21<sup>st</sup> October 2022 had approved Aditya Birla Housing Finance Limited Employee Stock Option Scheme 2022 ("ABHFL Scheme 2022") to the permanent employees in the management cadre of the Company.





## MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the financial year under review, prepared as per requirements of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, erstwhile Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 is presented as a separate section, which forms part of the Annual Report.

## CORPORATE GOVERNANCE REPORT

The Corporate Governance Report as stipulated under Regulation 34(3) read with Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 (SEBI Listing Regulations) forms part of this Annual Report. The Company and Directors reaffirm their commitment to maintain the highest standards of corporate governance as applicable to the Company. Corporate Governance principles form an integral part of the core values of the Company. Corporate Governance Report forming part of this report for the year under review is attached separately as **Annexure III**.

## RISK MANAGEMENT

Risk Management is at the core of our business and ensuring the right risk-return trade-off in keeping with our risk appetite is the essence of our risk management. The Company has a robust Risk Management framework which proactively addresses risks while looking to optimize the returns that go with that risk.

The Board has constituted a Risk Management Committee as required under RBI Master Directions read with Regulation 21 of the SEBI Listing Regulations to frame, implement and monitor the Risk Management Plan of the Company.

The objectives and scope of the Risk Management broadly include:

- Risk identification;
- Risk Assessment;
- Risk Response and Risk Management strategy; and
- Risk monitoring, communication and reporting.

The Management Discussion and Analysis Report sets out the risks identified and the mitigation plans thereof.

Over the years, the Company built a strong Risk Management Framework supported by well-established policies and procedures and a talented pool of Risk Professionals. The organizational structure to address the risk consists of “Three lines of defence”:

**First is:** Line Management (Functional Heads) to ensure that accountability and ownership is as close as possible to the activity that creates the risks;

**Second is:** Risk Oversight including the Risk and Compliance Function and Risk Management Committee;

**Third is:** Independent Assurance - Internal Audit, conducted by Independent Internal Auditors, whose work is reviewed by the Audit Committee.

Internal Capital Adequacy Assessment Process (ICAAP) and Risk Appetite Framework has been adopted to identify, assess, and manage all risks that could potentially have a significant negative impact on our business, financial position, or capital adequacy. The Company has also implemented Early Warning Signal (EWS) framework as guided by the NHB, which will help in proactive identification and management of stress accounts.

Risk Management Committee, Asset Liability Management Committee, Investment Committee, Operation Risk and Management committee, IT Steering Committee and Audit Committee have been set-up which meets up regularly to ensure monitoring of risks and provide Governance as applicable. These Committees are prima facie governed by their Charters. The purpose of these Committee is to keep an oversight on the Company's risk management framework and risk culture, including the significant policies and practices used in managing credit, market, liquidity, strategic, operational, compliance, reputation, including those pertaining to capital management.

## BUSINESS CONTINUITY

The Company has well-documented Business Continuity Management Programme which has been designed to ensure continuity of critical processes during any disruption. A robust Disaster Recovery framework has been put in place to ensure uninterrupted operations and service to customers.

In view of the increased move to digital and adoption of new technologies, there was a continued focus on Cyber Security and the Company continued to invest in a strong Cyber Defence Programme.

The Risk Management team of the Company is continuously scanning the internal and external environment to identify risks and also to capitalise upon the opportunities presented in the environment.

### **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

During the financial year under review, all transactions entered by the Company with related parties were in ordinary course of business and on an arm's length basis and were not considered material as per the provisions of Section 188 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014. Hence, disclosure in form AOC-2 under Section 134(3) (h) of the Act, read with Rule 8 of the Companies (Accounts of Companies) Rules, 2014, is not applicable.

Prior omnibus approval of the Audit Committee is obtained for Related Party Transactions ("RPTs") which are of a repetitive nature and entered in the ordinary course of business and at arm's length. A statement on RPTs specifying the details of the transactions, pursuant to each omnibus approval granted, is placed on a quarterly basis for review by the Audit Committee. There were no material transactions entered into with related parties during the financial year under review, which may have had any potential conflict with the interests of the Company at large.

The details of contracts and arrangements with related parties of the Company for the financial year under review are given in the notes to the financial statements. The policy on RPTs, as approved by the Board, is available on the Company's website <https://homefinance.adityabirlacapital.com/> and the same is attached as Annexure IV to the report.

### **INTERNAL FINANCIAL CONTROLS**

The Board of Directors confirms that the Company has well-established internal control systems in place which are commensurate with the nature of its business and size, scale and complexity of its operations. Standard Operating Procedures (SOP) and Risk Control Matrices designed to provide a reasonable assurance are in place and are being continuously monitored and updated.

The Company also periodically engages outside experts to carry out independent review of the effectiveness of various business processes. The observations and best practices suggested are reviewed by the management and Audit Committee and appropriately implemented with a view to continuously strengthen internal controls.

### **INTERNAL AUDIT**

The Company has in place an effective risk based internal audit framework to monitor the efficacy of internal controls with the objective of providing to the Audit Committee and the Board of Directors, an independent and reasonable assurance on the adequacy and effectiveness of the organization's risk management, internal control and governance processes. The framework is commensurate with the nature of the business, size, scale and complexity of its operations with a Risk Based Internal Audit (RBIA) Approach.

The internal audit plan is developed based on the risk profile of the Audit Universe including business activities, enabling and control functions, branches, application systems of the organization. The risk based internal audit plan includes process audits at the head office and across various branches of the organization. The Internal audit plan is approved by the Audit Committee and Internal audits are undertaken on a periodic basis to independently validate the existing controls. Internal Audit Reports are regularly reviewed by the management and necessary preventive as well as corrective action is initiated to strengthen controls and enhance the effectiveness of existing systems.

High and medium risk audit observations, if any, are presented to the Audit Committee along with the status of management actions and the progress of implementation of recommendations.

The Company has implemented an RBIA Programme in accordance with the requirements of RBI circular dated 3<sup>rd</sup> February 2021.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Act and to the best of their knowledge and belief and according to the information and explanations obtained from the operating management, Directors of the Company state that:-

- (i) in the preparation of the Annual Accounts for the Financial Year ended 31<sup>st</sup> March 2024, the applicable accounting standards have been followed and there were no material departures from the same;
- (ii) the Directors had 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 as at 31<sup>st</sup> March 2024 and of the profit of the Company for financial year ended on that date;



- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared the Annual Accounts on a 'going concern basis';
- (v) the Directors had laid down internal financial controls and that such internal financial controls were adequate and were operating effectively; and
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### APPOINTMENT/RESIGNATION OF DIRECTORS

As on 31<sup>st</sup> March 2024, the Board of Directors ("the Board") of the Company comprised of 5 (Five) Directors including 1 (One) Non-Executive Director and 3 (Three) Independent Directors (including 1 Woman Director) and 1 (one) Executive Director.

Mr. Rakesh Singh (DIN: 07006067) resigned as Non-Executive Director of the Company from close of business hours on 28<sup>th</sup> August 2023.

During the financial year under review, the Board of Directors basis the recommendation of Nomination and Remuneration Committee, re-appointed Mr. V. Chandrasekaran (DIN: 03126243) as an Independent Director of the Company for a second term of 5 (five) consecutive years with effect from 28<sup>th</sup> June 2023.

Detailed information about the Board of Directors is provided in the Corporate Governance Report, which forms part of this report.

### RETIREMENT BY ROTATION

Pursuant to Section 152 of the Act read with the Articles of Association of the Company Mrs. Vishakha Mulye (DIN: 00203578), Non-Executive Non-Independent Director retires from the Board by rotation and being eligible, offers herself for re-appointment at the ensuing AGM of the Company.

The Nomination and Remuneration Committee of the Company and the Board of Directors have recommended the re-appointment of Mrs. Vishakha Mulye to the shareholders for approval.

The information as required in case of re-appointment of Mrs. Vishakha Mulye is provided in the Notice of the ensuing AGM.

### DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have submitted their declaration of independence, pursuant to the provisions of Section 149(7) of the Act, stating that they meet the criteria of independence as provided in Section 149(6) of the Act and they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

All Independent Directors of the Company have registered their name in the data bank maintained with the Indian Institute of Corporate Affairs in terms of the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience, expertise and hold highest standards of integrity.

### FIT AND PROPER CRITERIA

All the Directors meet the fit and proper criteria stipulated under the Master Directions - Non-Banking Financial Company (NBFC's) - Housing Finance Company (Reserve Bank) Directions, 2021.

### KEY MANAGERIAL PERSONNEL (KMP)

In terms of the provisions of Sections 2(51) and 203 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Pankaj Gadgil, Managing Director & Chief Executive Officer (MD & CEO), Mr. Ashish Damani, Chief Financial Officer (CFO) and Ms. Hiral Sidhpura, Company Secretary (CS), are the Key Managerial Personnel of the Company.

Ms. Swati Singh was the CS of the Company until the close of business hours of 31<sup>st</sup> October 2023 and Ms. Hiral Sidhpura became CS with effect from 01<sup>st</sup> November 2023.

### ANNUAL PERFORMANCE EVALUATION OF BOARD/COMMITTEES OF THE BOARD/INDIVIDUAL DIRECTORS

The evaluation framework for assessing the performance of the Directors of the Company comprises of contributions at the Meeting(s) and inputs in terms of strategic perspective or the growth and performance of the Company, amongst others.

## Board's Report (Contd.)

Pursuant to the provisions of the Act and in terms of the framework of the Board Performance Evaluation, the Nomination and Remuneration Committee and the Board have carried out an annual performance evaluation of the Board, its Committees and individual Directors. The manner in which the evaluation has been carried out has been set out in the Corporate Governance Report which forms part of this report.

### Outcome of the evaluation

The functioning of the Board and its Committees were found satisfactory. The Committees are functioning well and besides covering the Committee's terms of reference, as mandated by law, important issues are brought up and discussed in the Committee meetings. The Board was also satisfied with the contribution of Directors, in their individual capacities.

## MEETINGS OF THE BOARD AND ITS COMMITTEES

### BOARD

The Board meets at regular intervals to discuss and decide on the Company's performance and strategies. During the financial year under review, the Board met 5 (Five) times on 6<sup>th</sup> April 2023, 27<sup>th</sup> April 2023, 27<sup>th</sup> July 2023, 26<sup>th</sup> October 2023 and 19<sup>th</sup> January 2024. Further details on the Board Meetings are provided in the Corporate Governance Report, which forms part of this report.

### AUDIT COMMITTEE

The Company has constituted an Audit Committee with its composition, quorum, powers, role and scope in line with the applicable provisions of the Act and SEBI Listing Regulations.

During the financial year under review, the Audit Committee reviewed the internal controls put in place to ensure that the accounts of the Company are properly maintained and that the accounting transactions are in accordance with prevailing laws and regulations.

In conducting such reviews, the Committee found no material discrepancy or weakness in the internal control system of the Company. The Committee also reviewed the procedures laid down by the Company for assessing and managing risks.

Further details on the Audit Committee are provided in the Corporate Governance Report, which forms part of this report.

During the financial year under review, all recommendations made by the Audit Committee were accepted by the Board.

## NOMINATION AND REMUNERATION COMMITTEE (NRC)

The Company has a duly constituted Nomination and Remuneration Committee ("NRC"), with its composition, quorum, powers, role and scope in line with the applicable provisions of the Act. Further details on the NRC are provided in the Corporate Governance Report, which forms part of this report.

The NRC has formulated a policy on remuneration under the provisions of Section 178(3) of the Act, which is attached as **Annexure V** to this report and the same is uploaded on the website <https://homefinance.adityabirlacapital.com/>.

## OTHER COMMITTEES

The Board of Directors has also constituted the following Committees under the relevant provisions of the Act read with Non-Banking Financial Company (NBFC's) – Housing Finance Company (Reserve Bank) Directions, 2021:

- Corporate Social Responsibility Committee
- Risk Management Committee
- Stakeholder Relationship Committee
- Asset Liability Management Committee
- Information Technology (IT) Strategy Committee

The details of all the Committees of the Board are provided in the Corporate Governance Report, which forms part of this report.

## ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) of the Companies act, 2013, the Annual Return in form MGT-7 for the Company for the financial year 2023-24 is available on the Company's website <https://homefinance.adityabirlacapital.com/>.

## AUDITORS

### STATUTORY AUDITORS, THEIR REPORT AND NOTES TO FINANCIAL STATEMENTS

Pursuant to the provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014, and as per Reserve Bank of India ("RBI") Guidelines dated 27<sup>th</sup> April 2021 for appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBS and NBFCs (including HFCs), as amended from time to time M/s. KKC & Associates LLP (formerly known as M/s. Khimji



Kunverji & Co LLP), Chartered Accountants (Firm Registration No.:105146W/W-100621) were appointed as Statutory Auditors of the Company for a term of 3 (Three) years i.e. from the Twelfth (12<sup>th</sup>) Annual General Meeting till the conclusion of ensuing Fifteenth (15<sup>th</sup>) Annual General Meeting of the Company. In view of same, the term of KKC is getting over at the ensuing Fifteenth Annual General Meeting.

The circular amongst other restrictions and conditions inter-alia stipulates that an Audit firm can be appointed as the Statutory Auditor for 3 years period and thereafter, reappointment will be possible only after cooling period of six years in the same entity.

The observation(s) made in the Auditor's Report are self-explanatory and therefore, do not call for any further comments under Section 134(3)(f) of the Act.

The Auditor's Report does not contain any qualifications, reservations, adverse remarks or disclaimer.

In terms of clause 4.1 of the said RBI Guidelines, entities with asset size of ₹ 15,000 crore and above as at the end of previous year, the statutory audit should be conducted under joint audit of a minimum of two audit firms [Partnership firms/Limited Liability Partnerships (LLPs)].

As the asset size of the Company is more than ₹ 15,000 crore and pursuant to the expiry of the term of statutory auditor, it is proposed to appoint Joint Statutory Auditors for a period of three years.

The Board of Directors of the Company at their meeting held on 18<sup>th</sup> April 2024, based on the recommendation of the Audit Committee (the "Committee"), have recommended, the appointment of M/s. B. K. Khare & Co., (BK Khare) Chartered Accountants (Firm Registration No. 105102W) and M/s. Sarda & Pareek LLP, (S&P) Chartered Accountants (Firm Registration No. 109262W/ W100673) as the Statutory Auditors of the Company, for a term of three consecutive years from the conclusion of 15<sup>th</sup> (Fifteenth) Annual General Meeting till the conclusion of the 18<sup>th</sup> (Eighteenth) Annual General Meeting.

BK Khare and S&P, auditors have consented and confirmed that their appointment, if made will be within the limits specified and will be in compliance with the eligibility criteria/requirements specified under the Companies Act, 2013 and the RBI Guidelines. The appointment of Statutory Auditors of the Company is to comply with RBI Guidelines and for no other reasons.

## SECRETARIAL AUDIT & SECRETARIAL COMPLIANCE

Pursuant to the requirements of Section 204(1) of the Act read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. BNP & Associates, Practicing Company Secretaries to conduct the Secretarial Audit for the financial year under review. The Secretarial Audit Report in Form MR-3 for the financial year under review, as received from M/s. BNP & Associates, Practicing Company Secretaries, is attached as **Annexure VI** to this report.

Pursuant to Regulation 34(3) and Schedule V of the SEBI Listing Regulations, the Annual Secretarial Compliance Report for the financial year under review is attached as **Annexure VII** to this report.

The Secretarial Audit Report and the Annual Secretarial Compliance Report do not contain any qualifications, reservations or adverse remarks. The Annual Secretarial Compliance Report for the financial year 2023-24 was submitted to the Stock Exchanges.

## COST RECORDS AND AUDITORS

The provisions of Cost Audit as prescribed under Section 148 of the Companies Act, 2013 are not applicable to the Company.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with Section 135 of the Act, the Board of Directors on the recommendation of CSR Committee had approved the CSR Policy which provided for the activities to be carried out. The CSR Policy is available on the Company's website <https://homefinance.adityabirlacapital.com/>.

In line with the statutory requirements under the Act and its CSR Policy, the Company had undertaken projects in the areas of women empowerment & infrastructure development, healthcare, digital education, disability and livelihood. During the financial year under review, the Company has spent /contribute ₹ 4,91,97,000 towards aforesaid CSR projects for FY 2023-24 (current). As on 31<sup>st</sup> March 2024, there is an unspent CSR amount of ₹ 830, 611 and the same is transferred to "Unspent CSR Account" in terms of the provisions of the Companies Act, 2013 and rules made thereunder.

The required disclosure as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules 2014 is attached as **Annexure VIII** to this report. Further, the details on the Corporate Social Responsibility Committee are provided in the Corporate Governance Report, which forms part of this report.

## WHISTLE BLOWER POLICY/VIGIL MECHANISM

In compliance with the provisions of Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 the Company has formulated a whistle blower policy/vigil mechanism for Directors and employees to report any concerns.

The said policy is available on Company's website <https://homefinance.adityabirlacapital.com/>.

During the financial year under review no complaint was received.

## POLICY ON PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has in place policy which is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints, if any, received regarding sexual harassment of women. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy and three complaints were received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Of these three complaints, two Complaints were closed in conciliation. One complaint was received in the month of March 2024 and investigations are under process.

## HUMAN RESOURCES

The Company believes that meaning at work is created when people relate to the purpose of the organisation, feel connected to their leaders and have a sense of belonging. Our focus stays strong on providing our people a work environment that welcomes diversity, nurtures positive relationships, provides challenging work assignments and provides opportunities based on meritocracy for people to grow and build their careers with us in line with their aspirations.

As on 31<sup>st</sup> March 2024, the employee strength of the Company was 2,842 employees.

The workforce comprises of more than 71% millennials and 10% women as on 31<sup>st</sup> March 2024.

## TALENT MANAGEMENT

Building a strong future ready talent pool and robust leadership succession pipeline continue to be priority areas for us in Talent Management. The Company has immense focus on creating well rounded leaders who are passionate about value creation for customers and execution excellence.

Additionally, focus on building future ready skills in the areas of Digital, Technology, Risk and Analytics has been ongoing for last year. Through various initiatives and partnerships with global organizations, we have continued our focus on building skills in these areas.

## SECRETARIAL STANDARDS OF INSTITUTE OF COMPANY SECRETARIES OF INDIA (ICSI)

The Company is in compliance with the Secretarial Standards specified by ICSI on Meetings of the Board of Directors (SS-1), General Meetings (SS-2).

## CODE FOR PROHIBITION OF INSIDER TRADING

Pursuant to SEBI (Prohibition of Insider Trading) Regulation 2015, as amended, the Company has a Board approved code of conduct to regulate, monitor and report trading by insiders ('Code of Conduct') and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ('Code of Fair Disclosure') for its listed Non-Convertible Debentures. Further details on the same form part of the Corporate Governance Report.

## DEBENTURES

Vistra ITCL (India) Limited, having their office at Plot C-22, G-Block, ILFS Financial Centre, Bandra Kurla Complex, Bandra (E) Mumbai 400052 Tel: (022) 26533333, is the Debenture Trustee.

The details of unclaimed non-convertible debentures are given below:

- The total number of non-convertible debentures which have not been claimed by the investors or not paid by the housing finance company after the date on which the non-convertible debentures were due for redemption: Nil
- The total amount in respect of such debentures: Nil



## OTHER DISCLOSURES:

In terms of applicable provisions of the Act, the Company discloses that during the financial year under review:

- i. there was no issue of share (including sweat equity share) to employees of the Company under any scheme.
- ii. there was no Scheme for provision of money for the purchase of its own share by employees or by trustees for the benefit of employees.
- iii. there was no bonus issue or preferential issue of shares etc.
- iv. there was no Issue of shares with differential rights.
- v. there was no transfer of unpaid or unclaimed amount to Investor Education and Protection Fund.
- vi. there were no significant or material orders passed by the Regulators or Hon'ble Courts or Tribunals which impact the going concern status and Company's operations in future.
- vii. there were no proceeding for Corporate Insolvency Resolution Process initiated Under the Insolvency and Bankruptcy Code, 2016.
- viii. there were no failure to implement any Corporate Action.

Date: 18<sup>th</sup> April 2024  
Place: Mumbai

## ACKNOWLEDGEMENT

Your Directors take this opportunity to express their appreciation for the support and co-operation extended by our various partners and other business associates. Your Directors gratefully acknowledge the ongoing co-operation and support provided by all Statutory and Regulatory Authorities.

Your Board also acknowledges the support and contribution of Company's Bankers, Stock Exchanges, Registrar of Companies, Depositories, the Reserve Bank of India, National Housing Bank, Securities and Exchange Board of India, Central and State Governments and other regulatory bodies.

Your Directors place on record their appreciation for the exemplary contribution made by the employees of the Company at all levels. Their dedicated efforts and enthusiasm have been pivotal to the Company's growth.

For and on behalf of the Board

**Aditya Birla Housing Finance Limited**

**Pankaj Gadgil**  
Director  
DIN: 08521239

**Vishakha Mulye**  
Director  
DIN: 00203578

# ANNEXURE – I

## Conservation of Energy & Technology Absorption

Particulars pursuant to the provisions of Section 134 (3) (m) of the Act, read with the Rule 8 (3) of the Companies (Accounts) Rules, 2014, are furnished hereunder:

### A. CONSERVATION OF ENERGY

**(i) The steps taken or impact on conservation of energy;**

None

**(ii) The steps taken by the Company for utilising alternate sources of energy;**

None

**(iii) The capital investment on energy conservation equipments;**

None

### B. TECHNOLOGY ABSORPTION

**(i) The efforts made towards technology absorption**

Following initiatives have been undertaken towards technology absorption and digital transformation:

#### Finverse LOS

Finverse handles all stages of loan origination, including application data entry, credit analysis, underwriting, disbursement, compliance, and reporting. It is also capable of handling APF projects collateral management, allowing customer to track their loans, RCU unit to verify loans and Personal Discussion.

We have various digital service integrations such as Multibureau credit check, Hunter fraud check, Experian Scorecards, Lead Service integrations, Video KYC, OCR integrated statement services, Aadhaar verification, Income verification, dedup (customer & property), eSignature/eStamping, Legal desk, Sales CRM, Face liveness have led to faster processing of applications and better management of credit risk and lead conversion cycles.

#### Collection System

We have developed a collection system which will help us in tracking and managing loan repayments from borrowers. The system is designed to ensure timely repayment of loans, minimize delinquencies, and reduce the risk of default. Some of the modules of Collections system are as follows: 1. Loan Servicing 2. Payment Tracking 3. Delinquency Management 4. Workout Planning 5. Recovery Management 6. Reporting and Analytics. 7. Settlement 8. Legal 9. Tele calling. This system can minimize loan losses, improve efficiency, and provide a positive customer experience.

#### Sales CRM

A Sales CRM is designed to help manage customer interactions throughout the sales process. It helps our sales team with lead management, sales forecasting, and pipeline management. It covers functionality such as Lead Management, Sales Pipeline Management, Sales Forecasting, Customer Relationship Management and Analytics and Reporting

#### DSA/RP onboarding

DSA (Direct Selling Agent) and RP (Referral Partner) onboarding system helps in speeding up the process of identifying potential agents or partners who can help the Company to source new business and in expanding our customer base. We have integrated it with Aadhaar verification, bank account verification, bureau verification and eAgreement etc.

#### Cloud Adoption

We have adopted cloud for new applications as well as migrating existing applications on cloud to leverage various cloud benefits such as improved scalability, agility, security, cost-effectiveness and quick turnaround time.

#### Reimagined Journey on Whatsapp

DIY customer and channel onboarding through whatsapp is expected to go live in Q1 of FY25.





### GenAI

The revolutionary advisor powered by GenAI, designed to offer customized support for field sales representatives (FOS) in overcoming objections is expected to go live in Q1 of FY25.

### Contentverse

Microsite for content for employees and channel partner for self-learning is expected to go live in Q1 of FY25.

### ServiceCRM

We've introduced the New Service Cloud CRM, offering a comprehensive Customer 360-degree view, Omni Channel Experience, Customer-centric offerings, integrated communication, and Service assurance within our HR department.

### Scorecard

We're enhancing our credit assessment and risk management process by introducing Bureau, Banking, and GST-based scorecard-driven credit decisioning methods. These scorecards are developed on data driven AI-ML driven models & back tested on internal datasets. This proposition strengthens predictability & versatility to our Credit assessment & risk management process.

### CF Monitoring

This newly developed CF monitoring platform is designed to oversee construction project milestones for developers. It possesses built-in capabilities to monitor project expenses, manage milestone-based disbursement requests, and initiate service requests for NOCs.

### (ii) The benefits derived as a result of the above efforts (e.g. Product improvements, cost reduction, product development, import substitution, etc.)

Finverse will help in improving efficiency, enhancing customer experience, managing risks, increasing compliance, enabling data analysis, reducing operational costs, and increasing scalability.

Sales CRM implementation helps in improving sales management, enhancing customer experience, enabling better sales forecasting, increasing efficiency and improving collaboration.

Scorecards will help in improving credit risk management, decision-making consistency, efficiency, loan portfolio performance, pricing strategies, regulatory compliance, and customer experience.

Cloud migration is benefiting us in scalability, cost savings, enhanced security, increased flexibility, improved disaster recovery, better performance, and access to advanced technologies.

### (iii) Particulars of imported technology in the last three years (reckoned from beginning of the financial year)

None

#### (a) Details of technology imported

None

#### (b) Year of import

None

#### (c) Has technology been fully absorbed

None

#### (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof

None

### (iv) The expenditure incurred on Research and Development.

None

# ANNEXURE – II

**Details of Remuneration under Section 197(12) of the Companies Act, 2013 & Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 for the Financial Year ended on 31<sup>st</sup> March 2024**

Sr. No.	Name of the Director / Key Managerial Personnel	Ratio of Remuneration of Director to the Median Remuneration of the Employees	% Increase / (decrease) in remuneration in the financial year
A	Pankaj Gadgil – Executive Director	42.47	15.42
B	Non-Executive Directors	NA	NA
C	Key Managerial Personnel		
	i. Pankaj Gadgil – Chief Executive Officer		15.42
	ii. Ashish Damani – Chief Financial Officer		10.00
	iii. Hiral Sidhpura – Company Secretary **		NA
D	% increase / (decrease) in Median Remuneration of employees other than managing director		8.20
E	Number of Permanent Employees on the rolls of the Company as on 31 <sup>st</sup> March 2024		2,842

\*\* From 1<sup>st</sup> November 2023 to 31<sup>st</sup> March 2024.

**Notes:**

1. The Company does not pay any remuneration to any of its Non-Executive Directors.
2. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.
  - i. Average percentile increase in the salaries of employees other than the managerial personnel in the last financial year – 11.8%
  - ii. Average percentile increase in the salaries of the managerial personnel in the last financial year – 10.8%
3. The remuneration paid as above was as per the Executive Remuneration Policy of the Company.



# ANNEXURE – III

## Report on Corporate Governance

### OUR VISION

**“To be a leader and role model in a broad-based and integrated financial services business.”**

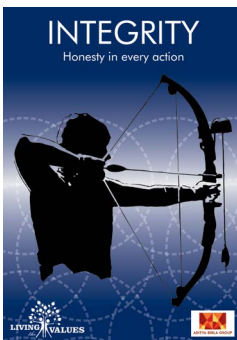
Our customers place a lot of trust when they choose us as a partner for fulfilment of their needs - be it buying a dream home or investing their hard-earned money in our mutual funds or for meeting their retirement or child’s education or protection needs or taking a business loan for expansion. Our endeavor is to become a preferred financial services brand of choice for all our customers’ needs across their life - a brand that customers will not only just trust but also happily endorse.

Keeping this in mind, we have created a unique strategy and structure to present our spectrum of businesses and offerings under one brand. From a customer perspective, this offers simplicity and convenience. For our employees, we offer a world of opportunities across all our financial services businesses and to our shareholders, this gives the reassurance that we will attract and retain our customers, cost effectively, across their life-cycle needs while driving as much synergy as we can across the platform.

Your Company continuously strives to achieve excellence in Corporate Governance through its values – Integrity, Commitment, Passion, Seamlessness and Speed.

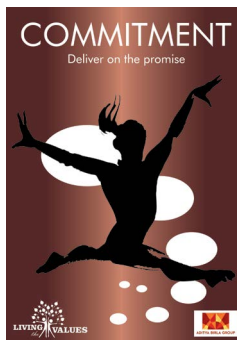
### OUR VALUES

#### Integrity



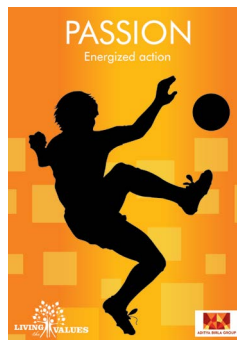
Acting and taking decisions in a manner that is fair and honest. Following the highest standards of professionalism and being recognised for doing so. Integrity for us means not only financial and intellectual integrity, but encompasses all other forms as are generally understood.

#### Commitment



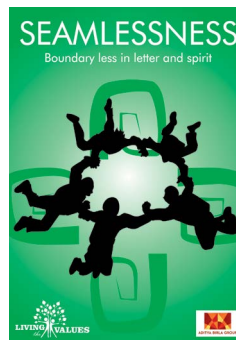
On the foundation of integrity, doing all that is needed to deliver value to all stakeholders. In the process, being accountable for our own actions and decisions, those of our team and those on the part of the organisation for which we are responsible.

#### Passion



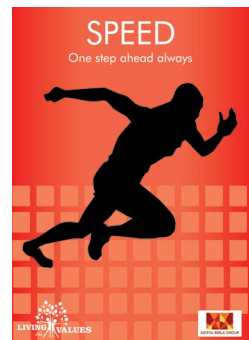
An energetic, intuitive zeal that arises from emotional engagement with the organisation that makes work joyful and inspires each one to give his or her best. A voluntary, spontaneous and relentless pursuit of goals and objectives with the highest level of energy and enthusiasm

#### Seamlessness



Thinking and working together across functional groups, hierarchies, businesses and geographies. Leveraging diverse competencies and perspectives to garner the benefits of synergy while promoting organisational unity through sharing and collaborative efforts.

#### Speed



Responding to internal and external customers with a sense of urgency. Continuously striving to finish before deadlines and choosing the best rhythm to optimise organisational efficiencies.

## I. PHILOSOPHY OF CORPORATE GOVERNANCE

Aditya Birla Group is one of the pioneers in the field of Corporate Governance. As a part of the Group, the Company is committed to continuously adopt and adhere to the best governance practices, to achieve the ultimate goal of making the Company a value-driven organisation.

Strong corporate governance is indispensable to resilient and vibrant capital markets and is an important instrument of investor protection. It is the blood that fills the veins of transparent corporate disclosure and high-quality accounting practices. It is the muscle that moves a viable and accessible financial reporting structure. Without financial reporting premised on sound, honest numbers, capital markets will collapse upon themselves.

The Company is a material subsidiary of Aditya Birla Capital Limited.

The Company is one of the young and new age business ventures of Aditya Birla Group having a strong parentage and is part of a leading financial services conglomerate. It is a mix of solid traditional and cultural foundations along with the right perspective to cater to the evolving financial needs of its customers.

The Company's governance practices are a product of self-desire, reflecting the culture of trusteeship that is deeply ingrained in its value system and reflected in its strategic thought process. At a macro level, the Company's governance philosophy rests on five basic tenets, viz., Board accountability to the Company and Members, strategic guidance and effective monitoring by the Board.

The Corporate Governance framework of the Company is based on an effective and independent Board, separation of the Board's supervisory role from the Senior Management team and constitution and functioning of Board Committees, as required under applicable laws.

The Board functions either as a full Board or through various Committees constituted to oversee specific functions. The Senior Management provides the Board detailed reports on the Company's performance periodically.

### Compliance with Corporate Governance Guidelines

The Company is in compliance with the requirements stipulated under the applicable Regulatory requirements with respect to corporate governance.

The details of compliance with Corporate Governance requirements during the financial year ended 31<sup>st</sup> March, 2024 ("financial year under review") are as follows:

## II. BOARD OF DIRECTORS

### Composition and Category of Directors

The Board of Directors ("the Board") of the Company comprises of 5 (Five) Directors, which included 3 (Three) Independent Directors of which 1(One) is a Woman Director, 1 (One) Non-Executive (Non-Independent) Director and 1 (One) Executive Director. The Companies Act, 2013 ("the Act") mandates every listed or such class(es) of companies to have one-third of the total number of Directors as Independent Directors.

The composition of the Board is in conformity with the requirements of the Companies Act, 2013 ("the Act") and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

On the basis of such disclosures, it is confirmed that as on the date of this report, none of the Directors:-

- (a) hold Directorships in more than 10 (Ten) public Companies
- (b) hold Directorships in more than 7 (Seven) listed entities
- (c) serve as an Independent Director in more than 7 (Seven) listed entities
- (d) is a Member of more than 10 (Ten) Committees or Chairperson of more than 5 (Five) Committees across all the public Companies in which he/she is a Director and are related to each other.

All Independent Directors on the Board are Non-Executive Directors as defined under the Act. The maximum tenure of the Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria of independence as stipulated under Section 149(6) of the Act and provided the required declaration under section 149(7) of the Act.

The brief profile of the present Directors on the Board is available on the Company's website <https://homefinance.adityabirlacapital.com/>.



The details of the Directors of the Company with regard to their other Directorships, Committee positions, including that in listed entities, for the FY 2023-24 are as follows:

Name of the Director & DIN	Designation/ Category	No. of Directorship(s) in other Public companies <sup>1</sup>	No. of Shares held in the Company <sup>4</sup>	Committee Positions held in other Companies <sup>2</sup>		Names of other listed entities where Director is an Independent Director (excluding the Company) <sup>3</sup>
				Member	Chairperson	
Mrs. Vishakha Mulye (DIN: 00203578)	Non-Executive Director	6	-	5	0	-
Mr. Rakesh Singh <sup>5</sup> (DIN: 07006067)	Non-Executive Director	-	-	-	-	-
Mrs. Anita Ramachandran (DIN: 00118188)	Independent Director	8	-	7	2	- FSN Ecommerce Ventures Limited - Grasim Industries Limited - Happiest Minds Technologies Limited - Metropolis Healthcare Limited - Ujjivan Small Finance Bank Ltd. - Blue Star Limited
Mr. V Chandrasekaran (DIN: 03126243)	Independent Director	5	-	5	3	- Grasim Industries Limited - Tata Investment Corporation Limited - CARE Ratings Limited - Aditya Birla Renewables SPV 1 Limited - Aseem Infrastructure Finance Limited
Mr. N.R. Narayanan (DIN: 07877022)	Independent Director	1	-	1	0	-
Mr. Pankaj Gadgil (DIN: 08521239)	Executive Director	1	-	0	0	-

**Notes:**

- <sup>1</sup> Excluding Directorship in the Company, Foreign Companies, Private Limited Companies and Companies under Section 8 of the Act.
- <sup>2</sup> Only two Committees viz. Audit Committee and Stakeholders Relationship Committee of all Public Limited Companies are considered.
- <sup>3</sup> Only listed companies are considered.
- <sup>4</sup> The Company has not issued any convertible instruments.
- <sup>5</sup> Resigned as Non-Executive Director w.e.f 28<sup>th</sup> August 2023.

**Brief Profile of Directors:**

Sr. No.	Name of Director	Qualification	Field of Specialisation
1.	Mrs. Vishakha Mulye	Chartered Accountant	Banking & Financial Services
2.	Mr. V Chandrasekaran	Chartered Accountant	Banking & Financial Services
3.	Mrs. Anita Ramachandran	MMS- Jamnalal Bajaj Institute of Management Studies	Management Consultant
4.	Mr. Narayanan N R	Holds degree in Engineering from IIT Roorkee and PGDM from IIM Bangalore	Retail assets financing business, including housing finance
5.	Mr. Pankaj Gadgil	MBA from Savitribai Phule Pune University and holds a Diploma in foreign trade from the Department of Economics	Banking & Financial Services

### The Board members collectively display the following qualities –

- **Integrity:** fulfilling a director’s duties and responsibilities;
- **Curiosity and courage:** asking questions and persistence in challenging management and fellow board members where necessary;
- **Interpersonal skills:** working well in a group, listening well, tact and ability to communicate their point of view frankly;
- **Interest:** in the organisation, its business and the people;
- **Instinct:** good business instincts and acumen, ability to get to the crux of the issue quickly;
- **Belief in diversity;**
- **Active participation:** deliberations in the meeting

The Directors are professionals, possessing wide experience and expertise in their areas of function and with their collective wisdom fuel the Company’s growth.

In the opinion of Board, Independent directors fulfill the conditions specified in the Act and SEBI LODR Regulations and are independent of the management.

### Board’s Functioning and Procedure

The Company’s Board plays a pivotal role in ensuring good governance and functioning of the Company. The Board’s role, functions, responsibilities and accountabilities are well defined. All relevant information is regularly placed before the Board. The Members of the Board have complete freedom to express their opinion and decisions are taken after detailed discussions.

The Board meets at least once every quarter to review the quarterly results and other items on the agenda and additional meetings are held to address specific needs and business requirements of the Company. The information as required under Schedule V (C) of the SEBI Listing Regulations is made available to the Board.

The Company makes available video conferencing facility or other audio-visual means for attending the Meetings of the Board and Committees. Notice of Board/Committee Meetings is given in advance to all the Directors (other than if held by shorter notice for which consent is obtained). The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Agenda of the Board/Committee Meetings is set by the Company Secretary in consultation with the Non-Executive Director and Managing Director & Chief Executive Officer of the Company. Agenda papers are circulated a week prior to the date of the Meeting to enable the Board/Committee Members take informed decisions at the Meetings. The Agenda for the Board and Committee Meetings covers items set out as per the applicable regulations, directions and guidelines.

5 (Five) Board Meetings were held during the financial year under review.

Meetings and Attendance During the Financial Year Under Review:

Sr. No.	Date of Board Meeting	Board Strength	No. of Directors Present
1.	06 <sup>th</sup> April 2023	6	5
2.	27 <sup>th</sup> April 2023	6	5
3.	27 <sup>th</sup> July 2023	6	5
4.	26 <sup>th</sup> October 2023	5	5
5.	19 <sup>th</sup> January 2024	5	5

The Board has unfettered and complete access to any information within the Company. Members of the Board have complete freedom to express their views on agenda items and can discuss any matter at the meeting with the permission of the Chairperson. The Board periodically reviews all the relevant information, which is required to be placed before it pursuant to the applicable rules and regulations and in particular reviews and approves corporate strategies, business plans, annual budgets and capital expenditure, etc. The Board provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholders’ aspirations and societal expectations.



The details of attendance of each Director at the Board meeting(s) held during the financial year under review and at the previous Annual General Meeting (“AGM”) of the Members of the Company held on 27<sup>th</sup> May 2023, through virtual mode are as follows:

Name of Director	5 Board Meetings held during the FY 2023-24		Whether attended last AGM
	Entitled to Attend	Attended	
Mr. V Chandrasekaran	5	5	Yes
Mrs. Anita Ramachandran	5	4	Yes
Mrs. Vishakha Mulye	5	5	No
Mr. Narayanan N R	5	5	Yes
Mr. Pankaj Gadgil	5	5	Yes
Mr. Rakesh Singh (up to 28 August 2023)	3	1	No

### Code of Conduct for Board Members and Senior Management

In compliance with Regulations 17(5) and 26(3) of the SEBI Listing Regulations, the Company has adopted and made applicable Code of Conduct for the Board Members and Senior Management Personnel of the Company (“the Code”).

The Senior Management Personnel of the Company have made disclosures to the Board confirming that there are no material financial and/or commercial transactions between them and the Company that could have potential conflict of interest with the Company.

All the Board Members and Senior Management Personnel have confirmed compliance with the Code during the financial year under review. Further, the Non-Executive Director have also confirmed that none of them hold shares or convertible instruments of the Company.

### Familiarisation programme

The Directors are familiarised with the Company’s businesses and its operations. Interactions are held between the Directors and Senior Management of the Company from time to time. Directors are familiarised with the organisational set-up, functioning of various departments, internal control processes and relevant information pertaining to the Company. The details of the familiarisation programmes are available on the Company’s website at <https://homefinance.adityabirlacapital.com/regulatory-disclosure-and-policies>.

### Performance evaluation of the Board

A formal evaluation mechanism has been adopted for evaluating the performance of the Board, the Committees thereof, individual Directors. The evaluation is based on criteria which include, amongst others, providing strategic perspective, attendance, time devoted and preparedness for the meetings, quality, quantity and timeliness of the flow of information between the Board members and the Management, contribution at the meetings, effective decision-making ability, role and effectiveness of the Committees. The Directors completed questionnaires providing feedback on functioning of the Board, Committees and individual Directors.

### Separate Meeting of Independent Directors

In accordance with the provisions of Schedule IV of the Act and Regulation 25(3) of the SEBI Listing Regulation, a Meeting of the Independent Directors of the Company was held on 15<sup>th</sup> March 2024 without the presence of the Non-Independent Directors and the members of the Management. The Meeting was attended by all the Independent Directors. They discussed matters, including, on the performance/functioning of the Company, reviewing the performance of the Board, taking into account the views of Non-Executive & Non-Independent Director, assessed the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties, etc.

### Prohibition of Insider Trading

In terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company adopted a Code of Conduct to Regulate, Monitor and Report trading by Designated Persons in listed or proposed to be listed securities of the Company (“the Insider Code”). The Insider Code aims at preserving and preventing misuse of unpublished price sensitive information. All Designated Persons as defined under the Insider Code are covered under the Insider Code, which provides inter alia for periodical disclosures and obtaining pre-clearances for trading in the Non-Convertible Debentures (NCDs) of the Company.

## ANNEXURE – III (Contd.)

The Board has also adopted a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (“UPSI”) which also includes details of the Company’s policy for determination on ‘legitimate purposes’ as per the requirements of the SEBI (Prohibition of Insider Trading) Regulations and is available on the Company’s website <https://homefinance.adityabirlacapital.com/>.

The Board and designated persons have affirmed compliance with the Insider Code. Ms. Hiral Sidhpura, Company Secretary is the “Compliance Officer” in terms of the Insider Code.

As per Regulation 3 (5) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 a structured digital database is maintained containing the nature of unpublished price sensitive information and the names of such persons who have shared the information and also the names of such persons with whom information is shared. The database is maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

### III. COMMITTEES OF THE BOARD

The Board has constituted the Committees with specific terms of reference as per the requirements of the Act, Master Directions – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and other applicable provisions. The Board accepted all recommendations of the Committees which were mandatorily required, during the financial year under review.

The Board Committees play a vital role in the effective compliance and governance of the Company in line with their specified and distinct terms of reference and role and responsibilities. The Chairperson of the respective Committees report to the Board on the deliberations and decisions taken by the Committees and conduct themselves under the supervision of the Board. The minutes of the meetings of all Committees are placed before the Board for its perusal on a regular basis.

The Board has presently constituted the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholder Relationship Committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee
6. Asset Liability Management Committee (“ALCO”)
7. Information Technology (IT) Strategy Committee

The details of the Committees are elaborated hereunder:

#### 1. Audit Committee

A qualified and independent Audit Committee has been constituted pursuant to the provisions of Section 177 of the Act, Regulation 18 of the SEBI Listing Regulations and RBI Master Directions.

The Audit Committee acts as a link between the Management, the Statutory and Internal Auditors and the Board. Its composition, powers, role and scope are in accordance with the applicable provisions of Section 177 of the Act. All the Members of the Audit Committee are financially literate. Moreover, the Chairman and Members of the Audit Committee have accounting or related financial management expertise.

The Audit Committee comprises of 4 (Four) members of the Board viz, Mr. V Chandrasekaran, Mrs. Anita Ramachandran, Mrs. Vishakha Mulye and Mr. Narayanan N R with more than half being Independent Directors. Mr. V Chandrasekaran is the Chairman of the Audit Committee.

During the financial year under review, the Audit Committee met 4 (Four) times on 27<sup>th</sup> April 2023, 27<sup>th</sup> July 2023, 26<sup>th</sup> October 2023 and 19<sup>th</sup> January 2024.





The composition and attendance during the financial year under review are as follows:

Name of Member	Category	4 Meetings held during the FY 2023-24	
		Entitled to Attend	Attended
Mr. V Chandrasekaran	Independent Director (Chairman)	4	4
Mrs. Anita Ramachandran	Independent Director	4	4
Mrs. Vishakha Mulye	Non-Executive Director	4	4
Mr. Narayanan N R	Independent Director	4	3

The Chairman of the Audit Committee, Mr. V Chandrasekaran attended the Annual General Meeting of the Company held on 27<sup>th</sup> May 2023.

The Company Secretary acts as Secretary to the Committee.

The Auditors and the Key Managerial Personnel of the Company are invited to attend the Audit Committee Meetings. In addition, other Senior Management Personnel are also invited to the Audit Committee meetings from time to time, to provide such information as may be necessary. The Committee also engages expert consultants, advisors as may necessary to the extent it considers appropriate to assist in its functioning.

The Audit Committee monitors and effectively supervises the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and maintain the integrity and quality of financial reporting.

The Audit Committee also reviews from time to time, the audit and internal control procedures, the accounting policies of the Company and oversees the Company's financial reporting process so as to ensure that the financial statements are correct, sufficient and credible.

The Audit Committee has all the powers as specified in Section 177 of the Act to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, as considered necessary.

The terms of reference of the Audit Committee include:

1. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
2. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
3. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
4. Examination of the financial statement and the auditors' report thereon approval or any subsequent modification of transactions of the Company with related parties;
5. Scrutiny of inter-corporate loans and investments, if any;
6. Review the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/investments;
7. Valuation of undertakings or assets of the Company, wherever it is necessary;
8. Evaluation of internal financial controls and risk management systems;
9. Monitoring the end use of funds raised through public offers and related matters;

10. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
11. Review of Management Discussion and Analysis of financial condition and results of operations;
12. Review of Statement of significant related party transactions submitted by Management;
13. Review of Management letters/letters of internal control weaknesses issued by the Statutory Auditors, if any;
14. Review of Internal audit reports and discussion with the Internal Auditors on any significant findings and follow-up thereon;
15. Review of Statement indicating deviation or variation in the use of proceeds of issue of listed non-convertible debt securities, if any.

## 2. Nomination And Remuneration Committee

The composition of the Committee is in line with the applicable provisions of Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations. The Committee is mainly entrusted with the responsibility of formulating criteria for determining the qualifications, positive attributes and independence of the present and proposed Directors as well as recommending a policy to the Board relating to the remuneration of Directors, Key Managerial Personnel and Senior Management Personnel.

During the financial year under review, the Committee met 3 (Three) times on 27<sup>th</sup> April 2023, 27<sup>th</sup> July 2023 and 26<sup>th</sup> October 2023. The necessary quorum was present for the meetings.

The composition and attendance during the financial year under review are as follows:

Name of Member	Category	3 Meetings held during the FY 2023-24	
		Entitled to Attend	Attended
Mrs. Anita Ramachandran	Independent Director (Chairperson)	3	3
Mr. V Chandrasekaran	Independent Director	3	3
Mrs. Vishakha Mulye	Non-Executive Director	3	3
Mr. Narayanan N R	Independent Director	3	2

The Chairperson of the Nomination and Remuneration Committee, Mrs. Anita Ramachandran attended the Annual General Meeting of the Company held on 27<sup>th</sup> May 2023.

The terms of reference of the Nomination and Remuneration Committee include:

1. Recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
2. Ensure the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors and Senior Managers of the quality required to run the Company successfully;
3. Ensure the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
4. Formulate appropriate policies and institute processes which enable the identification of individuals who are qualified to become Directors and who may be appointed in senior management and recommend to the Board of Directors their appointment and removal from time to time;



5. Review and implement succession and development plans for Managing Director,/ Chief Executive Officer, Executive Directors and Senior Managers
6. Formulate the criteria for determining qualifications, positive attributes and independence of directors;
7. Formulate, supervise and monitor the process of issuance/grant/vesting/cancellation of Employee Stock Options and such other instruments as may be decided to be granted to the eligible grantees under the respective Employee Stock Options Scheme(s), from time to time, as per the provisions of the applicable laws;
8. Establish evaluation criteria and conduct the process of performance evaluation of each Director in a structured manner;
9. Establish evaluation criteria of Board and Board Committees;
10. Review and discuss with management the disclosures required to be included in the Directors report, as specified in the Act and the Rules thereunder.
11. Scrutinize the declarations received under 'Fit and Proper' Criteria for proposed/existing directors based on the information provided in the signed declaration and to decide on the acceptance or otherwise of the directors, where considered necessary.

### 3. Stakeholder Relationship Committee

In terms of Regulation 20 of SEBI Listing Regulations, the Board constituted Stakeholder Relationship Committee on 13<sup>th</sup> October 2022 to look into various aspects of interest of shareholders, debenture holders and other security holders.

The Committee comprises of Mrs. Anita Ramachandran - Independent Director, Mr. Narayanan NR – Independent Director and Mr. Pankaj Gadgil - Executive Director.

Mrs. Anita Ramachandran is the Chairperson of the Committee.

During the financial year under review, the Stakeholder Relationship Committee met once on 19<sup>th</sup> January 2024.

The composition and attendance during the financial year are as follows:

Name of Member	Category	1 Meeting held during the FY 2023-24	
		Entitled to Attend	Attended
Mrs. Anita Ramachandran	Independent Director (Chairperson)	1	1
Mr. Narayanan NR	Independent Director	1	1
Mr. Pankaj Gadgil	Executive Director	1	1
Mr. Rakesh Singh (up to 28 <sup>th</sup> August 2023)	Non-Executive Director	0	0

The Company Secretary acted as the Compliance Officer and also responsible for redressal of investor complaints.

The terms of reference of the Stakeholder Relationship Committee include:

1. Monitor and resolve the grievances of the security holders of the Company received from the shareholders, Debenture holders of the Company, other security holders, if any, the Securities and Exchange Board of India (SEBI), the Stock Exchanges, the Department of Corporate Affairs - Registrar of Companies etc. including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, General Meetings, etc; and the action taken by the Company for redressal of the same;
2. Review of measures taken for effective exercise of voting rights by security holders;
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent;

4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the security holders of the Company, as applicable.
5. Review the results of any investigation/audit conducted by any statutory authority
6. Approve allotment of shares, debentures or any other securities as per the authority conferred/ to be conferred to the Committee by the Board of Directors from time to time;
7. Approve requests for transfer, transposition, deletion, consolidation, sub-division, change of name, dematerialization, rematerialisation etc. of shares, debentures and other securities, if any;
8. Authorize the officers of the Company to approve the requests for transfer, transposition, deletion, consolidation, sub-division, change of name, dematerialization, rematerialisation etc. of shares, debentures and other securities, if any;
9. Approve and ratify the action taken by the authorized officers of the Company in compliance of the requests received from the shareholders/investors for issue of duplicate/ replacement/consolidation/sub-division, dematerialization, rematerialisation and other purposes for the shares, debentures and other securities of the Company, if any;
10. Monitor and expedite the status and process of dematerialization and rematerialisation of shares, debentures and other securities of the Company, if any;

Number of Complaint received so far/number not solved to the satisfaction of security holders/number of pending complaints.

The Company did not receive any complaint from any security holder(s) during the financial year 2023-24.

#### 4. Corporate Social Responsibility Committee (CSR)

In terms of provision of Section 135 of the Act, the Company constituted Corporate Social Responsibility Committee.

The Corporate Social Responsibility Committee comprises Mr. Narayanan N R – Independent Director, Mr. Vishakha Mulye Non-Executive Director and Mr. Pankaj Gadgil – Executive Director. Mrs. Rajashree Birla, Chairperson of Aditya Birla Centre for Community Initiatives and Rural Development and Dr. Pragnya Ram, Group Executive President, Corporate Communications and CSR are the permanent invitees.

Mr. Narayanan N R is the Chairman of the Committee with effect from 19<sup>th</sup> January 2023. Prior to that Mrs. Anita Ramachandran was the Chairperson of the Committee.

During the financial year under review, the Committee met 2 (Two) times on 21<sup>st</sup> June 2023 and 12<sup>th</sup> March 2024. The necessary quorum was present for the meetings.

The composition and attendance during the financial year are as follows:

Name of Member	Category	3 Meetings held during the FY 2023-24	
		Entitled to Attend	Attended
Mr. Narayanan N R	Independent Director (Chairman)	2	2
Ms. Vishakha Mulye (with effective from 26 <sup>th</sup> October 2023)	Non-Executive Director	1	1
Mr. Pankaj Gadgil	Executive Director	2	2
Mr. Rakesh Singh (up to 28 <sup>th</sup> August 2023)	Non-Executive Director	1	1

The Company Secretary acts as Secretary to the Committee.



The terms of reference of the Corporate Social Responsibility Committee include:

1. Formulate CSR policy indicating the activities to be undertaken by the Company as per regulatory requirements and recommend the same to the Board;
2. Recommend to the Board the annual action plan and the amount to be spent on CSR activities;
3. Review and approve, the CSR projects/programs to be undertaken by the Company either directly or through Aditya Birla Capital Foundation (ABCF) or through implementation partners as deemed suitable, during the financial year and specify modalities for its execution and implementation schedules for the same, in terms of the CSR Policy of the Company;
4. Monitor the implementation of the CSR policy;
5. Monitor and reporting mechanism for the projects or programmes;
6. Review implementation of the action plan.

## 5. Risk Management Committee (RMC)

The Risk Management Committee has been constituted pursuant to the provisions of Regulation 21 of the SEBI Listing Regulations and RBI Master Directions, to frame, implement and monitor the Risk Management Plan of the Company.

Mr. Narayanan N R is the Chairman of the Committee with effect from 19<sup>th</sup> January 2023. Prior to that Mr. V. Chandrasekaran was the Chairman of the Committee.

The Risk Management Committee comprises of 2 (Two) Independent Directors, 1 (One) Non-Executive Director and 1 (One) Executive Director. Mr. Narayanan N R is the Chairman of the Risk Management Committee.

During the financial year under review, the Risk Management Committee met 4 (Four) times on 04<sup>th</sup> May 2023, 20<sup>th</sup> July 2023, 18<sup>th</sup> October 2023 and 17<sup>th</sup> January 2024. The necessary quorum was present for all the meetings.

The composition and attendance during the financial year under review are as follows:

Name of Member	Category	4 Meetings held during the FY 2023-24	
		Entitled to Attend	Attended
Mr. Narayanan N R	Independent Director (Chairman)	4	4
Mr. V Chandrasekaran	Independent Director	4	4
Mrs. Vishakha Mulye	Non-Executive Director	4	2
Mr. Pankaj Gadgil	Executive Director	4	4

The terms of reference of the Risk Management Committee include:

1. Monitor and approve the Risk Management Framework
2. Ensure proper identification of the risk associated with cyber security
3. Assist the Board in determining the measures that can be adopted to mitigate the risk
4. Ensure that appropriate measures are being taken to achieve prudent balance between risk and reward in both ongoing and new business activities and continuously aim to add value to the Company's stakeholders by growing business that supports inclusive growth.
5. Assist the Board in creating long-term stakeholder value by implementing a business strategy that considers every dimension of ethical, social, environmental, cultural, and economic spheres.
6. Formulate a detailed risk management policy which shall include:
  - a. A framework for identification of internal and external risks faced by the entity including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

## ANNEXURE – III (Contd.)

- b. Measures for risk mitigation including systems and processes for internal control of identified risks.
  - c. Business continuity plan.
7. Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate all risks that the Company is exposed to, including credit, operational risk, liquidity risk etc To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
  8. Review periodically the significant outsourcing arrangements and vendor/service provider performance
  9. Review periodically the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
  10. Appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

### 6. Asset Liability Management Committee (ALCO)

During the financial year under review, the Asset-Liability Management Committee met 11 (Eleven) times on 10<sup>th</sup> April 2023, 16<sup>th</sup> June 2023, 10<sup>th</sup> July 2023, 23<sup>rd</sup> August 2023, 29<sup>th</sup> September 2023, 10<sup>th</sup> October 2023, 22<sup>nd</sup> November 2023, 21<sup>st</sup> December 2023, 10<sup>th</sup> January 2024, 26<sup>th</sup> February 2024 and 19<sup>th</sup> March 2024. The necessary quorum was present for the meetings.

Mr. Pankaj Gadgil is the Chairman of the Committee with effect from 8<sup>th</sup> September 2022. Prior to that Mr. Rakesh Singh was the Chairman of the Committee.

The composition and attendance during the financial year are as follows:

Name of Member	Designation	11 Meetings held during the FY 2023-24	
		Entitled to Attend	Attended
Mr. Pankaj Gadgil	MD & CEO (Chairman)	11	11
Mr. Ashish Damani	Chief Financial Officer	11	11
Mr. Subhajeet Roy Choudhury	Chief Risk Officer	11	10
Mr. Dharmendra Patro	Chief Credit Officer	11	9
Mr. Preeti Mishra (effective 27 <sup>th</sup> April 2023)	Head - Customer Service, Products & Digital Transformation	10	7
Mr. Anubhav Katare	Deputy Chief Manager - Treasury	11	11
Mr. Anindya Karmarkar (up to 27 <sup>th</sup> April 2023)	Head - Operations, Products, Strategy and Customer Service	1	1

Company Secretary, Head-Information Technology and Chief Compliance Officer are the permanent invitees.

The terms of reference of the Asset Liability Management Committee include:

1. Governance of Liquidity Risk Management by:
  - (a) Ensuring adherence to the risk tolerance/ limits set by the Board; and
  - (b) Implementing the liquidity risk management strategy and Capital Planning;
2. Ensure appropriate internal controls, systems and procedures for adherence to liquidity risk management policies and procedure;



3. Review the Liquidity Risk Measurement basis various approaches;
4. Monitor Liquidity Risk basis various Tools;
5. Review the Credit Sanction Process for High Value Proposals.
6. Review the Pricing of Assets and Liability and monitor the Sensitivity of Interest Rates;
7. Ensuring Liquidity through maturity matching;
8. Monitor market risk management systems, compliance with the asset liability management policy and prudent gaps and tolerance limits and reporting systems set out by the Board of Directors and ensuring adherence to the RBI Guidelines issued in this behalf from time to time;
9. Monitor the business strategy of the Company (on the assets and liabilities sides) in line with the Company's budget and decided risk management objectives;
10. Review the effects of various possible changes in the market conditions related to the balance sheet and recommend the action needed to adhere to the Company's internal limits;
11. Balance Sheet planning from risk-return perspective including the strategic management of interest rate and liquidity risks;
12. With respect to liquidity risk, decide on the desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and oversee the liquidity positions of all branches;

## 7. Information Technology (IT) Strategy Committee

Pursuant to Master Direction - Information Technology Framework for the NBFC Sector and in line with the Company's initiatives to implement information security management system, IT Governance, IT policy along with Business Continuity, information and Cyber Security, the Company had constituted Information Technology (IT) Strategy Committee.

Mr. Narayanan N R is the Chairman of the Committee with effect from 19<sup>th</sup> January 2023. Prior to that Mr. V. Chandrasekaran was the Chairman of the Committee.

During the financial year under review, the IT Strategy Committee met 2 (Two) times on 29<sup>th</sup> August 2023 and 12<sup>th</sup> March 2024. The necessary quorum was present for all the meetings.

The composition and attendance during the financial year are as follows:

Name of Member	Designation	2 Meetings held during the FY 2023-24	
		Entitled to Attend	Attended
Mr. Narayanan N R	Independent Director (Chairman)	2	2
Mrs. Anita Ramachandran (effective from 19 <sup>th</sup> January 2024)	Independent Director	1	1
Mr. Pankaj Gadgil	MD & CEO	2	2
Mr. Ashish Damani	Chief Financial Officer	2	2
Mr. Subhajeet Roy Choudhury	Chief Risk Officer	2	2
Mr. Dharmendra Patro	Chief Credit Officer	2	2
Mr. Preeti Mishra (effective 27 <sup>th</sup> April 2023)	Head- Customer Service, Products & Digital Transformation	2	2
Mr. Sachin Jadhav	Head IT	2	2
Mr. Ashish Chauhan	Chief Information Security Officer	2	1

## ANNEXURE – III (Contd.)

The terms of reference of the Information Technology (IT) Strategy Committee include:

1. Establishment of the Information Security Management System (ISMS) objectives
2. Review and approve the Company's Information Technology and Cyber Security Policy, Privacy Policy and Business Continuity Policy;
3. Demonstrate Management support for relevant initiatives on the above subject area;
4. Review major information and Cyber security, Business continuity and Privacy incidents;
5. Review if any significant risk to be reported to the Board.
6. Review and approve the Information Technology ("IT") strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
7. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
8. Ensure IT investments represent a balance of risks and benefits and that budgets are acceptable;
9. Monitor the method that management uses to determine the IT resources and roles and responsibilities needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
10. Ensure proper balance of IT investments for sustaining Company's growth and becoming aware about exposure towards IT risks and control instituting an effective governance mechanism and risk management processes for all outsourced IT operations.

### IV. REMUNERATION OF DIRECTORS

Independent Directors are paid sitting fees of ₹ 1,00,000/- for each meeting of the Board, ₹ 75,000/- for each meeting of the Audit Committee and ₹ 50,000/- for each meeting of other Committees is paid to the Independent Directors of the Company.

Sitting fees paid for attending meetings of the Board/Committees have been approved by the Board. The Company does not recommend/pay commission to Directors of the Company during the financial year under review.

The details of remuneration paid to Mr. Pankaj Gadgil, Managing Director and CEO have been provided in Note 35 (Related party transactions) of the Financial Statements and in form MGT-7, uploaded on the website of the Company at <https://homefinance.adityabirlacapital.com/financial-reports>.

The details of sitting fees paid to the Independent Directors for FY 2023-24 are as under:

Name of the Director	Board Meeting	Committees							Total
		Audit	Risk	Nomination & Remuneration	CSR	IT strategy	Stakeholders Relationship Committee Meeting	Credit Committee	
Mrs. Anita Ramachandran	4,00,000	3,00,000	NA	1,50,000	NA	50,000	50,000	NA	9,50,000
Mr. V Chandrasekaran	5,00,000	3,00,000	2,00,000	1,50,000	NA	NA	NA	NA	11,50,000
Mr. Narayanan N R	5,00,000	2,25,000	2,00,000	1,00,000	1,00,000	1,00,000	50,000	2,50,000	15,25,000

There were no pecuniary relationships or significant material transactions between the Company and Non-Executive Directors during the financial year under review.

#### Confirmation of criteria of Independence

The Board of Directors of the Company confirm that the Independent Directors fulfil the conditions specified in the Act and are independent of the management.





## V. GENERAL BODY MEETINGS

The particulars of the last three Annual General Meetings (AGMs) of the Company are given below:

AGM	Year	Date of the AGM	Time	Venue
14 <sup>th</sup>	2023	27 <sup>th</sup> May 2023	11.30 A.M.	In Mumbai by Audio-Video Conferencing through Microsoft Teams Application
13 <sup>th</sup>	2022	24 <sup>th</sup> August 2022	12:00 noon	In Mumbai by Audio-Video Conferencing through Microsoft Teams Application
12 <sup>th</sup>	2021	02 <sup>nd</sup> August 2021	05:00 P.M.	In Mumbai by Audio-Video Conferencing through Microsoft Teams Application

Details of special resolutions passed in the previous three AGMs;

AGM	Date of AGM	Special Resolutions
14 <sup>th</sup>	27 <sup>th</sup> May 2023	None
13 <sup>th</sup>	24 <sup>th</sup> August 2022	None
12 <sup>th</sup>	02 <sup>nd</sup> August 2021	None

### MEANS OF COMMUNICATION

#### Quarterly Results and Newspaper Publications

The Company's financial results are periodically submitted to the Stock Exchanges and published in Business Standard or Mint (all editions).

Further, the financial results approved by the Board at its meeting held for this purpose are also simultaneously made available on Company's website [homefinance.adityabirlacapital.com/financial-reports](http://homefinance.adityabirlacapital.com/financial-reports).

#### Website

The Company's website <https://homefinance.adityabirlacapital.com/> contains a separate section namely "Financial Results and Reports". Further, the annual report of the Company is available under this section on the website in a downloadable form.

## VI. GENERAL SHAREHOLDER'S INFORMATION

### 1. Annual General Meeting

Date	14 <sup>th</sup> May 2024
Time	2.00 p.m.
Venue	Video Conferencing through Microsoft Teams Application
Financial Year	01 <sup>st</sup> April 2023 to 31 <sup>st</sup> March 2024
Corporate Identification Number (CIN)	U65922GJ2009PLC083779
Registration/licence/authorisation, obtained from other financial sector regulators	National Housing Bank certificate of Registration No. 07.0113.14 dated 09 <sup>th</sup> July 2014

### 2. Financial Year

The Company follows the financial year starting from 01<sup>st</sup> April to 31<sup>st</sup> March every year.

### 3. Dividend and date of payment

The Board has not recommended any dividend for FY 2023-24 for consideration of the members at the ensuing Annual General Meeting (AGM).

### 4. Listing on stock exchange and stock code

Name	Address	Code for Securities
BSE	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	The Company is not equity listed and issues privately placed NCDs (secured/unsecured)
NSE	Listing Department, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400051	from time-to-time basis. For each issue of NCDs separate ISIN and security code is generated.

Annual listing fees, as prescribed, have been paid to the said stock exchanges up to 31<sup>st</sup> March 2024.

### 5. Market price data

The Company is not equity listed entity.

### 6. In case the securities are suspended from trading, the directors report shall explain the reason thereof –

Not applicable

### 7. Registrar and share transfer agent

In terms of Regulation 7 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') Link Intime India Private Limited continues to be the Registrar and Share Transfer Agent; and handles all relevant corporate registry services for the company.

**8. Dematerialization of shares and liquidity**

The Company is a Wholly Owned Subsidiary of Aditya Birla Capital Limited and the Equity Shares are held by Aditya Birla Capital Limited in dematerialized form and equity shares held by its nominees are in physical form.

**9. Outstanding convertible instruments/ADRs/GDRs/Warrants**

The Company does not have any outstanding convertible instruments/ADRs/GDRs/Warrants as on date.

**10. Commodity price risks and commodity hedging activities**

Being a financial service company, the Company is not exposed to commodity price risk. Company is operating in India and is not directly exposed to foreign exchange risk and hedging activities.

**11. Plant location**

The Company being a housing finance company does not have any manufacturing plant.

**12. Address for correspondence**

**Corporate office**

9<sup>th</sup> Floor, Tower 1,  
One World Centre,  
Elphinstone Rd.,  
Mumbai 400 013

**Contact details:**

Phone No: (022) 4356 7100  
Email ID: [hiral.sidhpura@adityabirlacapital.com](mailto:hiral.sidhpura@adityabirlacapital.com)  
Website: <https://homefinance.adityabirlacapital.com/>

**13. The list of all credit ratings obtained by the entity is provided in the Board's Report.**

**VII. OTHER DISCLOSURES**

**(a) Related Party Transactions (RPT)**

During the financial year under review, the Company had entered into related party transactions which were on an arm's length basis and in the ordinary course of business. There were no material transactions with any related party as per the provisions of Section 188 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014. All related party transactions were approved by the Audit Committee of the Company.

Particulars of related party transactions are listed out under the notes to accounts forming part of the Annual Report. The RPT policy forms part of the Board's Report as **Annexure IV** and is also available on Company's website <https://adityabirlahousingfinance.com/>.

**(b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years**

The Company has complied with all applicable regulatory requirements. No penalty or stricture has been imposed on the Company by the stock exchange, SEBI or any other statutory authority, in any matter related to capital markets, during the last three years.

**(c) Whistle Blower Policy/Vigil Mechanism**

Pursuant to section 177(9) of the Act, the Company has framed its whistle blower policy. The whistle blower policy/vigil mechanism provides a mechanism for employees and other parties to report instances and concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. Adequate safeguards are provided against victimization to those who avail the mechanism. Summary of cases as and when



reported, along with status are placed before the Audit Committee and Board for their review and discussion. The policy is in line with the Company's code of conduct, vision and values and is available on Company's website <https://homefinance.adityabirlacapital.com/>.

#### (d) Adoption of Mandatory and Discretionary Requirements

During the financial year under review, the Company complied with all the mandatory requirements and discretionary requirements of the SEBI Listing Regulations:

1. For the financial year 2023-24, the Company's financial statements are with unmodified audit opinion.
2. The Internal Auditors directly report to the Audit Committee.

#### (e) Certificate from practicing Company Secretary

A certificate from M/s. BNP & Associates, Practicing Company Secretaries, has been received stating/confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of the Company by SEBI/MCA or any such statutory authority as on 31<sup>st</sup> March 2024 and the same forms part of this Annual Report.

#### (f) Fees to Statutory Auditors

Total fees for all services provided for and paid to the statutory auditor of the Company viz. M/s KKC & Associates LLP during the financial year under review was as under:

Particulars	Amount in ₹
Audit Fees & Limited Review	32,00,000
Tax Audit	4,00,000
Other Services	21,60,000
Reimbursement of Expenses (Based on Invoice Booking)	3,73,865
<b>Total</b>	<b>61,33,865</b>

#### (g) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

During the financial year under review, the details of complaints received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 were as under:

- Number of complaints filed during the financial year: 3
- Number of complaints disposed of during the financial year: 2
- Number of complaints pending as on end of the financial year: 1

#### (h) Loans and advances

During the financial year under review, no loans and advances were given to any firms/companies in which any of the Directors are interested.

#### (i) Disclosure of accounting treatment

The Company has followed all the applicable Accounting Standards while preparing the financial statements.

### VIII. Code Of Conduct Declaration

As provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Members of the Board and Senior Management Personnel of the Company have affirmed Compliance with the Code of Conduct for Board and Senior Management Personnel of the Company during the financial year ended 31<sup>st</sup> March 2024.

#### Pankaj Gadgil

(Managing Director & Chief Executive Officer)  
Mumbai: 18<sup>th</sup> April 2024

**CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI  
(LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To,  
**The Members of,**  
**Aditya Birla Housing Finance Limited**  
Indian Rayon Compound,  
Junagadh Veraval,  
Gujarat – 362266.

We, BNP & Associates have examined all relevant records of **Aditya Birla Housing Finance Limited** (further known as “the Company”) as provided by the Company through the virtual data room for the purpose of certifying the compliance of the disclosure requirements and corporate governance norms as specified for the Listed Companies as prescribed in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘LODR’), **for the financial year ended 31<sup>st</sup> March 2024**. We have obtained all the information and explanations, which, to the best of our knowledge and belief, is necessary for the purpose of this certification.

We state that the compliance of conditions of Corporate Governance is the responsibility of the management, and our examination is limited to procedures and implementation thereof as adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified for listed company in the LODR for the above financial year.

We further state that the above certification is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company during the financial year.

For **BNP & Associates**  
**Company Secretaries**  
[Firm Regn. No.: P2014MH037400]  
PR No.: 637/2019

Date: 23<sup>rd</sup> April 2024  
Place: Mumbai

**Avinash Bagul**  
Partner  
FCS No.: 5578  
CP No.: 19862  
UDIN: F005578F000220991



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of,  
Aditya Birla Housing Finance Limited  
Indian Rayon Compound,  
Veraval, Junagadh,  
Gujrat - 362266.

We, **BNP & Associates** have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Aditya Birla Housing Finance Limited having CIN: U65922GJ2009PLC083779 and having its registered office at Indian Rayon Compound, Veraval, Junagadh Gujrat - 362266 (hereinafter referred to as '**the Company**'), produced before us through the virtual data room by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including verification of Directors Identification Number (DIN) status] in terms of the portal of Ministry of Corporate Affairs Government of India (MCA) [www.mca.gov.in](http://www.mca.gov.in) as considered necessary and pursuant to explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below, for the financial year ended on March 31, 2024 have been debarred or disqualified from appointment or continuing as directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or by any other statutory regulatory authority.

Sr. No.	DIN	Name of the Directors	Designation	Date of Appointment*
1.	00118188	Ms. Anita Ramachandran	Non-Executive Independent Director	31 <sup>st</sup> March 2015
2.	00203578	Ms. Vishakha Vivek Mulye	Non-Executive Non-Independent Director	13 <sup>th</sup> October 2022
3.	03126243	Mr. Venkatadri Chandrasekaran	Non-Executive Independent Director	28 <sup>th</sup> June 2018
4.	07877022	Mr. Narayanan Nadadur Rajagopalan	Non-Executive Independent Director	19 <sup>th</sup> January 2023
5.	08521239	Mr. Pankaj Madhav Gadgil	Managing Director	23 <sup>rd</sup> September 2022

\* Date of appointment of all the Directors are original date of appointment as they appear on MCA Portal.

Ensuring the eligibility of every director for appointment/continuity on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. We further state that this certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management of the Company has conducted the affairs of the Company.

For **BNP & Associates**  
Company Secretaries  
[Firm Regn. No.: P2014MH037400]  
PR No.: 637 /2019

**Avinash Bagul Partner**  
FCS No.: 5578  
COP No.: 19862  
UDIN: F005578F000220969

Date: 23<sup>rd</sup> April 2024  
Place: Mumbai

# ANNEXURE – IV

## Policy on Related Party Transactions

### INTRODUCTION & PURPOSE

The Board of Directors of Aditya Birla Housing Finance Limited (“the Company”), on recommendation of the Audit Committee, has adopted this policy dated XX April, 2022 to

- (a) regulate transactions of the Company with its related parties (as defined and identified under the Companies Act, 2013 and Rules made thereunder (the “Act”) and the SEBI (Listing Obligations and Disclosure Requirements), 2015 (“Listing Regulations”);
- (b) ensure high standards of Corporate Governance while dealing with related parties; and
- (c) ensure optimum compliance with various applicable laws prescribed for related party transactions.

### DEFINITIONS

- (a) Act: means the Companies Act, 2013 and Rules made thereunder, as amended from time to time.
- (b) Accounting Standard means the standards of accounting or any addendum thereto, as recommended by the Institute of Chartered Accountants of India in consultation with and after examination of the recommendations made by the National Finance Reporting Authority.
- (c) Listing Regulations means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- (d) Related Party shall have the same meaning as defined under the Act, applicable Accounting Standards and the Listing Regulations, as amended from time to time.
- (e) Related Party Transaction (RPT) means transactions with related parties as defined under the Act; Listing Regulations; applicable accounting standards, as amended from time to time.

All terms used in this policy but not defined herein shall have the meaning assigned to such terms in the Act; the Listing Regulations and Accounting Standards, as amended from time to time.

### TERMS AND REFERENCES

- (a) **Arm’s Length Basis:** Terms will be treated as on ‘Arm’s Length Basis’ if the commercial and key terms are comparable and are not materially different with similar transactions with non- related parties considering all the aspects of the transactions such as quality, realizations, other terms of the contract, etc. In case of contracts with related parties for specified period/quantity/services, it is possible that the terms of one-off comparable transaction with an unrelated party are at variance, during the validity of contract with related party. In case the Company is not doing similar transactions with any other non-related party, terms for similar transactions between other non-related parties of similar standing can be considered to establish ‘arm’s length basis’. Other methods prescribed for this purpose under any law can also be considered for establishing this principle.
- (b) **Ordinary Course of Business:** Transactions with related parties will be considered in ordinary course if they are entered in pursuance of the business objective of the Company and necessary for Company’s operations or related financial activities, including the fixed assets transactions and pursuant to the objects of the Company.
- (c) **Materiality:** The materiality of any RPT will be ascertained as per the thresholds prescribed under the Act or the Listing Regulations, whichever is lower:

#### (i) **Materiality threshold under the Act**

A transaction with a related party shall be considered material if it exceeds threshold as prescribed under section 188 of the Act read with Rules made thereunder or any subsequent amendment thereto.



## (ii) Materiality threshold under Listing Regulations

A transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds the following thresholds:

- In case of transactions involving payments made with respect to brand usage or royalty, if it exceeds 5% of the annual consolidated turnover of the Company as per its last audited financial statements;
- In case of any other transaction(s), if the amount exceeds ₹ 1,000 (one thousand) crore or 10% (ten percent) of the annual consolidated turnover of the Company as per its last audited financial statements, whichever is lower.

**(d) Material Modification:** A modification to a RPT shall be considered material, if the:

- Value of the modification individually or taken together with modifications during a financial year, exceeds 10% of the original transaction as approved by the Audit Committee and/or the shareholders, whichever is lower.
- Material terms of the contract resulting in novation of the contract, change in tenure of the contract, deferment of security/guarantee shall also be treated as a material modification of the transaction.

## POLICY

- The RPTs should be in conformity with the Act, Listing Regulations and applicable Accounting Standards, as amended from time to time.
  - All RPTs shall be entered on arms' length basis and in the ordinary course of business.
  - Any RPT which is not in the ordinary course of business of the Company or not at arm's length basis, shall be effected only with prior approval of the Board of Directors of the Company, on recommendation of the Audit Committee.
- All RPTs specified in the Act which are not in the ordinary course of business of the Company or not at arms' length basis and exceed the thresholds laid down in the Act shall be placed before the shareholders' for their approval.
  - The Audit Committee may grant omnibus approval for RPTs which are repetitive in nature, provided that such approval shall remain valid for period not exceeding one year. Further, where the need for RPTs cannot be foreseen and requisite details are not available, the Audit Committee may grant omnibus approval for such transactions provided that value of each such transaction shall not exceed ₹ 1 crore.
  - All RPTs and subsequent material modifications shall be placed before the Audit Committee for prior approval and only independent members of the Audit Committee will approve these RPTs.

A RPT to which any of the Company's subsidiary is a party but the Company is not, will require prior approval of the Company's Audit Committee if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds 10% of the Company's annual consolidated turnover, as per the Company's last audited financial statements. With effect from 1<sup>st</sup> April 2023, a RPT to which the Company's subsidiary is a party but the Company is not, will require prior approval of the Company's Audit Committee if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the subsidiary's annual standalone turnover, as per the subsidiary's last audited financial statements. Prior approval of the Company's Audit Committee will not be required if the subsidiary is listed and the Company is not a party if applicable provisions of the listing regulations are applicable to such listed subsidiary. For transactions of unlisted subsidiaries, prior approval of the Company's Audit Committee shall suffice.

Notwithstanding, the RPTs which cross the materiality threshold as defined under the Listing Regulations and subsequent material modifications thereof, shall be entered by the Company only with the prior approval of the shareholders of the Company and no related party shall vote to approve, whether the Related Party is a party to a particular transaction or not.

## ANNEXURE – IV (Contd.)

Prior approval of the Company's shareholders will not be required for a RPT to which the listed subsidiary is a party but Company is not, if applicable provisions of the listing regulations are applicable to such listed subsidiary. For RPTs of unlisted subsidiaries, prior approval of the Company's shareholders shall suffice.

- (g) Subject to applicable laws, the Audit Committee shall have the power to ratify, revise or terminate the RPTs, which are not in accordance with this Policy.
- (h) Any transaction that is specifically excluded from applicability of the related party provisions under the Act and/or the Listing Regulations shall not require a separate approval under this policy.
- (i) All domestic RPTs shall, wherever applicable, comply with Domestic Transfer Pricing Requirement under 92BA of Income Tax Act, 1961 including certification from Independent accountants under the Transfer Pricing Regulations.
- (j) All international RPTs shall comply with the International Transfer Pricing Requirement under Section 92B of Income Tax Act, 1961 including certification from Independent accountants under the Transfer Pricing Regulations.

### ADMINISTRATIVE MEASURES

The Company's management shall institute appropriate administrative measures to ensure that all RPTs entered into by the Company are in compliance with applicable laws and this Policy. All persons dealing with the related party(ies) shall, irrespective of their level, be responsible for compliance with this Policy. The detailed processes relating to implementation of this Policy, as may be approved by the Audit Committee

from time to time, shall be followed by all concerned. The Internal Auditors of the Company shall review the RPTs entered into by the Company on a periodic basis and report their observations to the Audit Committee. The Company Secretary shall be responsible to maintain/update the list of related parties (as required by applicable laws) and provide the same to all concerned. It is the duty of all employees of the Company to ensure that they do not deal with related parties under any kind of influence or coercion. The cases involving any unwarranted pressure should be promptly reported as per mechanism provided under the Whistle Blower Policy of the Company.

### INTERPRETATION

In any circumstance where the provisions of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the relevant law, rule, regulation or standard will take precedence over this Policy until such time as this Policy is changed to conform to the said law, rule, regulation or standard. In case of any clarification required with respect to this Policy, kindly contact the Company Secretary of the Company.

### DISCLOSURE

The Policy is available on the website of the Company i.e. <https://adityabirlahousingfinance.com/> and a web link thereto shall be provided in the in the Annual Report of the Company.

### REVIEW

This Policy shall be reviewed by the Board of Directors at least once every three years, effective 1<sup>st</sup> April 2022 and updated accordingly.





# ANNEXURE – V

## Executive Remuneration Philosophy/Policy

Aditya Birla Housing Finance Limited (“the Company/“We”/“Our”) an Aditya Birla Group Company adopts this Executive Remuneration Philosophy/Policy in accordance with the applicable regulations from time to time including the Companies Act 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”) and the RBI guidelines on compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs vide circular no. RBI/2022-23/36 DOR.GOV.REC. No.29/18.10.002/2022-23 dated 29<sup>th</sup> April 2022 (‘Applicable Law’). This philosophy/ policy is detailed below.

### EXECUTIVE REMUNERATION PHILOSOPHY/ POLICY

At the Aditya Birla Housing Finance Limited, we expect our executive team to foster a culture of growth and prudent risk-taking. Our Executive Remuneration Philosophy/Policy supports the design of programs that align executive rewards (including fixed pay, variable pay and perquisites and benefits) with the long-term success of our stakeholders.

#### Objective:

Our executive remuneration program is intended to:

1. Provide for monetary and non-monetary remuneration elements to our executives on a holistic basis.
2. To ensure effective governance of compensation practices and alignment with prudent risk taking.
3. To ensure that the compensation practices take on board the regulatory framework stipulated from time to time by RBI or any other relevant regulatory body.

#### Coverage:

This Policy shall be applicable to the following Executives:

1. Executive Director of the Company
2. Key Managerial Personnel (KMP)
  - a. CEO/Managing Director/Whole Time Director/Manager
  - b. Chief Financial Officer
  - b. Company Secretary

3. Senior Management Personnel: i.e., Officers/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 Managing Director/ Whole Time Director/CEO or Manager.

#### Governance Structure for Compensation:

1. The Nomination and Remuneration Committee (“NRC”) is responsible for framing, review and implementation of the Company’s compensation policy on behalf of the Board and its role is as set out in the NRC Charter/Terms of Reference.
2. The Nomination and Remuneration Committee may also co-ordinate with the Risk Management Committee with the objective of suitably aligning compensation with prudent risk taking as applicable.
3. This Policy is subject to review by the NRC on an annual basis or more frequently as required and approved by the Board.

#### Principles for Determination of Compensation for Executives:

Compensation to Executives shall be determined based on the following principles:

We aim to provide competitive remuneration opportunities to our executives by positioning target total remuneration (including fixed pay, variable pay and perquisites and benefits) directionally between median and top quartile of the primary talent market.

1. The level and composition of compensation is reasonable and sufficient to attract, retain and motivate the Executives of the quality required to run the Company successfully, which means compensation takes on board:
  - Market competitiveness for the role (‘market’ for every role is defined as companies from which the Company attracts talent or companies to which the Company loses talent).
  - The size and scope of the role (including those in control functions) and the market standing, skills and experience of incumbents while positioning our executives.

## ANNEXURE – V (Contd.)

- The size of the Company, complexity of the sector/ industry/Company's operations and the Company's capacity to pay.
2. Linkage of compensation to appropriate performance benchmarks.
  3. Compensation outcomes are symmetric with risk outcomes and pay-outs thereof are sensitive to the time horizon of the risk.
  4. Compensation structure will have a proper balance between Fixed Pay and Variable Pay.
- Variable Pay payable is subject to Group, Company, Business/Function and Individual performance. Part of variable pay is deferred over a time horizon of 3 to 4 years in the manner determined by NRC/Board. This may be in the form of cash and non-cash components of the variable pay.
  - We aim that the remuneration programs do not encourage excessive risk taking. We review our remuneration programs keeping in mind the balance between risk and payout and material portion of the variable pay is deferred spread over three to four years in line with the risk involved.

### Executive Pay-Mix

Our executive pay-mix aims to strike the appropriate balance between key components:

- i. **Fixed Pay:** Comprising of Basic Salary, Allowances, Retirals and other benefits and will include imputed value of benefits like Housing and Car. It also includes cost of retirals such as Company's contribution to PF, Gratuity, superannuation and pension [Including National Pension System (NPS)].
- ii. **Variable Pay:** Includes Performance bonus/Annual Incentive, Long Term Incentive Pay in form of cash bonuses, all share-linked instruments (e.g. ESOP, SARS, etc.). (The deterioration in the financial performance of the Company/business segment/function/individual can lead to a contraction in the total amount of variable pay, which can even be reduced to zero for a particular year depending on the performance outcome of the year.)
- iii. **Perquisite & Benefits:** Perquisite Pay/Benefits are over and above Fixed Pay and include Medical Benefit; Life Insurance Benefit; Personal Accident Benefit; etc. These broad-based plans may be applicable to all employees or select group of employees. In addition to these broad-based plans, Executives are eligible for perquisites and benefits plans commensurate with their roles. These benefits are designed to encourage long-term careers with the Company/Group.
- iv. **Other Elements:** Which includes Joining/Sign on Bonus, Severance package, Deferred Incentive Plans, etc.

### Salient features of the compensation structure

- The proportion of variable pay to fixed pay is higher at senior levels and varies across roles based on levels of responsibility.

### Malus and Clawback

ABHFL believes in sustained business performance in tandem with prudent risk taking.

**Malus** arrangement permits the Company to prevent vesting of all or part of the variable pay which has been deferred. It does not reverse vesting after it has already occurred.

**Clawback** is a contractual agreement between the employee and the Company in which the employee agrees to return previously paid or vested compensation attributable to a given reference year.

Malus and clawback is applicable to employees even after their separation from the organisation.

Malus and clawback may be applied for circumstances like gross and/or willful negligence in performance of their duty or has committed fraud or has performed an act with malafide intent or obstructs the functioning of an organisation; misconduct; Material breach of Code of Conduct, any Non-Disclosure Agreement, regulatory procedures, internal rules and regulations and any other additional circumstances as determined by NRC.

In deciding the application of malus/clawback to any part or all of variable pay or incentives (whether paid, vested or unvested), the NRC will follow due process and adhere to the principles of natural justice and proportionality. Further, in assessing the quantum of cancellation/withdrawal, the NRC will take into consideration all relevant factors, including inter alia, internal factors such as role and responsibilities of the employee, culpability and proximity to the misconduct as well as any external factors, including but not restricted to situations, that may have been beyond the control of the concerned employee.



# ANNEXURE – VI

## FORM NO. MR-3 Secretarial Audit Report For The Financial Year Ended 31<sup>st</sup> March 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

### To

**The Members of,  
Aditya Birla Housing Finance Limited**

Indian Rayon Compound,  
Junagadh, Veraval,  
Gujarat - 362266.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Aditya Birla Housing Finance Limited** having CIN: - **U65922GJ2009PLC083779** (hereinafter called the 'the Company') for the financial year ended on 31<sup>st</sup> March 2024 (the "Audit Period").

We have conducted the Secretarial Audit in a manner that provided us with a reasonable basis for evaluating the Company's corporate conducts/statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

- (i) Our verification of the Company's books, papers, minutes books, forms and returns filed, records provided through virtual data room/physically and other records maintained by the Company;
- (ii) Compliance certificates confirming compliance with corporate laws applicable to the Company given by the Key Managerial Personnel/Senior Managerial Personnel of the Company and taken on record by the Company's Audit Committee/Board of Directors; and
- (iii) Representations made, documents produced and information provided by the Company, its officers, agents and authorized representatives during our conduct of Secretarial Audit

We hereby report that, in our opinion, during the Audit Period covering the financial year ended on 31<sup>st</sup> March 2024, the Company has:

- (i) Complied with the statutory provisions listed hereunder; and
- (ii) Board processes and compliance mechanisms are in place to the extent, in the manner and subject to the reporting made hereinafter.

The members are requested to read this report along with our letter of even date annexed to this report as **Annexure-A**.

### 1. COMPLIANCE WITH SPECIFIC STATUTORY PROVISIONS

We further report that:

#### 1.1 We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company during the year in terms of the applicable provisions/clauses of:

- (i) The Companies Act, 2013 (the "Act") and the Rules made thereunder;
- (ii) Securities Contracts (Regulation) Act, 1956 ('SCRA') (As amended by the Finance Act, 2021 w.e.f. 01<sup>st</sup> April 2021) and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act (FEMA), 1999 and the Rules and Regulations made thereunder to the extent of 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 (Prohibition of Insider Trading) Regulations, 2015;
- (b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 (in relation to the obligations of the Company); and
- (d) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible securities) Regulations, 2021.

\* The Company has also maintained a Structured Digital Database ("SDD") pursuant to the requirements of regulation 3 (5) and 3 (6) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

(vi) Secretarial Standards relating to Meetings of the Board and General Meetings issued by The Institute of Company Secretaries of India ('Secretarial Standards') and notified by the Central Government under Section 118(10) of the Act which have mandatory application.

### 1.2 During the period under review:

- (i) The Company has complied with the all the applicable provisions of all the aforesaid Acts, Rules, Regulations, Guidelines and Secretarial Standards as mentioned above.
- (ii) Generally complied with the applicable provisions / clauses of:
  - (a) FEMA to the extent of External Commercial Borrowings mentioned under paragraph 1.1 (iv);
  - (b) The Secretarial Standards on meetings of Board of Directors (SS-1) and on General Meetings (SS-2) mentioned under paragraph 1.1 (vi) above, which are applicable to the meetings of the Board, Committees constituted by the Board held during the year, the Extra-Ordinary General Meeting ("EGM") held on April 12, 2023 (at a shorter notice with the consent of the members), the 14<sup>th</sup> Annual General Meeting

("AGM") held on 27<sup>th</sup> May 2023 (at a shorter notice with the consent of the members) and the and the resolution passed by circulation. The compliance of the provisions of the Rules made under the Act with regard to participation of Directors through video conference/Other Audio-Visual Means (OAVM), for the Board/ Committee meeting(s) held during the year, were verified based on the minutes of the meetings provided by the Company.

### 1.3 During the audit period under review, provisions of the following Acts/Regulations were not applicable to the Company.

- (i) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment.
- (ii) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (iii) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (iv) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (v) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- (vi) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
- (vii) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

### 1.4 We have also examined, on test-check basis, the relevant documents and records maintained by the Company and provided to us with respect to the following Statute which is applicable to the Company: -

- (a) National Housing Bank Act, 1987 read with relevant guidelines, circulars, notifications, directions issued by NHB;



- (b) Master Directions – Non-Banking Financial Companies (NBFCs) – Housing Finance Companies (Reserve Bank of India) Directions, 2021 read with the relevant guidelines and circulars;
- (c) Guidelines on Know your Customer and Anti-Money Laundering Measures; and
- (d) Prevention of Money Laundering Act, 2002.

## 2. BOARD PROCESSES OF THE COMPANY:

We further report that:

### 2.1 The Board of Directors of the Company as on 31<sup>st</sup> March 2024 comprised of:

- (i) One Managing Director & CEO – Mr. Pankaj Madhav Gadgil (DIN: 08521239);
- (ii) One Non-Executive Non-Independent Director – Ms. Vishakha Mulye (DIN: 00203578); and
- (iii) Three Non-Executive Independent Directors including a Woman Independent Director- Mr. Venkatadri Chandrasekaran (DIN: 03126243), Mrs. Anita Ramachandran (DIN: 00118188), and Mr. Narayanan Nadadur Rajagopalan (DIN: 07877022).

### 2.2 The processes relating to the following changes in the composition of the Board of Directors and Key Managerial Personnel during the year but before the issuance of this report, were carried out in compliance with the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015:

- (1) The members of the Company at its EGM held on 12<sup>th</sup> April 2023 approved the appointment of Mr. Narayanan Nadadur Rajagopalan (DIN: 07877022) as a Non-Executive Independent Director of the Company for a term of 5 (five) consecutive years with effect from 19<sup>th</sup> January 2023 up to 18<sup>th</sup> January 2028, not liable to retire by rotation.
- (2) The members of the Company at its EGM held on 12<sup>th</sup> April 2023 approved the re-appointment of Mr. Venkatadri Chandrasekaran (DIN: 03126243) as a

Non-Executive Independent Director of the Company for a second term of 5 (five) consecutive years with effect from 28<sup>th</sup> June 2023 up to 27<sup>th</sup> June 2028, not liable to retire by rotation.

- (3) The members of the Company at its 14<sup>th</sup> (Fourteen) Annual General Meeting held on 27<sup>th</sup> May 2023 approved the Re-appointment of Ms. Vishakha Mulye (DIN: 00203578) as a director liable to retire by rotation.
- (4) Cessation of office of Mr. Rakesh Singh (DIN: 07006067) with effect from the close of business hours on 28<sup>th</sup> August 2023 as Non-Executive Non-Independent Director of the Company.
- (5) Cessation of office of Ms. Swati Singh as Company Secretary with effect from the close of business hours on 31<sup>st</sup> October 2023.
- (6) Appointment of Ms. Hiral Sidhpura as Company Secretary with effect from the 01<sup>st</sup> November 2023.

**2.3 Adequate notices have been given to all the directors of the Company at least seven days in advance as required under Section 173 (3) of the Act and SS-1 to enable them to plan their schedules for the meetings of Board and its committees, except few meetings which were convened at a shorter notice to transact urgent business(es) for which necessary consent was received, which were compliant with the provisions of the Act as prescribed.**

**2.5 Agenda and detailed notes on agenda circulated to all the directors at least seven days before the Board meetings, except for few meetings where price sensitive matters were considered hence these meetings were convened at a shorter notice.**

**2.6 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and to ensure their meaningful participation at the meetings.**

**2.7 We note from the minutes examined that, at the Board meetings held during the year:**

- (i) Decisions were taken through the majority of the Board; and
- (ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, which were required to be recorded as part of the minutes.

**3. COMPLIANCE MECHANISM**

There are reasonably adequate systems and processes prevalent in the Company, which are commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

**4. SPECIFIC EVENTS/ACTIONS**

**4.1 During the year under review, the following specific events/actions, having a major bearing on the Company's affairs took place:**

- 1. The shareholders of the Company at the EGM held on 12<sup>th</sup> April 2023 and the Board of Directors of the Company at their meeting held on 27<sup>th</sup> January 2023 has approved the following:
  - (a) increase in the overall limits of borrowings under Section 180(1)(c) of the Act for an amount not exceeding ₹ 30,000 Crore (Rupees Thirty Thousand Crore Only);
  - (b) Mortgage/Creation of Charges on the assets of the Company as a security towards Borrowings for an amount not exceeding ₹ 30,000 Crore (Rupees Thirty Thousand Crore Only) at the Board meeting held on April 6, 2023;
  - (c) To issue non-convertible debentures through private placement by issuance of fully/partly paid; listed/unlisted:
    - (a) Secured Redeemable Non-Convertible Debentures including Principal Protected - Market Linked Non-Convertible Debentures (NCDs) for an amount not exceeding ₹ 10,000 Crore (Rupees Ten Thousand Crore only)

- (b) Subordinated Debt qualifying as Tier- II Capital in form of Unsecured, Redeemable, Non- Convertible Bonds in the nature of Debentures for an amount not exceeding ₹ 1,000 Crore (Unsecured NCDs)
- 2. The Board of Directors at its meeting held on 27<sup>th</sup> July 2023 and 26<sup>th</sup> October 2023 have given approval for issue of non-convertible debentures through private placement by issuance of fully/partly paid; listed/unlisted:
  - (a) Secured Redeemable Non-Convertible Debentures including Principal Protected - Market Linked Non-Convertible Debentures (NCDs) for an amount not exceeding ₹ 10,000 Crore (Rupees Ten Thousand Crore only)
  - (b) Subordinated Debt qualifying as Tier-II Capital in form of Unsecured, Redeemable, Non-Convertible Bonds in the nature of Debentures for an amount not exceeding ₹ 1,000 Crore (Unsecured NCDs).

in one or more tranches, which may be unlisted or listed, on Debt Market Segment of National Stock Exchange (NSE) and/or BSE Limited on a private placement basis (NCDs).

- 3. The Board of Directors at its meeting held on 26<sup>th</sup> October 2023 approved and authorised to undertake with State Bank of India (herein after "SBI") or any other Bank(s), Permitted Derivative Transactions within a maximum overall limit of ₹ 5,000 crore (INR equivalent of USD 750 million) as permitted by the Reserve Bank of India and within the framework of the approved Risk Management Policy for the Interest Rate Risk and Foreign Exchange Risk of the Company.
- 4. The Board of Directors at its meeting held on 26<sup>th</sup> October 2023 approved the revision in list of authorized signatories for Borrowings - Sub limits and authorized to borrow funds by way of:
  - (a) Cash credit, Working Capital loans, other short-term loans, term loans, FCNR loans, etc from banks, Financial Institutions, Corporate(s) etc. such facility being secured/unsecured,



- (b) Refinance assistance under the refinance scheme as provided by RBI/NHB for Housing Finance Companies as may be applicable from time to time.
- (c) External Commercial Borrowings in accordance with regulations as prescribed by RBI and/or such other authorities as may be applicable from time to time
- (d) Issuance of Commercial Papers listed/to be listed on stock exchange, for a period up-to one year, either on standalone basis or as earmarked against the Working Capital limits sanctioned by the Banks upto a limit of ₹ 4,000 Crore (Rupees Four Thousand Crore Only).
- (e) Term debt, whether Secured or Unsecured, in the form of Inter Corporate Deposits, Secured Debentures/Bonds such that outstanding at any point of time will not exceed ₹ 10,000 Crore (Rupees Ten Thousand Crore Only) and Tier II (sub-debt) and Perpetual Debt Instruments such that the outstanding at any point of time not to exceed ₹ 1,000 Crore (Rupees One Thousand Crore only).
5. The Board of Directors at its meeting held on 26<sup>th</sup> October 2023 approved the proposal to invest in New Company ("New Co.") promoted by National Housing Bank for Residential Mortgage-Backed Securities up to an amount (not exceeding) ₹ 25,00,00,000 (Rupees Twenty-Five Crore only) by subscribing to the issue of equity shares, in one or more tranches, on such other terms and conditions as may be agreed between the Company and New Co. of the New Company.
6. The Board of Directors approved on 03<sup>rd</sup> January 2024 vide Circular Resolution No. 44 to initially subscribe upto 2,500 equity shares of ₹ 10 each aggregating to ₹ 25,000/- which shall be through subscription to the Memorandum of Association of the proposed Company to be incorporated with National Housing Bank as a majority shareholder ("proposed New Company").
- For BNP & Associates  
Company Secretaries**  
[Firm Regn. No. P2014MH037400]  
PR No.: 637/019

subject to that the cumulative outstanding debt under the aforesaid shall not exceed ₹ 30,000 Crore (Rupees Thirty Thousand Crore Only).

Date: 23<sup>rd</sup> April 2024  
Place: Mumbai

**Avinash Bagul**  
Partner  
FCS No.: 5578  
COP No.: 19862  
UDIN: F005578F000220804

**Annexure A to the Secretarial Audit Report  
for the financial year ended 31<sup>st</sup> March 2024**

To  
The Members of,  
Aditya Birla Housing Finance Limited  
Indian Rayon Compound,  
Junagadh, Veraval,  
Gujarat - 362266.

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. We have considered compliance related actions taken by the company based on independent legal/professional opinion obtained as being in compliance with law.
4. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We have also examined the compliance procedures followed by the Company. We believe that the processes and practices followed, provide a reasonable basis for our opinion.
5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
6. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
7. Our 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 **BNP & Associates**  
**Company Secretaries**  
[Firm Regn. No. P2014MH037400]  
PR No.: 637/019

Date: 23<sup>rd</sup> April 2024  
Place: Mumbai

**Avinash Bagul**  
Partner  
FCS No.: 5578  
COP No.: 19862  
UDIN: F005578F000220804





# ANNEXURE – VII

## Secretarial Compliance Report

of Aditya Birla Housing Finance Limited for the year ended 31<sup>st</sup> March, 2024

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **ADITYA BIRLA HOUSING FINANCE LIMITED having CIN: U65922GJ2009PLC083779** (hereinafter referred as “the Company/the debt listed entity”), having its Registered Office at Indian Rayon Compound, Junagadh, Veraval, Gujarat – 362266, Secretarial Review was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and to provide our observations thereon.

Based on our verification of the Companies books, papers, minutes books, forms and returns filed and other records maintained by the debt listed entity and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Review, we hereby report that the Company has, during the review period covering the financial year ended on 31<sup>st</sup> March 2024, has complied with the statutory provisions listed hereunder and subject to the reporting made hereinafter:

We, BNP & Associates, Secretarial Auditors of Aditya Birla Housing Finance Limited (“the debt listed entity”) have examined:

- (a) all the relevant documents and records made available to us through virtual data room/physically and the explanations provided by the debt listed entity for the purposes of our audit.
- (b) the filings/submissions made by the debt listed entity to the stock exchange(s),
- (c) website of the debt listed entity,
- (d) any other documents/filings, as may be relevant, which have been relied upon to make this Report,

The foregoing information for the year ended 31<sup>st</sup> March 2024 (“Review Period”) in respect of the compliance with the provisions of:

- (a) The Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
- (b) The Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/guidelines issued thereunder, have been examined, include:

- (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **TO THE EXTENT APPLICABLE**
- (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

The Company has also maintained a Structured Digital Database (“SDD”) pursuant to the requirements of regulation 3 (5) and 3 (6) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

- (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **NOT APPLICABLE**
- (d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **NOT APPLICABLE**
- (e) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (f) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (h) The Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 (in relation to the obligations of the Company);
- (i) SEBI (Buyback of Securities) Regulations, 2018; **NOT APPLICABLE**
- (j) National Housing Bank Act, 1987 read with relevant guidelines, circulars, notifications, directions issued by NHB;
- (k) Master Directions – Non-Banking Financial Companies (NBFCs) – Housing Finance Companies (Reserve Bank of India) Directions, 2021 read with the relevant guidelines and circulars;

and the circulars/guidelines issued thereunder; and based on the above examination, we hereby report that, during the review period:

ANNEXURE – VII (Contd.)

- (a) The Listed Entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No. (a)	Compliance Requirement (Regulations/circulars/guidelines/including specific clause) (b)	Regulation/ Circular No. (c)	Deviations (d)	Action Taken by (e)	Type of Action (f)
None					
Details of Violation (g)	Fine Amount (h)	Observations/Remarks of the Practicing Company Secretary (i)	Management response (j)	Remarks (k)	
None					

- (b) The Listed Entity has taken the following action to comply with the observations made in previous reports:

Sr. No. (a)	Observations/Remarks of the Practicing Company Secretary in the previous reports (PCS)	Observations made in the Secretarial compliance report for the year ended	Compliance Requirements	Details of violation/deviations and actions taken/penalty imposed, if any	Remedial actions if any taken by the Company	Comments of the PCS on the actions taken by the Company
NONE						

- I. We hereby report that, during the review period the compliance status of the debt listed entity with the following requirements: -

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/Remarks by PCS
1.	<b>Secretarial Standards:</b> The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI).	Yes	Generally Complied
2.	<b>Adoption and timely Updation of the Policies:</b> <ul style="list-style-type: none"> <li>• All applicable policies under SEBI Regulations are adopted with the due approval of Board of Directors of the debt listed entities</li> <li>• All the policies are in conformity with SEBI Regulations and has been reviewed and timely updated as per the regulations/circulars/guidelines</li> </ul>	Yes	Complied
3.	<b>Maintenance and disclosure on Website:</b> <ul style="list-style-type: none"> <li>• The Listed Entity is maintaining a functioning website</li> <li>• Timely dissemination of the documents/information under a separate section on the website</li> <li>• Web-links provide in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/section of the website</li> </ul>	Yes	Generally Complied
4.	<b>Disqualification of Director:</b> None of the Director(s) of the Company are disqualified under Section 164 of the Companies Act, 2013 as confirmed by the debt listed entity	Yes	Complied
5.	<b>Details related to Subsidiaries of debt listed entities have been examined w.r.t.</b> (a) Identification of material subsidiary companies (b) Disclosure Requirements of material as well as other subsidiaries	NA	The Company does not have any subsidiaries.
6.	<b>Preservation of Documents:</b> The Listed Entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015	Yes	Complied
7.	<b>Performance Evaluation:</b> The Listed Entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations	Yes	Complied



Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/Remarks by PCS
8.	<b>Related Party Transactions:</b> (a) The Listed Entity has obtained prior approval of Audit Committee for all Related party transactions; (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee	Yes	Complied
9.	<b>Disclosure of events or information:</b> The Listed Entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	NA	The Listed entity is a debt listed Company. Hence, the provisions of Regulation 30 are not applicable to the Debt Listed Entity.
10.	<b>Prohibition of Insider Trading</b> The Listed Entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	None
11.	<b>Actions taken by SEBI or Stock Exchange(s), if any:</b> No Actions taken against the listed entity/its promoters/directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.	NA	No actions were taken by SEBI or by the Stock Exchanges during the Review Period including under the Standard Operating Procedures issued by SEBI through various circulars.
12.	<b>Resignation of Statutory auditors from the listed entity or its material subsidiaries:</b> In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the Financial Year, the listed entity and/or its material subsidiaries have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations of the LODR Regulations by Listed entities.	NA	There has been no resignation by the Statutory Auditor of the Company during the review period.
13.	<b>Additional non-compliances, if any:</b> No any additional non-compliance observed for all SEBI regulation/circular/guidance note etc.	NA	No non-compliance has been observed during the Review Period.

## ASSUMPTIONS & LIMITATION OF SCOPE AND REVIEW:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the debt listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the debt listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the debt listed entity.

For **BNP & Associates**  
**Company Secretaries**  
 [Firm Regn. No. P2014MH037400]  
 PR No.: 637/019

Date: 23<sup>rd</sup> April 2024  
 Place: Mumbai

**Avinash Bagul**  
 Partner  
 FCS No.: 5578  
 COP No.: 19862  
 UDIN: F005578F000221057

# ANNEXURE – VIII

## Annual Report on Corporate Social Responsibility (CSR) Activities For the Financial Year Ended 31<sup>st</sup> March 2024 of Aditya Birla Housing Finance Limited

### 1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

CSR Policy of the Company is enunciated in accordance with Section 135 of Companies Act, 2013 read with Corporate Social Responsibility Rules, 2014 (as amended from time to time) and CSR Voluntary Guidelines issued by Ministry of Corporate Affairs.

Our CSR Vision is to actively contribute to the social and economic development of the communities in which the Company operates. In so doing build a better, sustainable way of life for the weaker sections of society and raise the country's human development index. (Mrs. Rajashree Birla, Chairperson, Aditya Birla Centre for Community Initiatives and Rural Development).

Our CSR Activities are undertaken broadly in the area of 'Education', 'Health Care', Sustainable Livelihood', 'Infrastructure Development,' 'Social Change'.

Our Board of Directors, our Management and all of our employees subscribe to the philosophy of compassionate care. The Company believes and acts on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy.

### 2. COMPOSITION OF CSR COMMITTEE:

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
<b>Members</b>				
1.	Mr. Narayanan N R	Independent Director (Chairman)	2	2
2.	Mr. Pankaj Gadgil	Managing Director & Chief Executive Officer	2	2
3.	Mr. Rakesh Singh (Till 28 <sup>th</sup> August 2023)	Non-Executive Director	2	1
4.	Ms. Vishakha Mulye (From 26 <sup>th</sup> October 2023)	Non-Executive Director	2	1
<b>Permanent Invitees</b>				
5.	Mrs. Rajashree Birla	Chairperson, Aditya Birla Centre for Community Initiatives and Rural Development	2	2
6.	Dr. Pragnya Ram	Group Executive President, Corporate Communications and CSR	2	2

### 3. WEB-LINK WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY

<https://homefinance.adityabirlacapital.com/>

### 4. DETAILS OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014, IF APPLICABLE:

Pursuant to Rule 8 (3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 the Company is not required to appoint an Independent Agency for carrying out Impact Assessment for its CSR Projects for FY 2023-24.



**5. DETAILS OF THE AMOUNT AVAILABLE FOR SET OFF IN PURSUANCE OF SUB-RULE (3) OF RULE 7 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014 AND AMOUNT REQUIRED FOR SET OFF FOR THE FINANCIAL YEAR, IF ANY: NIL**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
NIL			

**6. AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5): ₹ 2,45,98,42,908**

**7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 4,91,96,858**

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

**(c) Amount required to be set off for the financial year, if any: Nil**

**(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 4,91,96,858**

**8. (a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (₹ in Crore)	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).		
	Amount	Date of transfer	Name of the Fund	Amount.	Date of transfer.
₹ 4,83,66,389	₹ 8,30,611	11 <sup>th</sup> April 2024	-	NIL	-

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

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Project duration (Years)	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency: Name & CSR Registration number
1.	GD Birla Trust	Healthcare support	Yes	Maharashtra Mumbai	2	1,75,00,000	1,66,69,389	8,30,611	No	Aditya Birla Capital
2.	Aditya Birla Education Trust	Education	Yes	Maharashtra Nagpur	2	1,50,00,000	1,50,00,000	-	No	Foundation CSR Registration No. CSR00003351
3.	Smile Foundation (Healthcare in One ABC)	Healthcare	Yes	Maharashtra Mumbai	2	1,56,97,000	1,56,97,000	-	No	
<b>TOTAL</b>						<b>4,81,97,000</b>	<b>4,73,66,389</b>	<b>8,30,611</b>	-	-

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

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
NIL									

**(d) Amount spent in Administrative Overheads: ₹ 10,00,000****(e) Amount spent on Impact Assessment, if applicable: NIL****(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 4,83,66,389****(g) Excess amount for set off, if any:**

Sl. No.	Particular	Amount (₹)
(i)	Two percent of average net profit of the company as per section 135(5)	4,91,96,858
(ii)	Total amount spent for the financial year	4,83,66,389
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	466
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	466

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2021-22	56,17,339*	NIL	-	NA	-	NIL
<b>Total</b>		<b>56,17,339</b>	-	-	-	-	-

\* The unspent amount for FY 2021-22 spent in FY 2022-23.

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

Sl. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced	Project duration in years	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed/Ongoing
NIL								



**10. IN CASE OF CREATION OR ACQUISITION OF CAPITAL ASSET, FURNISH THE DETAILS RELATING TO THE ASSET SO CREATED OR ACQUIRED THROUGH CSR SPENT IN THE FINANCIAL YEAR: ASSET WISE DETAILS ARE REQUIRED TO BE PROVIDED. - NIL**

**Asset 1:**

- (a) Date of creation or acquisition of the capital asset(s): Not Applicable
- (b) Amount of CSR spent for creation or acquisition of capital asset: NIL
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: Not Applicable
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

**14. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5): Not Applicable**

For and on behalf of the Board

**Aditya Birla Housing Finance Limited**

**Narayanan N R**

Chairman – CSR Committee

DIN: 07877022

**Pankaj Gadgil**

MD & CEO

DIN: 08521239

Date: 18<sup>th</sup> April 2024

Place: Mumbai

# Independent Auditor's Report

To  
The Members of  
**Aditya Birla Housing Finance Limited**

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

1. We have audited the accompanying Financial Statements of Aditya Birla Housing Finance Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2024, and the Statement of Profit And Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, and notes to the Financial Statements, including a summary of material accounting policy information and other explanatory information ('the Financial Statements').
2. 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 ('Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the State of Affairs of the Company as at 31 March 2024, and

its Profit and Other Comprehensive Income, Changes in Equity and its Cash Flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current year. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	<b>Provisioning based on Expected Credit Loss model (ECL) under IND AS 109 and testing of Impairment of assets, more particularly the Loan Book of the Company</b>	
	Refer to the accounting policies in 'Note 3.22 to the Ind AS Financial Statements: Expected Credit Loss', 'Note 3.1 to the Ind AS Financial Statements: Revenue Recognition' and 'Note 4.1 to the Ind AS Financial Statements: Impairment of Financial Assets and 'Note 48 to the Ind AS Financial Statements: Risk Management'.	
	<p><b>Subjective estimates:</b></p> <p>Under Ind AS 109, "Financial Instruments", allowance for loan losses are determined using expected credit loss ('ECL') estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates and therefore increased levels of audit focus in the Company's estimation of ECLs, which are as under:</p> <ul style="list-style-type: none"> <li>• Data inputs - The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model.</li> </ul>	<p><b>Our key audit procedures included:</b></p> <p>Review of Policy/procedures &amp; design/controls</p> <ul style="list-style-type: none"> <li>• Minutely going through the Board approved Policy and approach note concerning the assessment of credit and other risks and ascertainment/ageing of 'default' by the borrowers and procedures in relation to stages and ECL computation.</li> <li>• Testing key controls relating to selection and implementation of material macro-economic variables and the controls over the scenario selection and application of probability weights.</li> </ul>





Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	<ul style="list-style-type: none"> <li>• Model estimations - Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach.</li> <li>• Economic scenarios - Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic indicators. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them.</li> </ul> <p>The effect of these matters is that, as part of our risk assessment, we determined that the impairment of loans and advances to customers, involving estimations and judgements, with a potential range of reasonable outcomes greater than our materiality for the Ind AS Financial Statements as a whole.</p>	<ul style="list-style-type: none"> <li>• Assessing the design, implementation and operating effectiveness of key internal financial controls including monitoring process of overdue loans (including those which became overdue after the reporting date), measurement of provision, stage-wise classification of loans, identification of NPA accounts, assessing the reliability of management information.</li> <li>• Understanding management's approach, interpretation, systems and controls implemented in relation to probability of default and stage-wise bifurcation of product-wise portfolios for timely ascertainment of stress and early warning signals.</li> <li>• Testing and review of controls over measurement of provisions and disclosures in the Ind AS Financial Statements.</li> <li>• Involvement of Information system resource to obtain comfort over data integrity and process of report generation through interface of various systems. Walk through the processes which involve manual work to ascertain existence of maker-checker controls</li> <li>• Understanding of models and general economic indicator criteria used for regression testing over data of the loan book.</li> </ul> <p><b>Substantive verification</b></p> <ul style="list-style-type: none"> <li>• Sample testing over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied.</li> <li>• Model calculations testing through selective re-performance, wherever possible.</li> <li>• Assessing disclosures - Assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment of loans (including restructuring related disclosures) in the Ind AS Financial Statements are appropriate and sufficient as also aligned to regulatory requirements.</li> </ul>
<b>2</b>	<p><b>Information Technology</b></p> <p><b>IT systems and controls</b></p> <p>The Company's financial reporting processes are dependent on technology considering significant number of transactions that are processed daily across multiple and discrete Information Technology ('IT') systems. The Financial accounting system of the Company is interfaced with several other IT systems including Loan Management &amp; Originating systems and several other systemic workflows.</p> <p>IT general and application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Adequate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to the applications and data. These includes implementation of preventive and detective controls across critical applications and infrastructure.</p> <p>Due to the pervasive nature of role of information technology systems in financial reporting, in our preliminary risk assessment, we planned our audit by assessing the risk of a material misstatement arising from the technology as significant for the audit, hence the Key Audit Matter.</p>	<p>In course of audit, we, inter alia, reviewed user access management, change management, segregation of duties, system reconciliation controls and key financial accounting and reporting systems. We performed a range of audit procedures, which included:</p> <ul style="list-style-type: none"> <li>• Review of the report of IS Audit carried in earlier year(s) by an independent firm of Chartered Accountants pertaining to IT systems general controls including access rights over applications, operating systems and databases relied upon for financial reporting.</li> <li>• Deployed our internal experts to carry out IT general Controls testing and identifying gaps, if any.</li> <li>• Our other processes include: <ul style="list-style-type: none"> <li>- selectively recomputing interest calculations and maturity dates;</li> <li>- Selectively re-evaluating masters updation, interface with resultant reports like LTV Report, SUD Report, Portfolio movement Report;</li> <li>- Selective testing of the interface of SAP FA module with other IT systems like Loan Management System and other workflows.</li> <li>- Testing of the system generated reports and accounting entries manually for core financial reporting matters (i.e. verification around the computer system)</li> <li>- Evaluating the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission.</li> </ul> </li> </ul>

## Other Information

5. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the Financial Statements and our auditors' report thereon. The Other Information is expected to be made available to us after the date of this audit report.
6. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.
8. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

9. 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 State of Affairs, profit and Other Comprehensive Income, Changes in Equity and Cash Flows of the Company in conformity with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. 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 of the appropriate accounting software for ensuring compliance with applicable laws and regulations including those related to retention of audit logs; 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.
10. In preparing the Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
11. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

## Auditor's responsibilities for the audit of the Financial Statements

12. 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.
13. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - 13.1. 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.
  - 13.2. 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) 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.
  - 13.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
  - 13.4. Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material



uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- 13.5. 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.
14. 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.
15. 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.
16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

17. 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 the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
18. As required by Section 143(3) of the Act, we report that:
  - 18.1. 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.
  - 18.2. 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.
  - 18.3. The balance sheet, the statement of profit and loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - 18.4. In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act read with the relevant rules thereunder.
  - 18.5. 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 is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
  - 18.6. 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'.
  - 18.7. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to director is not in excess of the limit laid down under Section 197 of the Act.
19. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - 19.1. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its Financial Statements – Refer Note 34 to the Financial Statements;
  - 19.2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer Note 34 to the Financial Statements
  - 19.3. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - 19.4. The Management has represented, to best of their knowledge and belief, that 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, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- 19.5. The Management has represented, to best of their knowledge and belief, that 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, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 19.6. Based on such audit procedures, that have been considered reasonable and appropriate in the circumstances, performed by us, nothing has come to our notice that has caused us to believe that the representation under para 19.4 and 19.5 contain any material misstatement.
- 19.7. In our opinion and according to information and explanation given to us, the Company has not declared or paid dividend during the year, accordingly compliance with section 123 of the Act by the Company is not applicable.
- 19.8. Based on our examination which included test checks, the company has used accounting software for maintaining its books of account which have feature of recording

audit trail (edit log) facility, and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.

**For KKC & Associates LLP**  
**Chartered Accountants**  
(formerly Khimji Kunverji & Co LLP)  
Firm Registration Number: 105146W/W100621

**Hasmukh B Dedhia**  
Partner  
ICAI Membership No: 033494  
UDIN: 24033494BKQCZJ6012

Place: Mumbai  
Date: 18 April 2024



## Annexure A

to the Independent Auditor's Report on the Standalone Financial Statements of Aditya Birla Housing Finance Limited for the year ended 31 March 2024

(Referred to in paragraph 17 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment ('PPE').
- The Company is maintaining proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its PPE by which all PPE are verified once in two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, no PPE were physically verified by the Management during the year. As informed to us, based on last verification of PPE conducted by the management, no material discrepancies were noticed on such verification.
- (c) In our opinion and 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 all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- (d) In our opinion and according to the information and explanations given to us, the Company has not revalued its PPE (including Right of Use assets) or intangible assets or both during the year.
- (e) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. (a) The Company does not have any inventory since its principal business is to give loans, hence physical verification of inventory and reporting under paragraph 2(ii)(a) of the Order is not applicable to the Company.
- (b) In our opinion and according to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of rupees five crore, in aggregate, from banks or financial institutions which are secured on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks or financial institutions are generally in agreement with the books of account of the Company.
- iii. (a) Since the Company's principal business is to give loans, the provisions of clause 3(iii)(a) of the Order are not applicable to the Company.
- (b) In our opinion and according to the information and explanations given to us, the investments made and the terms and conditions of the grant of all loans are not prejudicial to the Company's interest.
- (c) & (d) The company, being a Housing Finance Company ('HFC'), registered under provisions of 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, monitors repayments of principal and payment of interest by its borrowers as stipulated. In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in the course of its periodic regulatory reporting. Refer note 8.1 to the Financial Statements for summarized details of such loans/advances which are not repaid by borrowers as per stipulations as also details of reasonable steps taken by the Company for recovery thereof.
- (e) Since the Company's principal business is to give loans, the provisions of clause 3(iii)(e) of the Order are not applicable to the Company.
- (f) Based on our audit procedures and the information and explanations made available to us, the Company has not granted any loans or advances in the nature of loans to Promoters/Related Parties (as defined in section 2(76) of the Act) which are either repayable on demand or without specifying any terms or period of repayment.
- iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments, or provided guarantees in contravention of provisions of section 185 of the Act. The Company has complied with the provisions of Section 186(1) of the Act; as informed, the other provisions of section 186 of the Act are not applicable to the Company.

- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year in terms of directives issued by the Reserve Bank of India or the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. The Company is not required to maintain cost records under Section 148(1) of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 and hence reporting under paragraph 3(vi) of the Order is not applicable to the Company.
- vii. (a) In our opinion and according to the information and explanations given to us, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited by the Company with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, Goods and Services Tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

- (b) In our opinion and according to the information and explanations given to us, we confirm that there are no dues of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, which have not been deposited to/with the appropriate authority on account of any dispute except as disclosed as below:

Name of the Statute	Nature of the Dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act,1961	Income Tax Demand	₹ 304.95	AY 2020-21	CIT(A)	
Income Tax Act,1961	Income Tax Demand	₹ 362.90	AY 2021-22	CIT(A)	
Income Tax Act,1961	Income Tax Demand	₹ 163.80	AY 2022-23	CIT(A)	Order received on 12 March 2024 and appeal filed on 17 April 2024.
CGST Act, 2027	GST Demand	₹ 124.95	FY 2017-18	Appellate Authority	

- viii. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of accounts which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) In our opinion, the Company has not defaulted in repayment of loans or other borrowings to financial institutions, banks, government and dues to debenture holders or in the 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 or any other lender.
- (c) In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained,
- other than temporary parking of funds for few days pending utilizations towards purpose for which the same are obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, on an overall examination of the financial statements of the Company and further considering the Asset Liability management mechanism of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiaries, associates, or joint ventures. Accordingly, the provisions of the clauses (ix) (e) & (f) of the Order are not applicable to the Company.
- x. (a) The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) The Company has not made any preferential allotment / private placement of shares / fully / partly / optionally convertible debentures during the year.



- xi. (a) During the course of 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, no material fraud by the Company or on the Company has been noticed or reported during the course of our audit, other than the instances of fraud noticed and reported by the management to the sectoral regulator. Refer Note 5.5 to the Financial Statements.
- (b) Out of the above instances of fraud, an instance involving employee of the company, impact whereof is more than Rs. One crore has been reported by us vide Form ADT-4 dated 04 March 2024.
- (c) As represented to us by the Management, there were no whistleblower complaints received by the Company during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is 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 received by us till date, 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 its directors or persons connected with its directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company, being a Housing Finance Company is registered with the National Housing Bank ('NHB') and hence, as informed by the management, it is not required under to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company ('CIC') as defined in the regulations made by Reserve Bank of India.
- (d) According to the information and explanations provided to us, the Group to which Company belongs (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has two CIC's which is registered with the Reserve Bank of India.
- xvii. The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly paragraph 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, along with details provided in Note 49 to the financial statements which describe the maturity analysis of assets & liabilities and 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 the 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. (a) The Company has transferred unspent amount of ₹ 8.30 Lakhs pertaining to non-ongoing CSR projects, to a Fund specified in Schedule VII to the Companies Act, 2013 on 11 April 2024.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, there is no amount which is remaining unspent under sub-section (5) of the section 135 of the Act pursuant to any ongoing project.

For **KKC & Associates LLP**  
Chartered Accountants  
(formerly Khimji Kunverji & Co LLP)  
Firm Registration Number: 105146W/W100621

**Hasmukh B Dedhia**  
Partner  
ICAI Membership No: 033494  
UDIN: 24033494BKCQZJ6012

Place: Mumbai  
Date: 18 April 2024

# Annexure B

to the Independent Auditors' report on the Financial Statements of Aditya Birla Housing Company Limited for the year ended 31 March 2024

(Referred to in paragraph 18.6 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

## **REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ('THE ACT').**

### **Opinion**

1. We have audited the internal financial controls with reference to the Financial Statements of Aditya Birla Housing Finance Limited ('the Company') as at 31 March 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.
2. In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to the Financial Statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('the Guidance Note').

### **Management's responsibility for Internal Financial Controls**

3. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's responsibility**

4. Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('SA'), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Financial Statements. Those SAs and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Financial Statements were established and maintained and whether such controls operated effectively in all material respects.
5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Financial Statements included obtaining an understanding of internal financial controls with reference to the 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.
6. 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 the Financial Statements.

### **Meaning of Internal Financial Controls with reference to the Financial Statements**

7. A company's internal financial controls with reference to the 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 controls with reference to the Financial Statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

### **Inherent Limitations of Internal Financial Controls with reference to the Financial Statements**

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

For **KKC & Associates LLP**  
Chartered Accountants  
(formerly Khimji Kunverji & Co LLP)  
Firm Registration Number: 105146W/W100621

Hasmukh B Dedhia  
Partner  
ICAI Membership No: 033494  
UDIN: 24033494BKQCZJ6012

Place: Mumbai  
Date: 18 April 2024

# Balance sheet

as at March 31, 2024

(₹ lakh)

Particulars	Note No.	As at March 31, 2024 Audited	As at March 31, 2023 Audited
<b>ASSETS</b>			
<b>(1) FINANCIAL ASSETS</b>			
(a) Cash and cash equivalents	5	27,983.98	20,474.22
(b) Derivative financial instruments	6	-	18.55
(c) Receivables			
(i) Trade receivables	7	484.01	391.00
(ii) Other receivables	7	1,522.99	109.13
(d) Loans	8	17,67,792.74	13,55,696.21
(e) Investments	9	26,574.59	12,536.72
(f) Other financial assets	10	3,916.44	796.38
		<b>18,28,274.75</b>	<b>13,90,022.21</b>
<b>(2) NON-FINANCIAL ASSETS</b>			
(a) Current tax assets (Net)		1,940.21	1,543.04
(b) Deferred tax assets (Net)	11	3,344.21	5,750.34
(c) Property, plant and equipment	12	2,426.37	1,721.99
(d) Right to use assets	14	4,251.60	3,941.19
(e) Intangible assets under development	13.2	129.88	469.51
(f) Other intangible assets	13	1,993.30	1,076.47
(g) Other non-financial assets	15	3,768.43	2,689.98
		<b>17,854.00</b>	<b>17,192.52</b>
<b>TOTAL ASSETS</b>		<b>18,46,128.75</b>	<b>14,07,214.73</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) FINANCIAL LIABILITIES</b>			
(a) Payables			
Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	16	184.61	25.75
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	16	6,145.40	2,174.52
(b) Debt securities	17	5,37,197.83	2,69,356.34
(c) Borrowings other than debt securities	18	10,23,229.00	8,90,155.86
(d) Subordinated liabilities	19	34,240.55	34,211.43
(e) Lease Liability	20	4,442.59	3,952.04
(f) Other financial liabilities	21	11,854.73	8,707.41
		<b>16,17,294.71</b>	<b>12,08,583.35</b>
<b>(2) NON-FINANCIAL LIABILITIES</b>			
(a) Current tax liabilities (Net)		-	-
(b) Provisions	22	1,529.90	1,024.41
(c) Other non-financial liabilities	23	1,324.46	807.10
		<b>2,854.36</b>	<b>1,831.51</b>
<b>TOTAL LIABILITIES</b>		<b>16,20,149.07</b>	<b>12,10,414.86</b>
<b>(3) EQUITY</b>			
(a) Equity share capital	24	50,119.77	50,119.77
(b) Other equity	25	1,75,859.91	1,46,680.10
<b>TOTAL EQUITY</b>		<b>2,25,979.68</b>	<b>1,96,799.87</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>18,46,128.75</b>	<b>14,07,214.73</b>

See accompanying notes forming part of the financial statements.

In terms of our report attached  
For **KKC & Associates LLP**  
Chartered Accountants  
(formerly Khimji Kunverji Co & LLP)  
ICAI Firm Registration No. : 105146W/W100621

Hasmukh B. Dedhia  
Partner  
Membership No: 033494

Place: Mumbai  
Date: April 18, 2024

For and on behalf of the Board of Directors of  
**Aditya Birla Housing Finance Limited**

Vishakha Mulye  
Director  
DIN: 00203578  
  
Ashish Damani  
Chief Financial Officer

Place: Mumbai  
Date: April 18, 2024

Pankaj Gadgil  
Managing Director and Chief Executive Officer  
DIN: 08521239  
  
Hiral Sidhpura  
Company Secretary



# Statement of Profit and Loss

for the period ended March 31, 2024

(₹ lakh)

Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>REVENUE FROM OPERATIONS</b>			
Interest income	26	1,71,846.32	1,36,397.92
Fees and commission income		6,928.91	3,783.22
Net gain on fair value changes	27	687.69	343.68
Net gain on derecognition of financial instruments classified under amortised cost category	28	4,044.27	-
<b>I Total revenue from operations</b>		<b>1,83,507.19</b>	<b>1,40,524.82</b>
II Other income	29	115.87	219.95
<b>III Total income (I+II)</b>		<b>1,83,623.06</b>	<b>1,40,744.77</b>
<b>EXPENSES</b>			
Finance costs	30	1,01,423.50	74,836.99
Net loss on derecognition of financial instruments classified under amortised cost category	28	-	1,843.82
Impairment of financial instruments	31	280.93	5,392.51
Employee benefit expenses	32	28,340.95	17,900.77
Depreciation, amortization and impairment	12, 13 & 14	2,569.98	1,588.49
Other expenses	33	13,362.10	8,329.67
<b>IV Total expenses</b>		<b>1,45,977.46</b>	<b>1,09,892.25</b>
<b>V Profit before tax (III-IV)</b>		<b>37,645.60</b>	<b>30,852.52</b>
<b>VI Tax expenses</b>			
(1) Current tax	11	6,352.75	7,394.08
(2) Deferred tax	11	2,405.51	(560.16)
(3) Short/(Excess) Provision for Current Tax related to Prior Years (Net)	11	(181.68)	(74.47)
<b>Total tax expenses</b>		<b>8,576.58</b>	<b>6,759.45</b>
<b>VII Profit for the year (V-VI)</b>		<b>29,069.02</b>	<b>24,093.07</b>
<b>VIII Other comprehensive income</b>			
(1) Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans		2.80	59.71
Income tax relating to the items that will not be reclassified to profit or loss	11	(0.70)	(15.03)
		<b>2.10</b>	<b>44.68</b>
(2) Items that will be reclassified to profit or loss			
Re-measurement gains/ (losses) on hedge instruments		-	664.93
Income tax relating to the items that will not be reclassified to profit or loss	11	-	(167.35)
		-	<b>497.58</b>
<b>Other comprehensive income</b>		<b>2.10</b>	<b>542.26</b>
<b>IX Total comprehensive income for the year (VII+VIII) (Comprising profit and other comprehensive income for the year)</b>		<b>29,071.12</b>	<b>24,635.33</b>
<b>X Earnings per equity share of ₹ 10 each</b>			
Basic earnings per equity share	37	5.80	4.81
Diluted earnings per equity share		5.80	4.81

See accompanying notes forming part of the financial statements.

In terms of our report attached  
For **KKC & Associates LLP**  
Chartered Accountants  
(formerly Khimji Kunverji Co & LLP)  
ICAI Firm Registration No. : 105146W/W100621

Hasmukh B. Dedhia  
Partner  
Membership No: 033494

For and on behalf of the Board of Directors of  
**Aditya Birla Housing Finance Limited**

Vishakha Mulye  
Director  
DIN: 00203578  
Ashish Damani  
Chief Financial Officer

Pankaj Gadgil  
Managing Director and Chief Executive Officer  
DIN: 08521239  
Hiral Sidhpura  
Company Secretary

Place: Mumbai  
Date: April 18, 2024

Place: Mumbai  
Date: April 18, 2024

# Cash Flow Statement

for the year ended March 31, 2024

(₹ lakh)

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
<b>A. Cash flow from operating activities</b>				
(a) Profit before tax		<b>37,645.60</b>		<b>30,852.52</b>
Adjustments for:				
Depreciation and amortisation		2,569.98		1,588.49
Interest on lease liability		321.18		219.11
Profit on surrender of lease liability/ income from rent concession		(35.53)		(98.44)
Impairment on financial instruments including loss on derecognition of financial assets at amortised cost		(460.71)		7236.33
Expense on Employee Stock Options Scheme		108.71		65.46
Net gain on Fair value changes		(687.69)		(343.68)
Loss/ (profit) on derecognition of property, plant and equipment		4.42		(16.33)
(b) Operating profit before working capital changes		<b>39,465.96</b>		<b>39,503.46</b>
Adjustments for:				
Decrease/(increase) in Financial Assets		(4,608.38)		2,354.45
Decrease/(increase) in Non-Financial Assets		(909.09)		(987.10)
Decrease/(increase) in Financial Liabilities		19,790.84		(959.46)
Decrease/(increase) in Non-Financial Liabilities		1,025.65	15,299.02	254.52
(c) Changes in Loan Book				
Loans disbursed		(8,29,192.22)		(5,29,935.48)
Loans repayment received (incl. foreclosed, direct assignment, etc.)		4,17,577.64	(4,11,614.58)	3,56,549.02
(d) Cash from operating activities		(3,56,849.60)		(1,33,220.59)
Direct taxes paid (net of refund)		(6,568.24)		(8,641.01)
<b>Net cash from operating activities (A)</b>		<b>(3,63,417.84)</b>		<b>(1,41,861.60)</b>
<b>B. Cash flow from investing activities</b>				
Purchase of property, plant and equipment, acquisition of intangible assets		(3,082.26)		(2,742.83)
Proceeds from sale of property, plant and equipment		12.70		22.20
Profit on sale of current investments		838.63		103.97
(Purchase)/sale of current investments (net)		(14,188.81)		(12,297.01)
<b>Net cash used in investing activities (B)</b>		<b>(16,419.74)</b>		<b>(14,913.67)</b>
<b>C. Cash flow from financing activities</b>				
Payment of lease liability		(1,029.36)		(741.64)
Proceeds from long term borrowings		5,69,700.00		3,55,000.00
Repayment of long term borrowings		(3,50,738.41)		(2,70,956.05)
Net proceeds/ (repayment) for short term borrowings		1,69,415.18		38,252.08
<b>Net cash used in financing activities (C)</b>		<b>3,87,347.41</b>		<b>1,21,554.39</b>



# Cash Flow Statement (Contd.)

for the year ended March 31, 2024

(₹ lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>D. Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>7,509.83</b>	<b>(35,220.88)</b>
<b>E. Cash and cash equivalents at the beginning of the year</b>	<b>20,474.22</b>	<b>55,695.10</b>
<b>F. Cash and cash equivalents at the end of the year*</b>	<b>27,983.98</b>	<b>20,474.22</b>
<b>Components of Cash and cash equivalents</b>		
Cash on hand	-	-
<b>Balances with bank</b>		
- In current accounts	27,983.98	20,474.22
- In deposit accounts with original maturity less than 3 months	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>27,983.98</b>	<b>20,474.22</b>
<b>Other Information</b>		
<b>Operational cash flow from interest</b>		
Interest received	1,67,561.58	1,35,149.01
Interest paid	97,250.10	79,989.08

See accompanying notes forming part of the financial statements.

In terms of our report attached

For **KKC & Associates LLP**

Chartered Accountants

(formerly Khimji Kunverji Co & LLP)

ICAI Firm Registration No: : 105146W/W100621

For and on behalf of the Board of Directors of

**Aditya Birla Housing Finance Limited**

Hasmukh B. Dedhia

Partner

Membership No: 033494

Vishakha Mulye

Director

DIN: 00203578

Pankaj Gadgil

Managing Director and Chief Executive Officer

DIN: 08521239

Ashish Damani

Chief Financial Officer

Hiral Sidhpura

Company Secretary

Place: Mumbai

Date: April 18, 2024

Place: Mumbai

Date: April 18, 2024

# Statement of Changes in Equity

for the year ended March 31, 2024

## A. EQUITY SHARE CAPITAL

(₹ lakh)

	As at March 31, 2024		As at March 31, 2023	
	No.'s	Amount	No.'s	Amount
Equity shares of ₹ 10 each issued, subscribed and fully paid				
<b>As at beginning of the year</b>	<b>50,11,97,682</b>	<b>50,119.77</b>	<b>50,11,97,682</b>	<b>50,119.77</b>
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the year	50,11,97,682	50,119.77	50,11,97,682	50,119.77
Changes in equity share capital during the current year	-	-	-	-
<b>As at end of the year</b>	<b>50,11,97,682</b>	<b>50,119.77</b>	<b>50,11,97,682</b>	<b>50,119.77</b>

## B. OTHER EQUITY

(₹ lakh)

	Reserves & surplus				Items of other comprehensive income		Total other equity
	Securities premium	Retained earnings	Special reserve u/s 29C of The National Housing Bank Act, 1987	Reserve u/s 36(1)(viii) of the Income Tax Act, 1961	Employee stock option outstanding reserve	Cash flow hedge reserve	
<b>Balance as at April 01, 2022</b>	71,582.21	39,829.37	543.34	10,521.97	-	(497.58)	1,21,979.31
Profit for the year	-	24,093.07	-	-	-	-	24,093.07
Other comprehensive income/ (losses)	-	44.68	-	-	-	497.58	542.26
<b>Total comprehensive income</b>	-	<b>24,137.75</b>	-	-	-	<b>497.58</b>	<b>24,635.33</b>
Transfer to special reserve u/s 29C of National Housing Bank Act, 1987	-	(665.91)	665.91	-	-	-	-
Transfer to reserve u/s 36(1)(viii) of the Income Tax Act, 1961	-	(4,152.71)	-	4,152.71	-	-	-
Less: Amount withdrawn from the special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of provision u/s 29C of the National Housing Bank Act, 1987	-	-	-	-	-	-	-
Transfer to ESOP reserve on account of Employee stock option plan	-	-	-	-	65.46	-	65.46
<b>Balance as at March 31, 2023</b>	<b>71,582.21</b>	<b>59,148.49</b>	<b>1,209.25</b>	<b>14,674.68</b>	<b>65.46</b>	-	<b>1,46,680.10</b>



# Statement of Changes in Equity (Contd.)

for the year ended March 31, 2024

	Reserves & surplus				Items of other comprehensive income		Total other equity
	Securities premium	Retained earnings	Special reserve u/s 29C of The National Housing Bank Act, 1987	Reserve u/s 36(1)(viii) of the Income Tax Act, 1961	Employee stock option outstanding reserve	Cash flow hedge reserve	
<b>Balance as at April 01, 2023</b>	71,582.21	59,148.49	1,209.25	14,674.68	65.46	-	1,46,680.10
Profit for the year	-	29,069.02	-	-	-	-	29,069.02
Other comprehensive income/ (losses)	-	2.09	-	-	-	-	2.09
<b>Total comprehensive income</b>	-	<b>29,071.11</b>	-	-	-	-	<b>29,071.10</b>
Transfer to special reserve u/s 29C of National Housing Bank Act, 1987	-	(2,104.42)	2,104.42	-	-	-	-
Transfer to reserve u/s 36(1)(viii) of the Income Tax Act, 1961	-	(3,709.39)	-	3,709.39	-	-	-
Less: Amount withdrawn from the special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of provision u/s 29C of the National Housing Bank Act, 1987	-	-	-	-	-	-	-
Transfer to ESOP reserve on account of Employee stock option plan	-	-	-	-	108.71	-	108.71
<b>Balance as at March 31, 2024</b>	<b>71,582.21</b>	<b>82,405.79</b>	<b>3,313.67</b>	<b>18,384.07</b>	<b>174.17</b>	-	<b>1,75,859.91</b>

See accompanying notes forming part of the financial statements.

In terms of our report attached

For **KKC & Associates LLP**

Chartered Accountants

(formerly Khimji Kunverji Co & LLP)

ICAI Firm Registration No: : 105146W/W100621

For and on behalf of the Board of Directors of

**Aditya Birla Housing Finance Limited**

Hasmukh B. Dedhia

Partner

Membership No: 033494

Vishakha Mulye

Director

DIN: 00203578

Pankaj Gadgil

Managing Director and Chief Executive Officer

DIN: 08521239

Ashish Damani

Chief Financial Officer

Hiral Sidhpura

Company Secretary

Place: Mumbai

Date: April 18, 2024

Place: Mumbai

Date: April 18, 2024

# Notes to the financial statements

for the year ended March 31, 2024

## 1 CORPORATE INFORMATION

Aditya Birla Housing Finance Limited (the 'Company' or 'ABHFL') is a Public Company domiciled in India and incorporated on 27<sup>th</sup> July, 2009. The Company has received a Certificate of Registration from the National Housing Bank ('NHB') on 9<sup>th</sup> July, 2014 to commence / carry on the business of Housing Financial Institution ('HFC') without accepting public deposits.

## 2 BASIS OF PREPARATION AND PRESENTATION

**2.1** The accompanying financial statements have been prepared and presented under the historical cost convention except for certain financial assets and liabilities measured at fair value; and defined benefit plans where plan assets are measured at fair value, in accordance with accounting principles generally accepted in India, the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') and (Companies (Indian Accounting Standards) Rules, 2015) along with other relevant provisions of the Act, the 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 ('the RBI Master Directions') and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC).CC.PD. No.109/22.10.106/2019-20 dated 13 March 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI.

The financial statements are prepared on a going concern basis, as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

To provide more reliable and relevant information about the effect of certain items in the Balance Sheet and Statement of Profit and Loss, the Company has changed the classification of certain items. Previous period/year figures have been re-grouped or reclassified, to confirm to such current period grouping / classifications. There is no impact on Equity or Net Loss due to these regrouping / reclassifications.

Amounts in the financial statements are presented in Indian Rupees in lakh rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupee to two decimal places.

## 2.2 Presentation of financial statements

The Company presents its balance sheet in order of liquidity in compliance with requirements of Schedule III of the Companies Act 2013 ("the Act") applicable for Non Banking Finance Companies ("NBFC"). An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in note 49.

The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting standards.

## 3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

### 3.1 Revenue Recognition

#### 3.1.1 Interest income

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 (as set out in note 3.22) and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Interest income on all trading assets and other financial assets which are required to be measured at FVTPL is recognised using the contractual interest rate in net gain on fair value changes.

Delayed payment interest (penal interest and the like) levied on customers for delay in repayments/ non payment of contractual cashflows is recognised on realisation.





# Notes to the financial statements

for the year ended March 31, 2024

## 3.1.2 The effective interest rate method

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Any fees collected or costs incurred in respect of financial instruments form an integral part of the EIR.

## 3.1.3 Income from Transfers through direct assignment transaction

The Company transfers loans through direct assignment transactions. The transferred loans are derecognised 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 derecognition 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.

## 3.1.4 Fee and commission income

Fee and commission income include fees other than those that are an integral part of EIR. The Company recognises the fee and commission income in accordance with the terms of the relevant contracts / agreement and when it is probable that the Company will collect the consideration.

## 3.1.5 Dividend income

Dividend income (including from FVOCI investments) is recognised when the Company's right to receive the dividend is established.

## 3.2 Property, plant and equipment

All items of property, plant and equipment (PPE) are stated at historical cost, net of accumulated depreciation and impairment loss if any. The cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

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 derecognition 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.

## Depreciation methods, estimated useful lives and residual value

Depreciation is provided on straight line basis so as to write off the cost of the assets (other than freehold land) less their residual values, using the rates arrived at based on the useful lives estimated by the Management. The Company has used the following useful life to provide depreciation on its property, plant and equipment.

Asset	Useful life as prescribed by Schedule II of the Co's Act, 2013	Estimated useful life
Office computers and electronic equipment	3 years	4 Years
Vehicles	8 years	5 Years
Furniture, fixtures and other office equipment	10 years	7 Years
Buildings	60 years	60 years
Leasehold improvements	Over the primary period of the lease	Over the primary period of the lease or 3 years; whichever is lower

Useful life of assets different from as prescribed in Schedule II has been estimated by management and is supported by the technical assessment. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on assets whose cost individually does not exceed ₹ 5,000/- is fully provided in the year of purchase.

Depreciation on assets acquired / sold during the year is recognised on a pro-rata basis to the statement of profit and loss from/ till the date of acquisition or sale.

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress".

# Notes to the financial statements

for the year ended March 31, 2024

## 3.3 Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over a period of 3 years or its useful life whichever is lower.

Amortization on the intangible assets added/disposed off/discarded during the year is provided on pro-rata basis with reference to the month of addition/disposal/discarding.

The amortization period and the amortization method are reviewed at least at each financial year end. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

### Intangible assets under development

Expenditure on Research and/or development eligible for capitalisation are carried as intangible assets under development where such assets are not yet ready for their intended use.

## 3.4 Impairment of non financial assets

The Company assesses at each reporting date whether there is an indication that a non financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount and the resulting impairment loss is charged to the statement of profit and loss.

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 the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

## 3.5 Taxes

### 3.5.1 Current tax

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

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

### 3.5.2 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:

- When the deferred tax liability arises from the initial recognition of goodwill or 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
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future



# Notes to the financial statements

for the year ended March 31, 2024

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.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

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

## 3.6 Retirement and other employee benefits

### 3.6.1 Short term employee benefits

Employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognised in respect of short term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

### 3.6.2 Defined contribution plan

Retirement benefit in the form of Government managed Employee Provident Fund and Government managed Employee Pension Fund are the defined contribution schemes. The Company has no obligation, other than the contribution payable to the respective schemes which are recognised as an expense, when an employee renders the related service.

### 3.6.3 Defined benefit plan

The Company operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. The Company's liabilities under Payment of Gratuity Act and compensated absences are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the balance sheet date on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

Remeasurements, comprising of actuarial gains and losses on retirement benefits arising from experience adjustments and changes in actuarial assumptions 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.

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

# Notes to the financial statements

for the year ended March 31, 2024

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 under employee benefit expenses 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,
- Net interest expense or income.

## 3.6.4 Long term incentive benefit

Other long term incentive benefits includes future encashment or availment, at the option of the employee subject to the rules framed by the Company which are expected to be availed or encashed beyond 12 months from the end of the year and long term incentive payable to employees on fulfilment of criteria prescribed by the Company.

## 3.6.5 Termination benefits

Termination benefits such as compensation under employee separation schemes are recognised as expense when the Company's offer of the termination benefit is accepted or when the Company recognises the related restructuring costs whichever is earlier.

## 3.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur at amortised cost using EIR. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## 3.8 Cash and cash equivalent

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with banks with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

## 3.9 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders 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 is adjusted for the effects of all dilutive potential equity shares.

## 3.10 Provisions, contingent liabilities and contingent assets

Provisions are recognized when there is a present obligation (legal or constructive) as a result of past events and 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. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. Provisions are determined based on best estimate required to settle the obligation at the balance sheet date.

Contingent liability is disclosed in case when a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation and a present obligation arising from past events, when no reliable estimate is possible.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

Contingent assets are not recognised in the financial statements. Contingent assets are disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.



# Notes to the financial statements

for the year ended March 31, 2024

## 3.11 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for;
- b) Uncalled liability on shares and other investments partly paid;
- c) Funding related commitment to associate and joint venture companies; and
- d) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

## 3.12 Leases

### 3.12.1 Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes right - of - use ("ROU") asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the

commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value - in - use) is determined on an individual asset basis unless the asset generates cash flows that are largely dependent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment on exercise of an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### 3.12.2 Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

# Notes to the financial statements

for the year ended March 31, 2024

## 3.13 Special reserve

The Company creates special reserve every year out of its profits in terms of Section 29C of the National Housing Bank Act, 1987. For this purpose any special reserve created by the Company under Section 36(1)(viii) of the Income- tax Act, 1961 is considered to be an eligible transfer.

## 3.14 Securities premium

Securities premium is recognised for shares issued at premium. The issue expenses of securities which qualify as equity instruments are written off against securities.

## 3.15 Financial instruments – initial recognition

### 3.15.1 Date of recognition

Financial assets and liabilities, with the exception of loans, debt securities and borrowings are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans are recognised when funds are transferred to the customers' account. The Company recognises debt securities and borrowings when funds reach the Company.

### 3.15.2 Initial measurement of financial instruments

Financial assets and financial liabilities are initially recognised when the company becomes party to the contractual provisions of the instruments. All financial instruments are recognised initially at fair value, with the exception of trade receivables. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on trade date while, loans and borrowings are recognised net of directly attributable transactions costs.

### 3.15.3 Day 1 profit or loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable

in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

## 3.15.4 Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either amortised cost, Fair Value through Other Comprehensive Income(FVOCI) and Fair Value through Profit or Loss (FVTPL).

## 3.16 Financial assets and liabilities

### 3.16.1 Bank balances & Loans at amortised cost

The Company measures Bank balances and Loans at the amortised cost if both the following conditions are met:

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

### 3.16.2 Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR. A compound financial instrument which contains both a liability and an equity component is separated at the issue date.



# Notes to the financial statements

for the year ended March 31, 2024

## 3.16.3 Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- 1 The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis.
- 2 The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.
- 3 The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. However, trade receivables that do not contain a significant financing component are initially measured at transaction price. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Company's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

## 3.16.4 Undrawn loan commitments

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.

## 3.17 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. The Company did not reclassify any of its financial assets or liabilities in FY 2023-24 and FY 2022-23.

## 3.18 Modification and derecognition of financial asset

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. When a financial asset is modified the Company assesses whether this modification results in derecognition.

In the case where the financial asset is derecognised the loss allowances for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms may lead to a gain or loss on derecognition. The new financial asset may have a loss allowance measured based on 12-month ECL except where the new loan is considered to be originated-credit impaired.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Company determines if the financial asset's credit risk has increased significantly since initial recognition.

# Notes to the financial statements

for the year ended March 31, 2024

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the 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; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

## 3.19 Derecognition of financial liabilities

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

## 3.20 Repossession of Collaterals

To mitigate the credit risk on financial assets, the Company seeks to use collateral, as per the powers conferred on the HFC under SARFAESI act. In its normal course of business, the Company does not physically repossess properties or other assets in its portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet and not treated as non-current assets held for sale.

## 3.21 Derivatives and hedging activities

Derivatives are only used for economic hedging purposes and not as a speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at FVTPL.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

### **The Company designates certain derivatives as either:**

hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value changes) hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges), or hedges of a net investment in a foreign operation (net investment hedges).

At inception of the hedge relationship, the Company documents the economic relationship between hedging instruments and hedged items including whether the changes in the cash flows of the hedging instrument are expected to offset changes in cash flows of hedged items. The Company documents its risk management objective before undertaking hedge transactions.

### **3.21.1 Cash flow hedges that qualify for hedge accounting**

The effective portion of change in the fair value of the designated hedging instrument is recognised in the other comprehensive income and accumulated under the heading cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within Other Income.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within 'finance cost' at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset.

When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of





# Notes to the financial statements

for the year ended March 31, 2024

hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses).

## 3.22 Impairment of financial assets

### 3.22.1 Overview of the ECL principles

The Company records allowance for expected credit losses (ECL) for all loans, other debt financial assets not held at FVTPL, together with loan commitments, in this section all referred to as 'financial instruments'.

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) as outlined in note 3.22.2.

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

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

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorises its loans into Stage 1, Stage 2, Stage 3 and POCI, 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.

**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.

**POCI** Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

### 3.22.2 The calculation of ECLs

The Company calculates ECLs based on a probability-weighted scenarios 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 (PD) 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 period, if the facility has not been previously derecognised and is still in the portfolio.

**EAD** The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

**LGD** The Loss Given Default (LGD) 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.

When estimating the ECLs, the Company considers four scenarios (a base case, an upside, a mild downside ('downside 1') and a more extreme downside ('downside 2')). Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple

# Notes to the financial statements

for the year ended March 31, 2024

scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The mechanics of the ECL method are summarised below:

Stage 1	The 12mECL 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 a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.
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. The expected cash shortfalls are discounted by an approximation to the original EIR.
Stage 3	For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.
POCI	POCI assets are financial assets that are credit impaired on initial recognition. The Company only recognises the cumulative changes in lifetime ECLs since initial recognition, based on a probability-weighting of the four scenarios, discounted by the credit-adjusted EIR.
Loan commitments	When estimating LTECLs for undrawn 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, based on a probability-weighting of the four scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.

For a loan and an undrawn commitment, ECLs are calculated and presented together with the loan. For loan commitments, the ECL is recognised within provisions.

## 3.22.3 Significant increase in credit risk

The Company monitors all financial assets and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's historical experience and expert credit assessment.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the Probability of Default will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD. As a back-stop when loan asset becomes 30 days past due, the Company considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL.

## 3.22.4 Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;



# Notes to the financial statements

for the year ended March 31, 2024

- restructuring of loans due to financial difficulty of the borrowers;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event. Instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortised cost or FVOCI are credit-impaired at each reporting date. To assess if corporate debt instruments are credit impaired, the Company considers factors such as bond yields, credit ratings and the ability of the borrower to raise funds.

A loan is considered credit-impaired when a concession is granted to the borrower due to deterioration in the borrower's financial condition. The definition of default includes unlikelihood to pay indicators and a back-stop if amounts are overdue for 90 days or more.

## 3.22.5 Trade receivables and other assets

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates.

## 3.22.6 Forward looking information

In its ECL models, the Company relies on a broad range of forward looking information as economic inputs, such as: GDP growth, unemployment rates, Central Bank base rates, house price indices, etc

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this,

qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

## 3.22.7 Write-offs

Financial assets are written off either partially or in their entirety only when the Company had concluded that it had no reasonable expectations of recovering the asset and has stopped pursuing the recovery. 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 impairment on financial instrument on statement of profit and loss.

## 3.22.8 Presentation of allowance for ECL in the Balance Sheet

For financial assets measured at amortised cost, loss allowances for ECL are presented in the statement of financial position as a deduction from the gross carrying amount of the assets.

## 3.23 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.

# Notes to the financial statements

for the year ended March 31, 2024

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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 below:

- 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 on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

## 3.24 Security deposits

At initial recognition the carrying value of the refundable deposits is taken at present value of all expected future principal repayments discounted using market rates prevailing at the time of inception. For Interest expenses, the difference between present market value and deposit made is recognised as prepayment and amortised in the Statement of Profit and loss over the benefit period on systematic basis. Interest income is recognised at the prevailing market rates.

## 3.25 Statement of Cash flows

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

## 3.26 Foreign Currencies

Functional currency of the Company and foreign operations has been determined based on the primary economic environment in which the Company and its foreign operations operate considering the currency in which funds are generated, spent and retained.

Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the rates prevailing at the year-end. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise.

## 3.27 Share-based payment arrangements

The stock options granted to employees by the holding company's (i.e. Aditya Birla Capital Limited) Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. The cost incurred by the holding company, in respect of options granted to employees of the Company, is being recovered by holding company and it is charged to the Statement of Profit and Loss of the Company over the period of vesting.

## 4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements



# Notes to the financial statements

for the year ended March 31, 2024

were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

## 4.2 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 internal credit grading model, which assigns PDs to the individual grades
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs

- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

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

### Lease Accounting

Critical judgements required in the application of Ind AS 116 may include, among others, the following:

- Identifying whether a contract (or part of a contract) includes a lease;
- Determining whether it is reasonably certain that an extension or termination option will be exercised;
- Classification of lease agreements (when the entity is a lessor);
- Determination of whether variable payments are in-substance fixed;
- Establishing whether there are multiple leases in an arrangement;
- Determining the stand-alone selling prices of lease and non-lease components.

Key sources of estimation uncertainty in the application of Ind AS 116 may include, among others, the following:

- Estimation of the lease term;
- Determination of the appropriate rate to discount the lease payments;
- Assessment of whether a right-of-use asset is impaired.

# Notes to the financial statements

for the year ended March 31, 2024

## 5 CASH AND CASH EQUIVALENTS

(₹ lakh)		
Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks	27,983.98	20,474.22
Cheques, drafts on hand	-	-
Term deposits with banks with original maturity of three months or less	-	-
	<b>27,983.98</b>	<b>20,474.22</b>

## 6 DERIVATIVE FINANCIAL INSTRUMENTS

### 6.1 Financial Asset

(₹ lakh)		
Particulars	As at March 31, 2024	As at March 31, 2023
Cross currency interest rate derivatives	-	-
Overnight Index Swaps	-	18.55
	-	<b>18.55</b>

## 7 RECEIVABLES

(₹ lakh)		
Particulars	As at March 31, 2024	As at March 31, 2023
<b>I Trade receivables</b>		
<b>(i) Undisputed</b>		
Receivables considered good - unsecured	483.97	76.47
Having significant increase in Credit Risk	-	-
Credit impaired	-	-
<b>(ii) Disputed</b>		
Receivables considered good - unsecured	-	-
Having significant increase in Credit Risk	-	-
Credit impaired	-	-
	483.97	76.47
Provision for impairment	-	-
Other receivables from customers	0.04	314.53
	484.01	391.00
<b>II Other receivables</b>		
Unsecured considered good		
Receivable from related parties (refer note 35 (II) (b))	1,522.99	109.13
	1,522.99	109.13

Foot notes:

- 1 No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms including limited liability partnership (LLP's) or private companies respectively in which any director is a partner, a director or a member. Further, there are no receivables for which there has been a significant increase in credit risk or which have become credit impaired.



# Notes to the financial statements

for the year ended March 31, 2024

## 2 Trade Receivables Ageing -

(₹ lakh)

Particulars	Unbilled Trade Receivables	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2024</b>							
(i) Undisputed Trade receivables – considered good	-	405.91	-	-	-	-	405.91
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
- Unbilled Trade Receivables	78.10	-	-	-	-	-	78.10
<b>Total</b>	<b>78.10</b>	<b>405.91</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>484.01</b>
<b>As at March 31, 2023</b>							
(i) Undisputed Trade receivables – considered good	-	341.86	-	-	-	-	341.85
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
- Unbilled Trade Receivables	49.15	-	-	-	-	-	49.15
<b>Total</b>	<b>49.15</b>	<b>341.86</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>391.00</b>

## 8 LOANS (AT AMORTISED COST)

(₹ lakh)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
<b>(A) Loans relating to financing activity (refer note 8.2.1)</b>	17,87,698.34	13,80,802.38
<b>Total (A) – Gross</b>	<b>17,87,698.34</b>	<b>13,80,802.38</b>
Less: Impairment loss allowance (refer note 8.2.2)	(19,905.60)	(25,106.17)
<b>Total (A) – Net</b>	<b>17,67,792.74</b>	<b>13,55,696.21</b>
<b>(B) (a) Secured</b>	17,87,035.05	13,79,983.04
(b) Unsecured, considered good	663.29	819.34
<b>Total (B) – Gross</b>	<b>17,87,698.34</b>	<b>13,80,802.38</b>
Less: Impairment loss allowance	(19,905.60)	(25,106.17)
<b>Total (B) – Net</b>	<b>17,67,792.74</b>	<b>13,55,696.21</b>

# Notes to the financial statements

for the year ended March 31, 2024

(₹ lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(C) (I) Loans in India</b>		
(a) Public sector	-	-
(b) Others	17,87,698.34	13,80,802.38
	<b>17,87,698.34</b>	<b>13,80,802.38</b>
<b>(II) Loans outside India</b>	-	-
<b>Total (C) - Gross</b>	<b>17,87,698.34</b>	<b>13,80,802.38</b>
Less: Impairment loss allowance	(19,905.60)	(25,106.17)
<b>Total (C) - Net</b>	<b>17,67,792.74</b>	<b>13,55,696.21</b>

## 8.1 Credit quality of assets

The table below shows the credit quality and the gross carrying amount to credit risk based on year-end stage classification. The amounts presented are gross of impairment allowances.

Stage	As at March 31, 2024		As at March 31, 2023	
	Count	Amount	Count	Amount
Stage 1	64,298	17,35,757.34	52,885	13,11,959.79
Stage 2	527	19,391.55	572	24,250.73
Stage 3	910	32,549.45	1,044	44,591.86
<b>Total</b>	<b>65,735</b>	<b>17,87,698.34</b>	<b>54,501</b>	<b>13,80,802.38</b>

Note - The Company has taken necessary steps to recover the amount for all the cases. All the recovery process are as per the terms mentioned in agreement and are in compliant with RBI and NHB.

## 8.2 An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans relating to financing activity, as follows:

### 8.2.1 Reconciliation of gross carrying amount:

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>March 31, 2024</b>				
Gross carrying amount opening balance	13,11,959.79	24,250.73	44,591.86	13,80,802.38
New assets originated or purchased	8,44,800.95	27.18	275.07	8,45,103.20
Assets derecognised or repaid (excluding write offs)	(4,09,645.92)	(7,191.25)	(15,264.27)	(4,32,101.43)
Transfers to stage 1	8,071.30	(6,292.37)	(1,778.93)	-
Transfers to stage 2	(12,379.30)	12,800.92	(421.62)	-
Transfers to stage 3	(6,576.90)	(4,098.94)	10,675.84	-
Amounts written off	(472.59)	(104.71)	(5,528.50)	(6,105.81)
<b>Gross carrying amount closing balance</b>	<b>17,35,757.33</b>	<b>19,391.56</b>	<b>32,549.45</b>	<b>17,87,698.34</b>





# Notes to the financial statements

for the year ended March 31, 2024

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>March 31, 2023</b>				
Gross carrying amount opening balance	11,06,703.19	63,843.38	42,295.71	12,12,842.28
New assets originated or purchased	5,27,493.40	1,167.14	1,274.94	5,29,935.48
Assets derecognised or repaid (excluding write offs)	(3,36,992.59)	(7,873.19)	(11,508.90)	(3,56,374.68)
Transfers to stage 1	40,369.42	(32,580.55)	(7,788.87)	-
Transfers to stage 2	(12,431.70)	13,524.12	(1,092.42)	-
Transfers to stage 3	(12,809.50)	(13,640.35)	26,449.85	-
Amounts written off	(372.43)	(189.82)	(5,038.45)	(5,600.70)
<b>Gross carrying amount closing balance</b>	<b>13,11,959.79</b>	<b>24,250.73</b>	<b>44,591.86</b>	<b>13,80,802.38</b>

## 8.2.2 Reconciliation of ECL balance is given below:

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>Reconciliation of gross carrying amount:</b>				
ECL allowance - opening balance	8,742.42	1,601.58	14,762.17	25,106.17
New assets originated or purchased	3,846.42	4.65	93.88	3,944.95
Assets derecognised or repaid (excluding write offs)	(2,629.59)	(280.80)	(4,596.63)	(7,507.03)
Transfers to Stage 1	188.90	(143.90)	(45.00)	-
Transfers to Stage 2	(789.49)	845.37	(55.89)	-
Transfers to Stage 3	(2,415.48)	(1,577.53)	3,993.01	-
Impact on year end ECL of exposures transferred between stages during the year	2,895.67	940.78	(586.54)	3,249.91
ECL recognised due to change in credit risk	(2,426.43)	126.97	(94.90)	(2,394.37)
Recoveries	-	-	(494.28)	(494.28)
Amounts written off	(12.33)	(5.68)	(1,981.74)	(1,999.75)
<b>ECL allowance - closing balance</b>	<b>7,400.09</b>	<b>1,511.44</b>	<b>10,994.08</b>	<b>19,905.60</b>

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>March 31, 2023</b>				
ECL allowance - opening balance	5,623.42	4,509.80	13,163.08	23,296.30
New assets originated or purchased	3,237.74	93.65	460.05	3,791.44
Assets derecognised or repaid (excluding write offs)	(1,882.89)	(549.16)	(921.47)	(3,353.52)
Transfers to Stage 1	4,339.78	(2,426.09)	(1,913.69)	-
Transfers to Stage 2	(80.77)	385.41	(304.64)	-
Transfers to Stage 3	(73.56)	(941.17)	1,014.73	-
Impact on year end ECL of exposures transferred between stages during the year	(3,401.62)	121.53	7,309.61	4,029.52
ECL recognised due to change in credit risk	1,142.47	425.64	(141.12)	1,426.99
Recoveries	(158.77)	(16.00)	(327.15)	(501.92)
Amounts written off	(3.38)	(2.03)	(3,577.23)	(3,582.64)
<b>ECL allowance - closing balance</b>	<b>8,742.42</b>	<b>1,601.58</b>	<b>14,762.17</b>	<b>25,106.17</b>

# Notes to the financial statements

for the year ended March 31, 2024

## 8.3 Exposure to modified financial assets

The Company has extended resolution plans to relieve from COVID-19 pandemic related stress to eligible borrowers on the parameters laid down in accordance with the guidelines issued by the RBI and policy approved by the Board of Directors of the Company. As of March 31, 2024, all the resolution plans under this framework were duly implemented.

The Company has further renegotiated loans given to customers, in financial difficulties who are not eligible under the guidelines issued by RBI related to COVID-19 (referred to as restructuring or rescheduling) to maximise collection opportunities and minimise the risk of default.

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
	Loan exposure to modified financial assets		
(i)	Maximum exposure amount	50,811.46	74,431.04
(ii)	Impairment allowance	8,203.59	10,675.65
(iii)	<b>Net carrying amount</b>	<b>42,607.87</b>	<b>63,755.39</b>

### Foot notes:

- A. There are no loans or advances in the nature of loans that are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are (a) repayable on demand or (b) without specifying any terms or period of repayment.

## 9 INVESTMENTS

(₹ lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Investments carried at fair value through Profit & Loss		
Investments in Government Securities	26,574.59	12,536.72
	<b>26,574.59</b>	<b>12,536.72</b>

Note: There are no investments made outside India.

## 10 OTHER FINANCIAL ASSETS

(₹ lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Security deposit	707.19	643.47
Other receivables	3,209.25	152.91
	<b>3,916.44</b>	<b>796.38</b>

## 11 INCOME TAX

The components of income tax expense for the years ended March 31, 2024 and March 31, 2023 are as under:

(₹ lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Recognised in statement of profit and loss</b>		
Current tax	6,352.75	7,394.08
Deferred tax relating to origination and reversal of temporary differences	2,405.51	(560.16)
<b>Tax charges</b>	<b>8,758.26</b>	<b>6,833.92</b>
Adjustment in respect of current income tax of earlier years	(181.68)	(74.47)
<b>Total tax charges</b>	<b>8,576.58</b>	<b>6,759.45</b>



# Notes to the financial statements

for the year ended March 31, 2024

## 11.1 Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31, 2024 and March 31, 2023 is, as follows:

Particulars	(₹ lakh)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Accounting profit before tax	37,645.60	30,852.52
At India's statutory income tax rate of (March 31, 2024: 25.168% ; March 31, 2023: 25.168% )	9,474.64	7,764.95
Adjustment in respect of current income tax of earlier years	(181.68)	(74.47)
Differences other than temporary in nature on account of tax benefit u/s 36(1)(viii) of the Income Tax Act, 1961 and others	(716.39)	(931.03)
Deferred tax difference for earlier years recognised in current year for brought forward losses, impairment loss allowance and others	-	-
<b>Income tax expense reported in the statement of profit and loss</b>	<b>8,576.57</b>	<b>6,759.45</b>

The effective income tax rate for March 31, 2024 is 23.27% (March 31, 2023: 22.15%).

## 11.2 Deferred tax Assets (Net)

Particulars	(₹ lakh)	
	As at March 31, 2024	As at March 31, 2023
<b>Deferred tax asset</b>		
<b>Timing differences on account of</b>		
Impairment allowance for financial assets	5,009.85	6,318.72
Provision for employee benefits	333.98	336.05
Differences in depreciation as per income tax & as charged in financials	102.09	67.39
Deferred tax asset (A)	<b>5,445.92</b>	<b>6,722.16</b>
<b>Deferred tax liability</b>		
<b>Timing differences on account of</b>		
Tax deduction under Section 36(1)(viiia) of Income Tax Act, 1961	592.08	652.76
Recognition of financial instruments under amortised cost under Ind AS 109	1,509.63	319.06
Deferred tax liability (B)	<b>2,101.71</b>	<b>971.82</b>
<b>Deferred tax asset (net) (A-B)</b>	<b>3,344.21</b>	<b>5,750.34</b>

Particulars	(₹ lakh)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Deferred tax credit (Net)</b>		
<b>Recognised in statement of profit and loss</b>		
Impairment allowance for financial assets	1,248.19	(433.65)
Provision for employee benefits	1.37	(67.47)
Differences in depreciation as per income tax & as charged in financials	(34.70)	19.61
Deferred tax liability on amortised cost under Ind AS 109	1,190.58	(78.65)
	<b>2,405.44</b>	<b>(560.16)</b>
<b>Recognised in OCI</b>		
Deferred tax on re-measurement gains/ (losses) on defined benefit plans	(0.70)	(15.03)
Deferred tax on re-measurement gains/ (losses) on cash flow hedges	-	(167.35)
	(0.70)	(182.38)
<b>Total deferred tax expense recognised (including OCI)</b>	<b>2,406.14</b>	<b>(377.78)</b>

# Notes to the financial statements

for the year ended March 31, 2024

## 12 PROPERTY, PLANT AND EQUIPMENT

(₹ lakh)

Particulars	Building <sup>1</sup>	Computers & Hardware	Furniture & fixtures	Vehicle	Office equipment	Leasehold improvements	Total
<b>Gross block</b>							
<b>As at April 01, 2022</b>	<b>255.52</b>	<b>1,183.64</b>	<b>45.96</b>	<b>114.46</b>	<b>201.36</b>	<b>295.15</b>	<b>2,096.09</b>
Adjustment	-	-	-	-	-	-	-
Additions	-	731.27	34.90	111.44	91.79	383.36	1,352.76
Acquisitions through business combinations	-	-	-	-	-	-	-
Deletions	-	(140.62)	(12.08)	(38.83)	(19.73)	(29.90)	(241.17)
<b>As at March 31, 2023</b>	<b>255.52</b>	<b>1,774.29</b>	<b>68.78</b>	<b>187.07</b>	<b>273.42</b>	<b>648.61</b>	<b>3,207.68</b>
Adjustment	-	-	-	-	-	-	-
Additions	-	390.58	48.47	680.77	69.44	310.48	1,499.76
Acquisitions through business combinations	-	-	-	-	-	-	-
Deletions	-	(404.12)	(8.95)	(36.30)	(68.20)	(85.77)	(603.33)
<b>As at March 31, 2024</b>	<b>255.52</b>	<b>1,760.75</b>	<b>108.30</b>	<b>831.54</b>	<b>274.66</b>	<b>873.33</b>	<b>4,104.10</b>
<b>Accumulated depreciation</b>							
<b>As at April 01, 2022</b>	<b>21.92</b>	<b>819.59</b>	<b>39.52</b>	<b>64.67</b>	<b>130.70</b>	<b>189.00</b>	<b>1,265.40</b>
Adjustment	-	-	-	-	-	-	-
Charge for the year	4.38	256.25	29.60	21.40	40.63	103.32	455.58
Reduction	-	(140.58)	(11.70)	(33.45)	(19.66)	(29.90)	(235.29)
<b>As at March 31, 2023</b>	<b>26.30</b>	<b>935.26</b>	<b>57.42</b>	<b>52.62</b>	<b>151.67</b>	<b>262.42</b>	<b>1,485.69</b>
Adjustment	-	-	-	-	-	-	-
Charge for the year	4.38	337.64	39.68	121.80	54.79	219.97	778.26
Reduction	-	(398.70)	(8.76)	(28.34)	(64.64)	(85.76)	(586.20)
<b>As at March 31, 2024</b>	<b>30.68</b>	<b>874.20</b>	<b>88.34</b>	<b>146.08</b>	<b>141.82</b>	<b>396.63</b>	<b>1,677.75</b>
<b>Net book value</b>							
<b>As at March 31, 2023</b>	<b>229.22</b>	<b>839.03</b>	<b>11.36</b>	<b>134.45</b>	<b>121.75</b>	<b>386.19</b>	<b>1,721.99</b>
<b>As at March 31, 2024</b>	<b>224.84</b>	<b>886.55</b>	<b>19.96</b>	<b>685.46</b>	<b>132.84</b>	<b>476.70</b>	<b>2,426.35</b>

Foot notes:

- Assets pledged as security: Buildings with gross block ₹ 255.52 lakh and accumulated depreciation ₹ 30.68 lakh (March 31, 2023: Gross block ₹ 255.52 lakh and accumulated depreciation ₹ 26.30 lakh ) is subject to a first charge to secure debentures issued by the Company.
- No revaluation of any class of assets is carried out during the year.
- All the title deeds of immovable properties are held in name of the Company.

## 13 OTHER INTANGIBLES ASSET

(₹ lakh)

Particulars	Computer Software
<b>Gross block</b>	
<b>As at April 01, 2022</b>	<b>1,870.58</b>
Adjustment	-
Additions	973.42
Acquisitions through business combinations	-
Deletions/adjustment	-



# Notes to the financial statements

for the year ended March 31, 2024

(₹ lakh)

Particulars	Computer Software
<b>As at March 31, 2023</b>	<b>2,844.00</b>
Adjustment	
Additions	1,258.19
Transfers from assets under development	440.08
Acquisitions through business combinations	-
Deletions/adjustment	-
<b>As at March 31, 2024</b>	<b>4,542.27</b>
<b>Accumulated amortization</b>	
<b>As at April 01, 2022</b>	<b>1,309.25</b>
Adjustment	-
Charge for the year	458.28
Reduction	-
<b>As at March 31, 2023</b>	<b>1,767.53</b>
Adjustment	-
Charge for the year	781.44
Reduction	-
<b>As at March 31, 2024</b>	<b>2,548.97</b>
<b>Net book value</b>	
<b>As at March 31, 2023</b>	<b>1,076.47</b>
<b>As at March 31, 2024</b>	<b>1,993.30</b>

## Foot notes:

- Company does not have any internally generated intangible assets.
- Intangible assets under development ageing schedule -

(₹ lakh)

Intangible assets under development	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2024</b>					
Projects in progress	129.88	-	-	-	129.88
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>129.88</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>129.88</b>
<b>As at March 31, 2023</b>					
Projects in progress	469.51	-	-	-	469.51
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>469.51</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>469.51</b>

- There are no projects whose completion is overdue to its original plan & there are no projects that has exceeded its cost compared to the original plan.

# Notes to the financial statements

for the year ended March 31, 2024

## 14 ROU ASSET

		(₹ lakh)
Particulars		ROU Asset
<b>Gross block</b>		
<b>As at April 01, 2022</b>		<b>2,633.40</b>
Additions		3,099.29
Deletions/adjustment		(1,013.95)
<b>As at March 31, 2023</b>		<b>4,718.74</b>
Additions		1,467.20
Deletions/adjustment		(309.53)
<b>As at March 31, 2024</b>		<b>5,876.41</b>
<b>Accumulated Depreciation</b>		
<b>As at April 01, 2022</b>		<b>711.97</b>
Charge for the year		674.63
Reduction		(609.05)
<b>As at March 31, 2023</b>		<b>777.55</b>
Charge for the year		1,010.27
Reduction		(163.01)
<b>As at March 31, 2024</b>		<b>1,624.81</b>
<b>Net book value</b>		
<b>As at March 31, 2023</b>		<b>3,941.19</b>
<b>As at March 31, 2024</b>		<b>4,251.60</b>

Foot notes:

- All the lease deeds of Right of use asset are held in name of the company.

## 15 OTHER NON-FINANCIAL ASSETS

		(₹ lakh)	
Particulars		As at March 31, 2024	As at March 31, 2023
Capital advances		292.04	36.26
Other Advances		-	636.39
Prepaid expense		2,057.13	715.36
Retirement benefits gratuity fund (refer note 47)		698.23	612.32
Balances with tax authorities		721.03	689.57
Deferred lease expense		-	0.08
		<b>3,768.43</b>	<b>2,689.98</b>

## 16 PAYABLES

		(₹ lakh)	
Particulars		As at March 31, 2024	As at March 31, 2023
<b>(I) Trade payables</b>			
(i) total outstanding dues of micro enterprises and small enterprises (refer note 38)		184.61	25.75
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		6,145.40	2,174.52
		<b>6,330.01</b>	<b>2,200.27</b>



# Notes to the financial statements

for the year ended March 31, 2024

Particulars	Unbilled Dues	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 Years	2-3 years	More than 3 years	
<b>As at March 31, 2024</b>						
(i) MSME	-	141.14	-	-	-	141.14
(ii) Others	-	3,186.33	44.25	18.96	28.98	3,278.52
(iii) Disputed Dues- MSME	-	-	-	-	-	-
(iv) Disputed Dues- Others	-	-	-	-	-	-
- Unbilled Dues	2,910.35	-	-	-	-	2,910.35
<b>Total</b>	<b>2,910.35</b>	<b>3,327.47</b>	<b>44.25</b>	<b>18.96</b>	<b>28.98</b>	<b>6,330.01</b>
<b>As at March 31, 2023</b>						
(i) MSME	-	25.75	-	-	-	25.75
(ii) Others	-	1,296.03	23.91	19.64	11.10	1,350.68
(iii) Disputed Dues- MSME	-	-	-	-	-	-
(iv) Disputed Dues- Others	-	-	-	-	-	-
- Unbilled Dues	823.84	-	-	-	-	823.84
<b>Total</b>	<b>823.84</b>	<b>1,321.78</b>	<b>23.91</b>	<b>19.64</b>	<b>11.10</b>	<b>2,200.27</b>

Foot note:-

Trade Payables ageing schedule -

## 17 DEBT SECURITIES

(₹ lakh)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
At amortised cost		
<b>Secured</b>		
Redeemable non convertible debentures (refer foot note (ii) below)	4,03,127.17	2,43,641.89
<b>Unsecured</b>		
Commercial papers	1,34,070.66	20,667.94
At Fair Value		
<b>Secured</b>		
Redeemable non convertible debentures (refer foot note (ii) below)	-	5,046.51
<b>Total (A)</b>	<b>5,37,197.83</b>	<b>2,69,356.34</b>
Debt securities in India	5,37,197.83	2,69,356.34
Debt securities outside India	-	-
<b>Total (B)</b>	<b>5,37,197.83</b>	<b>2,69,356.34</b>

Foot notes:

- (i) The company does not have any convertible debt securities.
- (ii) The debt securities are secured by way of mortgage of the immovable property and have first pari- passu charge on receivables of the Company.

# Notes to the financial statements

for the year ended March 31, 2024

## 18 BORROWINGS OTHER THAN DEBT SECURITIES

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Secured</b>		
Term loan from banks (refer foot note (i) below )	5,95,371.94	6,18,223.18
NHB Refinance (refer foot note (ii) below )	3,05,656.25	2,05,744.33
Working capital demand loan (refer foot note (iii) below )	69,117.45	48,009.78
Cash Credit	9,703.66	-
Overdraft (refer foot note (iv) below )	43,379.70	18,178.57
<b>Total (A)</b>	<b>10,23,229.00</b>	<b>8,90,155.86</b>
Borrowings in India	10,23,229.00	8,90,155.86
Borrowings outside India	-	-
<b>Total (B)</b>	<b>10,23,229.00</b>	<b>8,90,155.86</b>

Foot notes:

- (i) The term loans from banks are secured by way of first pari-passu charge on the receivables of the Company. The Company is adequately submitting quarterly statements of current assets to the banks which are as per the books of accounts maintained by the Company. Term loans are used fully for the purpose for which they were obtained.
- (ii) The NHB Refinance facility of ₹ 3,05,656.25 lakh (March 31, 2023 - ₹ 2,05,744.33 lakh) is secured by way of exclusive on the receivables of the Company.
- (iii) The working capital loans are secured by way of first pari-passu charge on receivables of the Company. The repayment terms and rate of interest of working capital loans are as under-

(₹ lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Repayable on demand</b>		
Rate of interest less than 7.50 % p.a.	63,116.13	28,005.51
Rate of interest more than 7.50 % p.a.	6,001.32	20,004.27

- (iv) The overdraft on account of cheques issued but not presented as on the balance sheet date are backed by cash credit facilities which are secured by way of first pari-passu charge on the receivables of the Company. The repayment terms and rate if interest is same as applicable to cash credit facilities.

(₹ lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Repayable on demand	43,379.70	18,178.57

## 19 SUBORDINATED LIABILITIES

(₹ lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Unsecured</b>		
Sub ordinate debts - debentures (refer foot note below)	34,240.55	34,211.43
	34,240.55	34,211.43





# Notes to the financial statements

for the year ended March 31, 2024

## Foot notes for Borrowings

Refer Foot notes for borrowings for Repayment Schedule and terms of Interest(refer note 17-19)

## Debt securities

(₹ lakh)

Maturities	As at March 31, 2024					As at March 31, 2023				
	≤ 1 Year	1-3 years	3-5 years	> 5 years	Total	≤ 1 Year	1-3 years	3-5 years	> 5 years	Total
<b>From Related Party:</b>										
Less than 6%	-	-	-	-	-	-	-	-	-	-
6% to 7.5%	-	-	-	-	-	-	-	-	-	-
7.5% to 8.5%	-	-	7,226.07	-	7,226.07	-	-	-	-	-
8.5% to 9.25%	-	-	-	-	-	-	-	-	-	-
<b>From Others:</b>										
Less than 6%	-	-	-	-	-	-	26,306.00	-	-	26,306.00
6% to 7.5%	-	25,287.29	-	-	25,287.29	5,163.93	34,109.46	25,271.23	-	64,544.63
7.5% to 8.5%	26,469.48	78,404.16	1,24,554.36	1,05,082.77	3,34,510.77	68,157.02	25,637.58	-	62,040.05	1,55,834.65
8.5% to 9.25%	34,099.26	2,003.78	-	-	36,103.04	-	2,003.14	-	-	2,003.14
<b>Total</b>	<b>60,568.74</b>	<b>1,05,695.23</b>	<b>1,31,780.43</b>	<b>1,05,082.77</b>	<b>4,03,127.17</b>	<b>73,320.95</b>	<b>88,056.18</b>	<b>25,271.23</b>	<b>62,040.05</b>	<b>2,48,688.41</b>

## Commercial Papers

(₹ lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Maturing upto 3 months*	1,14,774.58	20,667.94
Maturing upto 6 months*	19,296.08	-
<b>Total</b>	<b>1,34,070.66</b>	<b>20,667.94</b>

\* The above is net of unamortized discounting charges on commercial paper amounting to ₹ 2,129.34 lakh (March 31, 2023: ₹ 332.06 lakh)

## Term Loans

(₹ lakh)

Maturities	As at March 31, 2024					As at March 31, 2023				
	≤ 1 Year	1-3 years	3-5 years	> 5 years	Total	≤ 1 Year	1-3 years	3-5 years	> 5 years	Total
<b>From Other than Related Party:</b>										
Less than 8%	14,998.48	-	19,971.27	-	34,969.75	55,919.20	83,333.07	14,996.13	-	1,54,248.40
8% to 8.25%	71,212.92	1,05,070.79	41,511.32	569.97	2,18,365.00	88,923.89	1,26,688.99	1,00,288.61	2,778.67	3,18,680.16
More than 8.25%	1,15,944.41	1,26,599.47	99,493.31	-	3,42,037.19	39,692.92	81,264.62	24,337.08	-	1,45,294.62
<b>Total</b>	<b>2,02,155.81</b>	<b>2,31,670.26</b>	<b>1,60,975.90</b>	<b>569.97</b>	<b>5,95,371.94</b>	<b>1,84,536.01</b>	<b>2,91,286.68</b>	<b>1,39,621.82</b>	<b>2,778.67</b>	<b>6,18,223.18</b>

## NHB Refinance

(₹ lakh)

Maturities	As at March 31, 2024					As at March 31, 2023				
	≤ 1 Year	1-3 years	3-5 years	> 5 years	Total	≤ 1 Year	1-3 years	3-5 years	> 5 years	Total
Less than 5%	9,207.96	24,554.57	24,554.57	17,054.40	75,371.50	11,042.96	29,476.80	29,476.80	10,628.04	80,624.60
5% to 7.5%	11,052.69	29,473.83	22,354.44	2,391.29	65,272.25	6,301.38	10,214.04	4,964.16	5,210.12	26,689.70
More than 7.5%	19,681.69	45,822.06	41,813.79	57,694.96	1,65,012.50	9,981.10	26,642.40	26,642.40	35,164.13	98,430.03
<b>Total</b>	<b>39,942.34</b>	<b>99,850.45</b>	<b>88,722.80</b>	<b>77,140.66</b>	<b>3,05,656.25</b>	<b>27,325.44</b>	<b>66,333.24</b>	<b>61,083.36</b>	<b>51,002.29</b>	<b>2,05,744.33</b>

# Notes to the financial statements

for the year ended March 31, 2024

## Subordinated Liabilities

(₹ lakh)

Maturities	As at March 31, 2024					As at March 31, 2023				
	≤ 1 Year	1-3 years	3-5 years	> 5 years	Total	≤ 1 Year	1-3 years	3-5 years	> 5 years	Total
<b>From Related Party:</b>										
Less than 7.5%	-	-	-	-	-	-	-	-	-	-
7.5% to 8.5%	-	-	-	-	-	-	-	-	-	-
More than 8.5%	-	-	1,071.07	-	<b>1,071.07</b>	-	-	1,070.16	-	<b>1,070.16</b>
<b>From Others:</b>										
Less than 7.5%	-	-	-	7,580.69	7,580.69	-	-	-	7,576.16	7,576.16
7.5% to 8.5%	-	-	-	-	-	-	-	-	5,328.23	5,328.23
More than 8.5%	-	6,898.56	13,357.33	5,332.90	25,588.79	-	-	20,236.87	-	20,236.87
<b>Total</b>	<b>-</b>	<b>6,898.56</b>	<b>14,428.40</b>	<b>12,913.59</b>	<b>34,240.55</b>	<b>-</b>	<b>-</b>	<b>21,307.03</b>	<b>12,904.39</b>	<b>34,211.43</b>

## 20 LEASE LIABILITY

(₹ lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Liability for lease payments	4,442.59	3,952.04
	<b>4,442.59</b>	<b>3,952.04</b>

## 21 OTHER FINANCIAL LIABILITIES

(₹ lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Payable for salaries, bonus and other employee benefits	3,789.62	2,264.95
Payable for Capital expenditure	48.09	16.17
Other financial liabilities relating to customer accounts	8,017.02	6,426.29
	<b>11,854.73</b>	<b>8,707.41</b>

## 22 PROVISIONS

(₹ lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Provision for employee benefits</b>		
Compensated absences	743.31	456.82
Gratuity (refer note 47)	786.59	567.59
	<b>1,529.90</b>	<b>1,024.41</b>

## 23 OTHER NON-FINANCIAL LIABILITIES

(₹ lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Payable to government authorities	1,324.46	807.10
	<b>1,324.46</b>	<b>807.10</b>



# Notes to the financial statements

for the year ended March 31, 2024

## 24 EQUITY SHARE CAPITAL

Particulars	(₹ lakh)	
	As at March 31, 2024	As at March 31, 2023
<b>Authorised</b>		
1000,000,000 (March 31, 2023 : 1000,000,000) equity shares of ₹ 10 each	1,00,000.00	1,00,000.00
	<b>1,00,000.00</b>	<b>1,00,000.00</b>
<b>Issued, subscribed and fully paid up shares</b>		
501,197,682 (March 31, 2023: 501,197,682) equity shares of ₹ 10 each, fully paid up	50,119.77	50,119.77
	<b>50,119.77</b>	<b>50,119.77</b>

### A) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

Particulars	(₹ lakh)	
	Numbers	Amount
As at April 01, 2022	50,11,97,682	50,119.77
Add: shares issued during the year	-	-
As at March 31, 2023	50,11,97,682	50,119.77
Add: shares issued during the year	-	-
<b>As at March 31, 2024</b>	<b>50,11,97,682.00</b>	<b>50,119.77</b>

### B) Shares held by holding company

Particulars	(₹ lakh)	
	As at March 31, 2024	As at March 31, 2023
Aditya Birla Capital Limited, holding company	50,11,97,682	50,11,97,682

### C) Details of shareholders holding more than 5% shares in the company

Particulars	(₹ lakh)	
	As at March 31, 2024	As at March 31, 2023
Aditya Birla Capital Limited, holding company		
Number of shares	50,11,97,682	50,11,97,682
% Holding	100%	100%

### D) Shares held by promoters at the end of the year

Particulars	(₹ lakh)	
	As at March 31, 2024	As at March 31, 2023
Aditya Birla Capital Limited, Promoter Company		
Number of shares	50,11,97,682	50,11,97,682
% Holding	100%	100%
% Change during the year	-	-

# Notes to the financial statements

for the year ended March 31, 2024

## E) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be receiving remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of the equity shares held by the shareholders.

- F) During the past five years immediately preceding the current financial year, the Company has not issued any shares pursuant to any contract without payment being received in cash or by way of bonus shares and have also not engaged in any buyback of its own equity.

## 25 OTHER EQUITY

Particulars	(₹ lakh)	
	As at March 31, 2024	As at March 31, 2023
Securities premium (refer foot note (i) below)	71,582.21	71,582.21
Special reserve u/s 29C of The National Housing Bank Act, 1987(refer foot note (ii) below)	3,313.67	1,209.25
Reserve u/s 36(1)(viii) of the Income Tax Act, 1961 (refer foot note (iii) below)	18,384.07	14,674.68
Retained earnings (refer foot note (iv) below)	82,405.79	59,148.49
Cash flow hedge reserve (refer foot note (v) below)	-	-
Employee stock option outstanding reserve (refer foot note (vi) below)	174.17	65.46
	<b>1,75,859.91</b>	<b>1,46,680.10</b>

### Foot notes:

### (i) Securities premium

Particulars	(₹ lakh)	
	As at March 31, 2024	As at March 31, 2023
Balance at beginning of year	71,582.21	71,582.21
Addition: Received on issue of shares during the year	-	-
Deduction: Utilisation against share issue expense	-	-
<b>Balance at end of year</b>	<b>71,582.21</b>	<b>71,582.21</b>

Securities premium is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.

### (ii) Special reserve u/s 29C of The National Housing Bank Act, 1987 refer note 3.13)

Particulars	(₹ lakh)	
	As at March 31, 2024	As at March 31, 2023
Balance at beginning of year	1,209.25	543.34
Addition: Amount transferred from surplus balance in the Statement of Profit and Loss	2,104.42	665.91
<b>Balance at end of year</b>	<b>3,313.67</b>	<b>1,209.25</b>

As per Section 29C of The National Housing Bank Act, 1987 (the "NHB Act"), the Company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by the Company under Section 36(1)(viii) of the Income-tax Act, 1961, is considered to be an eligible transfer. The amount transferred to special reserve u/s 29C of the NHB Act includes ₹ 3,709.39 lakh (March 31, 2023: ₹ 4,152.71 lakh) for Special Reserve in terms of Section 36(1)(viii) of the Income-tax Act, 1961.



# Notes to the financial statements

for the year ended March 31, 2024

## (iii) Reserve u/s 36(1)(viii) of the Income Tax Act, 1961

Particulars	(₹ lakh)	
	As at March 31, 2024	As at March 31, 2023
Balance at beginning of year	14,674.68	10,521.97
Addition: Amount transferred from surplus balance in the Statement of Profit and Loss	3,709.39	4,152.71
Less: Amount withdrawn from the special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of provision u/s 29C of the National Housing Bank Act, 1987	-	-
<b>Balance at end of year</b>	<b>18,384.07</b>	<b>14,674.68</b>

## (iv) Retained earnings

Particulars	(₹ lakh)	
	As at March 31, 2024	As at March 31, 2023
Balance at beginning of year	59,148.49	39,829.36
Profit for the year	29,069.02	24,093.07
Remeasurement of defined employee benefit plans	2.09	44.68
Transfer to special reserve u/s 29C of The National Housing Bank Act, 1987	(2,104.42)	(665.91)
Transfer to reserve u/s 36(1)(viii) of the Income Tax Act, 1961	(3,709.39)	(4,152.71)
<b>Balance at end of year</b>	<b>82,405.79</b>	<b>59,148.49</b>

## (v) Cash flow hedge reserve

Particulars	(₹ lakh)	
	As at March 31, 2024	As at March 31, 2023
Balance at beginning of year	-	(497.58)
Net change during the year	-	497.58
<b>Balance at end of year</b>	<b>-</b>	<b>-</b>

## (vi) Employee stock option outstanding reserve (Refer Note 41)

Particulars	(₹ lakh)	
	As at March 31, 2024	As at March 31, 2023
Balance at beginning of year	65.46	-
Addition during the year	108.71	65.46
<b>Balance at end of year</b>	<b>174.17</b>	<b>65.46</b>

## 26 INTEREST INCOME

Particulars	(₹ lakh)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
- On financial assets measured at amortised cost		
Interest on loans and advances to customers	1,70,124.56	1,35,595.41
Interest income on investments	844.06	109.10
Other interest income	877.70	693.41
	<b>1,71,846.32</b>	<b>1,36,397.92</b>

# Notes to the financial statements

for the year ended March 31, 2024

## 27 NET GAIN ON FAIR VALUE CHANGES IN INVESTMENTS

(₹ lakh)		
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net gain on financial instruments at fair value through profit or loss	687.69	343.68
<b>Total Net gain on fair value changes</b>	<b>687.69</b>	<b>343.68</b>
Fair Value changes:		
Realised	598.92	103.97
Unrealised	88.77	239.71
	<b>687.69</b>	<b>343.68</b>

## 28 NET GAIN/(LOSS) ON DERECOGNITION OF FINANCIAL INSTRUMENTS UNDER AMORTISED COST CATEGORY

(₹ lakh)		
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Reversal of expected credit loss on derecognition of financial instruments	5,460.22	3,582.64
Bad debts written off (net off of recoveries for write off of previous years)	(4,718.58)	(5,426.46)
Income on assigned loans	3,302.63	-
	<b>4,044.27</b>	<b>(1,843.82)</b>

## 29 OTHER INCOME

(₹ lakh)		
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit on sale of property, plant and equipment	-	16.33
Profit on surrender of right to use asset	35.53	98.44
Rental Income	80.34	105.18
	<b>115.87</b>	<b>219.95</b>

## 30 FINANCE COST

(₹ lakh)		
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
- On financial liabilities measured at amortised cost		
Interest on borrowings	67,060.93	56,968.84
Interest on debt securities	33,958.33	17,232.71
Interest on lease liability	321.18	219.11
Other interest expense	83.06	95.04
- On financial liabilities measured at fair value		
Interest on debt securities	-	321.29
	<b>1,01,423.50</b>	<b>74,836.99</b>



# Notes to the financial statements

for the year ended March 31, 2024

## 31 IMPAIRMENT ON FINANCIAL INSTRUMENTS (MEASURED AT AMORTISED COST)

(₹ lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
- On Financial Assets measured at amortised cost		
Loans (refer note 8.2.2)	280.93	5,392.51
	<b>280.93</b>	<b>5,392.51</b>

## 32 EMPLOYEE BENEFIT EXPENSES

(₹ lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, bonus and allowances	25,952.83	16,500.09
Contribution to provident and other funds (refer note 47)	1,072.13	627.10
Retirement benefit expense - Gratuity	177.45	145.31
Employee stock option expenses (refer note 41)	608.60	232.44
Staff welfare expenses	529.94	395.83
	<b>28,340.95</b>	<b>17,900.77</b>

## 33 OTHER EXPENSES

(₹ lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Rental charges payable under operating leases (refer note 36)	729.21	625.92
Travelling and conveyance	1,026.03	751.83
Utilities Expenses	253.37	172.76
Repairs and maintenance	2,749.58	1,594.49
Insurance	869.74	500.80
Director's fees, allowances and expenses	39.51	45.51
Credit rating expenses	161.00	165.96
Legal and professional charges (refer note 40)	2,693.45	1,966.21
Rates and taxes	110.04	31.95
Printing and stationery	399.05	140.99
Contract service charges	547.97	482.39
Advertisement expenses	469.74	313.59
Postage expenses	84.38	68.18
Sales Promotion - Rewards & Recognition	627.13	129.37
Software Development Charges	496.40	-
Corporate social responsibility	491.97	376.94
Miscellaneous expenses	1,613.53	962.78
	<b>13,362.10</b>	<b>8,329.67</b>

# Notes to the financial statements

for the year ended March 31, 2024

## 34 CONTINGENT LIABILITIES AND COMMITMENTS

### Contingent liabilities

Claims against the Company not acknowledged as debts on account of legal disputes ₹ 1,061.79 Lakh (March 31, 2023: ₹ 976.11 Lakh). Unfavourable outcome of these legal cases if any do not have any material and adverse impact on the financial position of the Company as on the balance sheet date.

The Company is not exposed to any other contingent liabilities as on the balance sheet except as mentioned above for legal disputes. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

### Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) on account of property, plant and equipment ₹ 201.02 Lakh (March 31, 2023: ₹ 18.30 Lakh) and on account of intangible assets ₹ 236.24 Lakh (March 31, 2023: ₹ 353.60 Lakh).

The sanctioned but partially undisbursed amount stands at ₹ 2,89,238.26 Lakh (March 31, 2023: ₹ 1,44,996.29 Lakh), whereas sanctioned but fully undisbursed amount stands at ₹ 1,82,455.12 Lakh (March 31, 2023: ₹ 1,06,644.00 Lakh)''

## 35 RELATED PARTY DISCLOSURES

### I) List of related parties as per Ind AS - 24 with whom transactions have taken place during the year.

#### (A) Where control exists

Aditya Birla Capital Limited (ABCL) (Holding Company)

Grasim Industries Limited (Ultimate Holding Company)

#### (B) Fellow subsidiaries

Aditya Birla Finance Limited (ABFL)

Aditya Birla Capital Technology Services Limited (ABCTSL)

Aditya Birla Sun Life Insurance Company Limited (ABSLICL)

Aditya Birla Money Limited (ABML)

Aditya Birla Financial Shared Services Limited (ABFSSL)

Aditya Birla Insurance Brokers Limited (ABIBL)

Ultratech Cement Limited (UCL)

Aditya Birla Capital Digital Limited (ABCDL) ( w.e.f March 23, 2023)

Aditya Birla ARC Limited (ABAL) ( w.e.f December 13, 2023)

#### (C) Joint Venture of Holding Company

Aditya Birla Wellness Private Limited (ABWPL)

Aditya Birla Health Insurance Limited (ABHI) (w.e.f October 21, 2022)

#### (D) Associate of Holding Company

Aditya Birla Sun Life Asset Management Company Limited (ABSLAMC)





# Notes to the financial statements

for the year ended March 31, 2024

## (E) Key management personnel

Mr. Pankaj Gadgil	Chief Executive Officer (w.e.f August 18, 2022) Managing Director (w.e.f September 23, 2022)
Mr. Netrapal Singh	Chief Executive Officer (upto August 17, 2022)
Mr. Ashish Damani	Chief Financial Officer
Ms. Hiral Sidhpura	Company Secretary (w.e.f November 1, 2023)
Mrs. Swati Singh	Company Secretary (upto October 31, 2023)

## II) Transactions with related parties

### a) Purchase and Sale of services

(₹ lakh)			
Nature of Transactions	Transactions with	Year ended March 31, 2024	Year ended March 31, 2023
Employees Stock option plan expenses	Aditya Birla Capital Limited	499.89	166.98
Income	Aditya Birla Health Insurance Limited	1,291.52	156.20
	Aditya Birla Sun Life Insurance Company Limited	2,809.62	342.85
	Aditya Birla Money Limited	-	3.77
Interest expenses	Aditya Birla Sun Life Insurance Company Limited	318.27	85.00
Managerial Remuneration	Mr. Netrapal Singh - April 1, 2022 to Aug 17, 2022	-	236.29
	Mr. Pankaj Gadgil	455.09	229.92
	Mr. Ashish Damani	132.65	147.11
	Ms. Hiral Sidhpura - Nov 1, 2023 to Mar 31, 2024	14.49	-
	Mrs. Swati Singh - April 1, 2023 to Oct 31, 2023	20.53	23.98
Other Comprehensive Income - Gratuity (gain)/loss	Aditya Birla Capital Limited	1.56	4.77
	Aditya Birla Financial Shared Services Limited	4.32	(3.71)
Other operating expenses	Aditya Birla Capital Limited	476.81	407.02
	Aditya Birla Finance Limited	869.73	1,569.52
	Aditya Birla Money Limited	3.26	-
	Aditya Birla Sun Life Asset Management Company Limited	11.64	20.05
	Aditya Birla Capital Technology Services Limited	377.39	231.81
	Aditya Birla Health Insurance Limited	7.67	9.83
	Aditya Birla Financial Shared Services Limited	2,177.34	2,422.85
	Aditya Birla Wellness Private Limited	9.09	9.88
	Ultratech Cement Limited	7.23	17.31
	Aditya Birla Capital Digital Limited	272.93	5.28
	Aditya Birla Sun Life Insurance Company Limited	361.75	309.32
Recovery of other operating expenses	Aditya Birla Finance Limited	175.37	190.74
	Aditya Birla Insurance Brokers Limited	3.33	0.40
	Aditya Birla Sun Life Asset Management Company Limited	64.75	11.66
	Aditya Birla Capital Digital Limited	192.64	33.04

# Notes to the financial statements

for the year ended March 31, 2024

## b) Outstanding balances arising from purchase and sale of services

Particulars	(₹ lakh)	
	As at March 31, 2024	As at March 31, 2023
<b>Receivable (refer note 7)</b>		
Aditya Birla Sun Life Asset Management Company Limited	14.78	-
Aditya Birla Health Insurance Limited	930.94	31.79
Aditya Birla Sun Life Insurance Company Limited	576.59	47.23
Aditya Birla Capital Digital Limited	-	29.74
Aditya Birla Insurance Brokers Limited	0.67	0.37
<b>Payable</b>		
Aditya Birla Capital Technology Services Limited	28.26	-
Aditya Birla Capital Limited	201.42	52.54
Aditya Birla Finance Limited	158.97	250.20
Aditya Birla Financial Shared Services Limited	289.13	294.58
Aditya Birla Wellness Private Limited	0.62	-
Aditya Birla Sun life Asset Management Company Limited	-	7.02
Ultratech Cement Limited	1.43	4.60
Aditya Birla Sun life Insurance Company Limited	197.34	70.04
Aditya Birla Capital Digital Limited	151.79	5.28
<b>Other balances (Receivables)</b>		
Aditya Birla Sun Life Insurance Company Limited	89.04	74.65
Aditya Birla Health Insurance Limited	1.93	1.93
Aditya Birla Financial Shared Services Limited	25.81	171.68
Aditya Birla Capital Technology Services Limited	20.10	0.17
Aditya Birla Sun life Asset Management Company Limited	2.78	2.78
Aditya Birla Finance Ltd	30.28	30.28

## c) Loans from related parties

Particulars	(₹ lakh)	
	As at March 31, 2024	As at March 31, 2023
<b>Aditya Birla Sun Life Insurance Company Limited</b>		
Loan balance at the beginning of the year	1,000.00	1,000.00
Loan obtained (issue of debentures)	7,000.00	-
Loans repaid	-	-
Loan balance at the end of the year	8,000.00	1,000.00
Interest accrued but not due on above	310.66	74.29



# Notes to the financial statements

for the year ended March 31, 2024

## d) Other transactions

Particulars	(₹ lakh)	
	As at March 31, 2024	As at March 31, 2023
<b>Capital issued</b>		
Aditya Birla Capital Limited		
Share capital issued during the year	-	-
*Includes securities premium of ₹ Nil (March 31, 2021: Nil)		
Equity share capital outstanding at the Year	50,119.77	50,119.77
<b>Other transactions</b>		
Aditya Birla Financial Shared Services Limited (Recovery of transfer employees)	85.47	11.22
Aditya Birla Insurance Brokers Limited (Recovery of transfer employees)	5.13	-
Aditya Birla Capital Digital Limited (Reimbursement of transfer Employees)	8.89	-
Aditya Birla ARC Limited (Recovery of transfer employees)	3.09	-
Aditya Birla Money Limited (Recovery of transfer employees )	-	7.51
Aditya Birla Finance Limited (Sale of PPE)	8.64	0.10
Aditya Birla Health Insurance Co Limited(Recovery of transfer employees)	-	4.37
Aditya Birla Finance Limited (Recovery of Vpay)	14.91	-
Aditya Birla Health Insurance Co Limited(Recovery of Vpay)	2.30	-
Aditya Birla Sun life Insurance Company Limited( Recovery of Vpay)	1.10	-
Aditya Birla Health Insurance Co Limited(Security Deposit)	-	1.93
Aditya Birla Sun life Insurance Company Limited(Security Deposit)	14.39	46.90
Aditya Birla Sun life Asset Management Company Limited(Security Deposit)	-	2.78
Aditya Birla Capital Technology Services Limited (Purchase of PPE)	-	20.95
Aditya Birla Finance Ltd (Security Deposit)	-	30.28
Aditya Birla Finance Limited (Recovery of transfer employees)	2.37	95.62

Foot notes:

- The related party relationships have been as identified by the management on the basis of the requirements of the Ind AS-24 'Related Party Disclosures' issued by the Ministry of Corporate Affairs.
- The relationships as mentioned above except where control exists pertain to those related parties with whom transactions have taken place during the year.
- There is no write off/write back of any related party balances during the year.

## 36 LEASING ARRANGEMENTS

**Disclosure Pursuant to Indian Accounting Standard 116 - Leases is as under:**

### Operating lease commitments – Company as lessee (refer note 33)

The Company has entered into lease agreements for premises at various locations for periods above 12 months. The lease payments recognised in the statement of profit and loss are ₹ 729.21 Lakhs (March 31, 2023 ₹ 625.92 lakhs).

Following are the changes in the carrying value of right of use assets: (refer note 14)

### Category of ROU Asset - Leasehold premises

Particulars	(₹ lakh)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Balance	3,941.19	1,921.43
Additions	1,380.78	2,958.62
Reclassified from deferred lease expense	86.42	140.67
Deletions	(146.52)	(404.90)
Depreciation	(1,010.27)	(674.63)
<b>Closing Balance</b>	<b>4,251.60</b>	<b>3,941.19</b>

# Notes to the financial statements

for the year ended March 31, 2024

## Amounts recognised in profit and loss

Particulars	(₹ lakh)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation expense on right-of-use assets	1,010.27	674.63
Interest expense on lease liabilities	321.18	219.11
Expense relating to short-term leases	242.94	243.14
Income from subleasing right-of-use assets	80.34	105.18

## The break-up of current and non-current lease liabilities is as follows:

Particulars	(₹ lakh)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Current Lease Liabilities	1057.73	823.53
Non-Current Lease Liabilities	3384.86	3128.51
<b>Total</b>	<b>4,442.59</b>	<b>3,952.04</b>

## The movement in lease liabilities during the is as follows:

Particulars	(₹ lakh)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	3,952.04	2,019.30
Additions	1,380.78	2,958.62
Deletions	(182.05)	(503.33)
Finance Cost accrued during the period	321.18	219.11
Payment of Lease Liabilities	(1,029.36)	(741.66)
<b>Closing balance</b>	<b>4,442.59</b>	<b>3,952.04</b>

## The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	(₹ lakh)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Less than one year	1,091.94	849.97
One to Five years	3,524.12	3,277.25
More than Five years	661.09	604.72
<b>Total</b>	<b>5,277.15</b>	<b>4,731.94</b>

## Operating lease commitments – Company as lessor

The Company is not involved in such activity during the current financial year as well as during previous financial year.



# Notes to the financial statements

for the year ended March 31, 2024

## 37 EARNINGS PER SHARE (EPS)

(₹ lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net profit for the year available for equity shareholders	29,069.02	24,093.07
Weighted average number of equity shares outstanding (numbers)	50,11,97,682	50,11,97,682
Basic earnings per share (₹)	5.80	4.81
Weighted average number of equity shares outstanding (numbers) for Diluted EPS	50,15,61,545	50,11,97,682
Diluted earnings per share (₹)	5.80	4.81

Basic earnings per share 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 for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

## 38 MICRO, SMALL AND MEDIUM ENTERPRISES

(₹ lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
i. the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	184.61	25.75
ii. the amount of interest paid by the Company in terms of section 16 of MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during the year;	-	-
iii. the amount of 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 MSMED Act, 2006;	-	-
iv. the amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
v. the 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 section 23 of the MSMED Act, 2006.	-	-

The management has identified micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of information made available by the supplier or vendors of the Company.

## 39 SEGMENT INFORMATION

Operating business segment results are reviewed regularly by the Company's Chief Operating Decision Maker (Board of Directors) to make decisions about resources to be allocated to the segments and assess their performance. Business segment is the primary segment comprising of 'Housing finance'. As the Company operates only in a single business segment, no segment information thereof is given as required under Ind AS 108.'

## 40 AUDITORS REMUNERATION (Included in legal and professional charges - refer note 33)

(₹ lakh)

	For the year ended March 31, 2024	For the year ended March 31, 2023
For Statutory audit & limited review	32.00	28.00
For Tax audit	4.00	3.00
For other services	21.60	12.80
For reimbursement of expenses	3.74	4.39
	<b>61.34</b>	<b>48.19</b>

# Notes to the financial statements

for the year ended March 31, 2024

## 41 EMPLOYEE STOCK OPTION PLAN (ESOP)

### As on 31st March 2024

Pursuant to ESOP Plan being established by the holding company i.e. Aditya Birla Capital Limited, stock options were granted to the employees of the Company. Total cost incurred by the holding company till date is being recovered from the Company over the period of vesting.

Accordingly, a sum of ₹ 499.89 lakh (March 31, 2023 : 166.98 lakh) has been charged to the Statement of Profit and Loss. The balance sum of ₹ 923.60 lakh (March 31, 2023 : ₹ 536.45 lakh) will be charged to the Statement of Profit and Loss in future periods.

### Characteristics & Details of the ESOPs issued by ABHFL:

**Conversion ratio:** 1:1

**Vesting Period:** 3 years'

**Vesting conditions:** On fulfillment of the ESOP plan, 50% at the end of year 2 and 3.

**Exercise period:** 5 years from the date of the grant

**Settlement:** In Equity share of ABHFL.

**Weighted Average Exercise price:** ₹ 37.91 (per share)

**Weighted Average Exercise period:** 3.97 years

Expected volatility has been determined by volatility assessment of listed entities & Nifty financial services Index

### Year ended 31st March 2024

Date	Exercise Price (₹)	Options outstanding at beginning	Options Granted	Options vested & exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding
27-04-2023	42.5	1732977	53544	-	-	-	95936	1690585
27-07-2023	42.5	1690585	160203	-	-	-	-	1850788
26-10-2023	42.5	1850788	33667	-	-	-	35893	1848562
<b>Total</b>		<b>1732977</b>	<b>247414</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>131829</b>	<b>1848562</b>

### Weighted average fair value of options as follows:

Year ended 31st March 2024 (₹ lakh)

Particulars	27-04-2023	27-07-2023	26-10-2023
Grant Date			
No of Options granted	53544	160203	33667
Weighted Average Fair value	42.5	44.6	47.2

Year ended 31st March 2023

Date	Exercise Price (₹)	Options outstanding at beginning	Options Granted	Options vested & exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding
21-10-2022	37.2	-	1549598	-	-	-	-	1549598
27-01-2023	37.2	-	183379	-	-	-	-	183379
<b>Total</b>		<b>-</b>	<b>1732977</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1732977</b>



# Notes to the financial statements

for the year ended March 31, 2024

## Weighted average fair value of options as follows:

Particulars	Year ended 31st March 2023 (₹ lakh)	
	21-10-2022	27-01-2023
Grant Date	21-10-2022	27-01-2023
No of Options granted	1549598	183379
Weighted Average Fair value	34.6	36.5

## 42 NATURE AND TERM OF OUTSTANDING DERIVATIVE CONTRACT

### a) Cross currency interest rate swaps (CCIRS)

Particulars	(₹ lakh)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
i) Total notional principal amount of CCIRS agreement undertaken during the year	-	-
ii) Total notional principal amount of CCIRS agreement outstanding as on end of the year	-	-
iii) Maturity date of CCIRS	-	October 30, 2022
iv) Hedge ratio	-	1:1
v) Currency pair	-	USD / INR

### b) Overnight Index Swaps (OIS)

Particulars	(₹ lakh)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
i) Total notional principal amount of OIS agreement undertaken during the year	-	5,000.00
ii) Total notional principal amount of OIS agreement outstanding as on end of the year	-	5,000.00
iii) Maturity date of OIS	October 4, 2023	October 4, 2023

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

Hedging Instrument	(₹ lakh)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Cross currency interest rate swaps (CCIRS)	-	-
Overnight Index Swaps(OIS)	-	18.55

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

Cash Flow Hedge Reserve Account	(₹ lakh)		
	Year ended 31 <sup>st</sup> March 2024		
	Realised	Unrealised	Total
i) Balance at the beginning of the year	-	-	-
ii) Add: Changes in the fair value during the Year	-	-	-
iii) Less: Amounts reclassified to statement of profit & loss	-	-	-
iv) Balance at the end of the year	-	-	-

# Notes to the financial statements

for the year ended March 31, 2024

		(₹ lakh)		
		March 31, 2023		
Cash Flow Hedge Reserve Account		Realised	Unrealised	Total
i)	Balance at the beginning of the year	-	(664.93)	(664.93)
ii)	Add: Changes in the fair value during the Year	(1,407.73)	(1,426.28)	(2,834.01)
iii)	Less: Amounts reclassified to statement of profit & loss	(1,407.73)	(2,091.20)	(3,498.93)
iv)	Balance at the end of the year	-	-	-

		(₹ lakh)	
Particulars - CCIRS		For the year ended March 31, 2024	For the year ended March 31, 2023
i)	Name of the Counter Party	-	State Bank of India
ii)	Hedge Designation	-	Effective
iii)	Exchange rate (USD/INR)	-	70.89
iv)	Interest rate (p.a.)	0.00%	7.79%

		(₹ lakh)	
Particulars - OIS		For the year ended March 31, 2024	For the year ended March 31, 2023
i)	Name of the Counter Party	-	State Bank of India
ii)	Hedge Designation	-	Effective
iii)	Floating rate	-	FBIL Mibor
iv)	Fixed rate	-	6.96%

## 43 DISCLOSURE AS PER INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA (REGISTRATION OF CORPORATE AGENTS) REGULATIONS, 2015 :-

### Detail of income received from insurers:

		(₹ lakh)	
Name of insurer		For the year ended March 31, 2024	For the year ended March 31, 2023
	Aditya Birla Health Insurance Co Ltd.	1,268.09	152.04
	Liberty General Insurance Co. Ltd.	26.73	79.40
	Reliance General Insurance Co. Ltd.	214.17	182.32
	Aditya Birla Sun Life Insurance Co. Ltd.	2,767.38	192.66
	Go Digit General Insurance Ltd.	225.04	64.76

## 44 FEES AND COMMISSION INCOME

Fees and commission Income includes brokerage of ₹ 4,501.41 lakh (March 31, 2023: ₹ 671.18 lakh) received in respect of insurance/agency business undertaken by the Company. Out of this, ₹ 4,035.47 lakh (March 31, 2023: ₹ 344.70 lakh) have been received from related parties.





# Notes to the financial statements

for the year ended March 31, 2024

## 45 STATEMENT OF CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

The gross amount required to be spent by the Company during the year towards Corporate Social Responsibility as per Sec 135 (5) of the Companies Act, 2013 was ₹ 491.97 lakh (March 31, 2023 : ₹ 376.94 lakh).

Particulars	(₹ lakh)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Amount required to be spent by the company during the year	491.97	376.94
Amount of expenditure incurred	491.97	437.79
Shortfall at the end of the year	8.30	-
Total of previous years shortfall	-	-
Reasons for shortfall*	Not Applicable	Not Applicable
Nature of CSR activities	Healthcare, Education and Women Empowerment & Sustainable Livelihood	Healthcare, Education and Women Empowerment & Sustainable Livelihood
Details of related party transactions	Not Applicable	Not Applicable

\*Unspent Amount is deposited in funds specified under schedule- VII of the Companies Act, 2013 on 11<sup>th</sup> April, 2024

## 46 ISSUANCE OF DEBT SECURITIES BY LARGE CORPORATE (REF : SEBI OPERATIONAL CIRCULAR SEBI/HO/DDHS/P/CIR/2021/613 DATED AUGUST 10, 2021 AMENDED FROM TIME TO TIME)

### A. Initial disclosure to be made by an entity identified as a Large Corporate -

Sr. No.	Particulars	Details
1	Name of the company	Aditya Birla Housing Finance Limited
2	CIN	U65922GJ2009PLC083779
3	Outstanding borrowing of company as on March 31, 2024	* ₹ 13,24,692 lakh
4	Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	1. AAA by India Ratings & Research Private Ltd for NCD, Sub Debt & PPMLD (Principal Protected Market Linked Debenture), Bank Lines (Long Term). 2. AAA by ICRA Ltd for NCD, Sub Debt & Bank Lines (Long Term).
5	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	National Stock Exchange India Ltd (NSE)

\* Principal Outstanding and Excluding commercial papers, cash credit, WCDL & inter corporate borrowings from Parent Company.

We confirm that we are a Large Corporate as per the applicability criteria given under the Chapter XII of SEBI Operational circular dated August 10, 2021 amended from time to time.

\*\*In terms paragraph of 2.2(d) of the circular, beginning FY2024, in the event of shortfall in the mandatory borrowing through debt securities, a fine of 0.2% of the shortfall shall be levied by Stock Exchanges at the end of the two-year block period. Therefore, an entity identified as LC shall provide, in its initial disclosure for a financial year, the name of stock exchange to which it would pay the fine in case of shortfall in the mandatory borrowing through debt markets.

# Notes to the financial statements

for the year ended March 31, 2024

## B. Annual disclosure to be made by an entity identified as a Large Corporate -

- 1 Name of the Company : Aditya Birla Housing Finance Limited
- 2 CIN : U65922GJ2009PLC083779
- 3 Report filed for : FY : 2023-2024
- 4 Details of the borrowings (₹ in Lakhs)

		(₹ lakh)
Sr. No.	Particulars	Details
I	3-year block period	T (FY 2023-2024), T+1 (FY 2024-2025), T+ 2 (FY 2025-2026)
II	Incremental Borrowing in FY T (a)	5,69,700
III	Mandatory borrowing to be done through issuance of debt securities FY T (b) = (25% of a)	1,42,425
IV	Actual borrowings done through debt securities in FY T (c)	2,20,500
V	Shortfall in the borrowing through debt securities, if any for FY (T-1) i.e FY (2022-23) carried forward to FY T (d)	3,750
VI	Quantum of (d), which has been met from (c) (e)	3,750
VII	Shortfall, if any, in the mandatory borrowing through debt securities for FY (T) {after adjusting for any shortfall in borrowing for FY (T-1) i.e FY (2022-23) which was carried forward to FY (T)} (f)= (b)-[(c)-(e)] {If the calculated value is zero or negative, write "nil"}	-

Details of penalty to be paid, if any, in respect to previous block (all figures in ₹ lakhs)

		(₹ lakh)
Sr. No.	Particulars	Details
1	3-year block period	(T-2) FY (2021-22), (T-1) FY (2022-2023), (T) FY (2023-24)
2	Amount of fine to be paid for the block, if applicable Fine = 0.2% of {(d)-(e)}	-

## 47 EMPLOYEE BENEFIT PLANS

### I) Defined contribution plans

Amount recognised as an expense and included in note 32 - "Contribution to provident and other funds" :

		(₹ lakh)	
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	
Contribution to Govt. managed Employees Provident Fund	974.39	596.53	
Contribution to Employee State Insurance Fund and others	97.74	30.57	
	<b>1,072.13</b>	<b>627.10</b>	



# Notes to the financial statements

for the year ended March 31, 2024

## II) Defined benefit plans

The Company has a defined benefit gratuity plan (funded) to cater its liability under Payment of Gratuity Act, 1972 and long term compensated absences plan (unfunded) for leave entitlements to employees.

The details of the Company's defined benefit gratuity plan for its employees are given below:

### a) Amount recognized in the balance sheet

Particulars	(₹ lakh)	
	For the year ended March 31, 2024 (Funded)	For the year ended March 31, 2023 (Funded)
Present value of defined benefit obligation at the end of the year (refer note 22)	786.59	567.59
Fair value of plan assets at the end of the year (refer note 15)	698.23	612.32
<b>Net liability at the end of the year</b>	<b>88.36</b>	<b>(44.73)</b>

### b) Components of defined benefit costs recognised in statement of profit and loss and other comprehensive income

Particulars	(₹ lakh)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Recognised in the statement of profit and loss</b>		
Current service cost	176.15	136.46
Interest on defined benefit obligation	(3.25)	0.20
Past service cost	-	-
Administration expenses	-	-
(Gains) / loss on settlement	-	-
<b>Total expense charged</b>	<b>172.90</b>	<b>136.66</b>
<b>Recognised in other comprehensive income</b>		
Remeasurement of the net defined benefit liability due to		
- Changes in financial assumptions	5.33	(67.83)
- Changes in demographic assumptions	(3.35)	(1.53)
- Experience adjustments	30.46	26.41
- Actual return on plan assets less interest on plan assets	(41.11)	0.76
- Adjustments to recognise the effect of asset ceiling	-	-
<b>Closing amount recognised in OCI</b>	<b>(8.67)</b>	<b>(42.19)</b>

Current service cost and the net interest expense for the year are included in the 'Employee benefit expenses'.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

Gratuity expense in the Statement of Profit and loss includes the charge of ₹ 2.66 lakh (March 31, 2023 : ₹ 14.09 lakh) from Aditya Birla Financial Shared Services Limited and ₹ 1.89 lakh (March 31, 2023 : ₹ 2.86 lakh) from Aditya Birla Capital Limited on account of shared employee cost.

Other comprehensive Income in the Statement of Profit and loss includes the charge/ (credit) of ₹ 4.32 lakh (March 31, 2023 : ₹ (3.71) lakh) from Aditya Birla Financial Shared Services Limited and ₹ 1.56 lakh (March 31, 2023 : ₹ 4.77 lakh) from Aditya Birla Capital Limited on account of shared employee cost.

# Notes to the financial statements

for the year ended March 31, 2024

## c) Reconciliation of present value of the obligation

(₹ lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening defined benefit obligation	567.59	580.78
Current service cost	176.15	136.46
Interest on defined benefit obligation	41.24	32.50
Remeasurements due to:		
- Actuarial loss/(gain) arising from change in financial assumption	5.33	(67.83)
- Actuarial loss/(gain) arising from change in demographic assumption	(3.35)	(1.53)
- Actuarial loss/(gain) arising on account of experience changes	30.46	26.42
Benefit paid	(30.83)	(139.21)
Liabilities assumed / (settled)	-	-
<b>Closing defined benefit obligation</b>	<b>786.59</b>	<b>567.59</b>

## d) Reconciliation of fair value of the plan assets:

(₹ lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening fair value of the plan assets	612.32	577.14
Employer contributions	0.30	3.64
Interest on plan assets	44.49	32.30
Remeasurements due to:		
- Actual return on plan assets less interest on plan assets	41.12	(0.76)
<b>Closing fair value of plan assets</b>	<b>698.23</b>	<b>612.32</b>

## e) Disaggregation of plan assets

(₹ lakh)

Particulars	As at March 31, 2024		
	Quoted value	Non quoted value	Total
Government debt instruments	-	37.22	37.22
Other debt instruments	-	3.77	3.77
Insurer managed funds	-	290.32	290.32
Others	-	366.91	366.91
<b>Total</b>	<b>-</b>	<b>698.22</b>	<b>698.22</b>

(₹ lakh)

Particulars	As at March 31, 2023		
	Quoted value	Non quoted value	Total
Government debt instruments	-	65.15	65.15
Other debt instruments	-	4.90	4.90
Insurer managed funds	-	226.07	226.07
Others	-	316.20	316.20
<b>Total</b>	<b>-</b>	<b>612.32</b>	<b>612.32</b>



# Notes to the financial statements

for the year ended March 31, 2024

## f) Principal actuarial assumptions

Particulars	(₹ lakh)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Discount rate (p.a.)	7.15%	7.25%
Salary escalation rate (p.a.)	7.00%	7.00%
Expected return on plan assets (p.a.)	7.15%	7.25%
Attrition rate (p.a.)	Age: Upto 30 : 46% Age: 31-40 : 35% Age: 41-50 : 19% Age: Above 50 : 0%	Age: Upto 30 : 46% Age: 31-40 : 35% Age: 41-50 : 19% Age: Above 50 : 0%

## g) Sensitivity analysis of principal assumptions

(in terms of percentage)	(₹ lakh)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Impact of increase in 50 bps on DBO</b>		
Discount rate	-3.30%	-3.10%
Salary escalation rate	3.50%	3.30%
Attrition Rate	-11.60%	-10.10%
<b>Impact of decrease in 50 bps on DBO</b>		
Discount rate	3.50%	3.30%
Salary escalation rate	-3.30%	-3.20%
Attrition Rate	22.80%	19.90%

(in terms of amount)	(₹ lakh)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>DBO due to Impact of increase in 50 bps</b>		
Discount rate	760.82	549.74
Salary escalation rate	813.92	586.56
Attrition Rate	694.96	510.11
<b>DBO due to Impact of decrease in 50 bps</b>		
Discount rate	813.95	586.56
Salary escalation rate	760.61	549.57
Attrition Rate	966.05	680.64

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

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

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

# Notes to the financial statements

for the year ended March 31, 2024

## h) Maturity profile of defined benefit obligation

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

(₹ lakh)		
Maturity profile	For the year ended March 31, 2024	For the year ended March 31, 2023
Expected benefits for year 1	131.08	107.80
Expected benefits for year 2	103.95	85.66
Expected benefits for year 3	93.10	69.27
Expected benefits for year 4	86.07	59.27
Expected benefits for year 5	69.23	50.35
Expected benefits for year 6	54.38	38.95
Expected benefits for year 7	55.37	30.87
Expected benefits for year 8	69.69	35.44
Expected benefits for year 9	20.38	52.48
Expected benefits for year 10 and above	731.49	485.48

The weighted average duration to the payment of these cash flows is 7 years (March 31, 2023 : 7 years).

The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields as at Balance Sheet date.

Estimated amount of contribution expected to be paid to the gratuity fund during the period after the Balance Sheet date is ₹ 294.31 lakh (March 31, 2023: ₹ 90.13 lakh).

## 48 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

ABHFL's risk philosophy involves a competent and comprehensive risk management framework & robust policies and processes which minimise the element of uncertainty and help in developing and maintaining a healthy portfolio within its risk appetite and the regulatory framework. The Risk Management provides stability and balance ensuring that growth is backed by a robust portfolio. ABHFL is exposed to various types of risks such as credit risk, market risk (which includes liquidity risk and pricing risk), operational risk, legal risk, regulatory risk and competition risk.

ABHFL's risk management strategy is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring. The policies and procedures established for this purpose are continuously benchmarked with best practices. The Board of Directors have an oversight over the risk

management framework applicable to the Company. The risk management oversight structure includes various Committees such as Risk Management Committee which consist of Board members and Senior Management. The Risk Management Committee ("RMC") which is chaired by an Independent Director conducts review at regular intervals to monitor compliance with risk policies, risk tolerance limits, review and analysis of risk exposure and provides oversight of risk across the organization.

### Market risk

The Company does not have any investments in securities other than short term investments of excess funds in liquid schemes of mutual funds and other government securities hence, there is no material market risk.

On liabilities front, the Company borrows through CPs (fixed rate, short duration), Term Loans (from Banks – at rates lined to their MCLR) and NCDs (fixed rate & floating rate, long term).



# Notes to the financial statements

for the year ended March 31, 2024

The Company has a robust mechanism to take care of liquidity risks in form of free Bank lines (CC and TL). From time to time depending on markets, the Company also invests in liquid schemes of mutual funds and other government securities which ensures availability of funds to meet its immediate liabilities.

Asset Liability Committee (ALCO) meets around 6 times a year to discuss market conditions and Asset Liability Management (ALM). There is a Risk Committee meeting every quarter and also a Board meeting every quarter where the risks are discussed and ALM is presented.

## Interest rate risk

Interest rate risk is monitored through the IRS statement prepared every quarter. The Company has issued NCDs which are fixed / floating rate instruments. The major portion of the borrowings are through term loans, which are a variable rate with annual reset, linked to the Bank's MCLR.

ALCO has set a limit for the interest rate gap that is acceptable and the same is monitored by ALCO and Risk Committee.

Most of the loans given by the Company are floating rate loans and hence, any change in interest rate can be passed on to the customers, thereby minimising the risk.

## Credit risk

Credit Risk is managed and controlled through a Credit Risk Management Framework comprising detailed risk

The following table shows the maximum exposure to credit risk, the total fair value of collateral and the net exposure to credit risk. The collateral value as at the time of on-boarding of the customer has been considered except for stage 3 (Latest Valuation) and loss cases (Nil value) for below disclosure.

evaluation of borrower and security. ABHFL has developed expertise to underwrite all kinds of customer segments (salaried, self-employed professionals, self-employed non-professionals) and our underwriting guidelines are benchmarked to the market and adequate internal controls have been put in place to maintain the quality of loans being approved. Distinct policies and processes are in place which are followed rigorously while selecting the borrowers and people who occupy key positions are professionally qualified (such as CA/MBA/ICWA). For each product, programs defining customer segments, underwriting standards, security structures, etc. are specified to ensure consistency of credit patterns. All the cases are approved by Credit Committees formulated at different levels with various approval limits. Collateral Risk refers to the risk of loss arising from errors in the nature, quantity, pricing, or characteristics of collateral securing a transaction with credit risk. ABHFL has dual external valuation process and the same is also evaluated internally to mitigate such risk. After sanctioning the loan, regular monitoring of the accounts is also done to sight irregularities if any and where required prompt action is initiated and a well defined collection process helps in ensuring minimum credit loss. As credit risk is one of the major risks faced by the Company, the policies and processes are reviewed periodically and, if need be, revised in order to keep them up-to-date.

Analysis of maximum exposure to credit risk and collateral and other credit enhancements

(₹ lakh)

Particulars	Maximum exposure to credit risk	Fair value of collateral and other credit enhancements held (Mortgage)	Net exposure
As at March 31, 2024	20,76,934.30	57,71,880.09	-
As at March 31, 2023	15,25,798.66	37,20,045.89	-

# Notes to the financial statements

for the year ended March 31, 2024

## Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The main type of collateral obtained is mortgages over residential/ commercial properties.

The table below shows the value of the credit impaired asset (stage 3) and the value of the collateral available -

Particulars	(₹ lakh)			
	As at March 31, 2024		As at March 31, 2023	
	Credit Impaired	Security Held	Credit Impaired	Security Held
Loans - Maximum exposure (Stage 3)	32,549.45	56,833.27	44,591.80	79,872.57

## Liquidity risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.

Company manages its liquidity requirement by analysing the maturity pattern of Company's cash flows of financial assets and financial liabilities. The Asset Liability Management of the Company is periodically reviewed by its Risk Management Committee.

The table below summarises the maturity profile of the cash flows of the Company's financial assets and liabilities as at respective balance sheet dates.

### As at March 31, 2024

Particulars	(₹ lakh)				
	Liabilities			Assets	
	Borrowings from banks	Market borrowings <sup>#</sup>	Other financial liabilities	Advances*	Other financial assets
Less than 1 year	3,64,529.96	2,06,414.74	19,242.46	75,740.34	59,774.82
More than 1 year	6,58,699.04	3,65,023.64	3,384.87	16,92,052.40	707.19
<b>Total</b>	<b>10,23,229.00</b>	<b>5,71,438.38</b>	<b>22,627.33</b>	<b>17,67,792.74</b>	<b>60,482.01</b>

### As at March 31, 2023

Particulars	(₹ lakh)				
	Liabilities			Assets	
	Borrowings from banks	Market borrowings <sup>#</sup>	Other financial liabilities	Advances*	Other financial assets
Less than 1 year	2,78,432.07	99,189.14	11,731.21	77,689.29	33,725.19
More than 1 year	6,11,723.79	2,04,378.63	3,128.51	12,78,006.92	600.81
<b>Total</b>	<b>8,90,155.86</b>	<b>3,03,567.77</b>	<b>14,859.72</b>	<b>13,55,696.21</b>	<b>34,326.00</b>

The above table includes future contractual cash flows recognised as at balance sheet date in different buckets and does not include other future contracted cash flows (such as interest which are not accrued as at Balance Sheet date).

<sup>#</sup> Net of unamortized discounting charges on commercial paper amounting to ₹ 2,129.34 lakh (March 31, 2023: ₹ 332.06 lakh)

\* Advances includes loan and advances to the customers.





# Notes to the financial statements

for the year ended March 31, 2024

## Operational and business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

## Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets/ liabilities are denominated in a currency other than the functional currency. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates.

The Company, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange.

The total foreign currency exposure as at March 31, 2024 is Nil (March 31, 2023: Nil) of which unhedged foreign currency exposure as at March 31, 2024 is Nil (March 31, 2023: Nil)

## 49 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

(₹ lakh)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>ASSETS</b>						
<b>FINANCIAL ASSETS</b>						
(a) Cash and cash equivalents	27,983.98	-	27,983.98	20,474.22	-	20,474.22
(b) Derivative financial instruments	-	-	-	18.55	-	18.55
(c) Receivables						
- Trade Receivables	484.01	-	484.01	391.00	-	391.00
- Other Receivables	1,522.99	-	1,522.99	109.13	-	109.13
(d) Loans	72,020.03	16,95,772.71	17,67,792.74	23,239.40	13,32,456.81	13,55,696.21
(e) Investments	26,574.59	-	26,574.59	12,536.72	-	12,536.72
(f) Other Financial assets	3,225.54	690.90	3,916.44	195.57	600.81	796.38
	<b>1,31,811.14</b>	<b>16,96,463.61</b>	<b>18,28,274.75</b>	<b>56,964.59</b>	<b>13,33,057.62</b>	<b>13,90,022.21</b>
<b>NON- FINANCIAL ASSETS</b>						
(a) Current tax assets (Net)	-	1,940.21	1,940.21	-	1,543.04	1,543.04
(b) Deferred tax Assets (Net)	-	3,344.21	3,344.21	-	5,750.34	5,750.34
(c) Property, Plant and Equipment	-	2,426.37	2,426.37	-	1,721.99	1,721.99
(d) Right to use of Assets	-	4,251.60	4,251.60	-	3,941.19	3,941.19
(e) Intangible assets under development	-	129.88	129.88	-	469.51	469.51
(f) Other Intangible assets	-	1,993.30	1,993.30	-	1,076.47	1,076.47
(g) Other non-financial assets	3,754.51	13.92	3,768.43	2,676.85	13.13	2,689.98
	<b>3,754.51</b>	<b>14,099.49</b>	<b>17,854.00</b>	<b>2,676.85</b>	<b>14,515.67</b>	<b>17,192.52</b>
<b>TOTAL ASSETS</b>	<b>1,35,565.65</b>	<b>17,10,563.10</b>	<b>18,46,128.75</b>	<b>59,641.44</b>	<b>13,47,573.29</b>	<b>14,07,214.73</b>

# Notes to the financial statements

for the year ended March 31, 2024

(₹ lakh)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>LIABILITIES AND EQUITY</b>						
<b>LIABILITIES</b>						
<b>FINANCIAL LIABILITIES</b>						
(a) Payables						
(i) Trade Payables						
(ii) total outstanding dues of micro enterprises and small enterprises	184.61	-	184.61	25.75	-	25.75
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	6,145.40	-	6,145.40	2,174.52	-	2,174.52
(c) Debt Securities	2,04,550.66	3,32,647.17	5,37,197.83	98,337.94	1,71,018.40	2,69,356.34
(d) Borrowings other than debt securities	3,64,316.81	6,58,912.19	10,23,229.00	2,78,431.35	6,11,724.51	8,90,155.86
(e) Subordinated Liabilities	1,619.15	32,621.40	34,240.55	15.67	34,195.76	34,211.43
(f) Lease Liability	1,057.73	3,384.86	4,442.59	823.53	3,128.51	3,952.04
(g) Other financial liabilities	11,854.73	-	11,854.73	8,707.41	-	8,707.41
	<b>5,89,729.09</b>	<b>10,27,565.62</b>	<b>16,17,294.71</b>	<b>3,88,516.17</b>	<b>8,20,067.18</b>	<b>12,08,583.35</b>
<b>NON- FINANCIAL LIABILITIES</b>						
(a) Current tax liabilities (Net)	-	-	-	-	-	-
(a) Provisions	1,529.90	-	1,529.90	1,024.41	-	1,024.41
(b) Other non-financial liabilities	1,324.46	-	1,324.46	807.10	-	807.10
	<b>2,854.36</b>	<b>-</b>	<b>2,854.36</b>	<b>1,831.51</b>	<b>-</b>	<b>1,831.51</b>
<b>Total Liability</b>	<b>5,92,583.45</b>	<b>10,27,565.62</b>	<b>16,20,149.07</b>	<b>3,90,347.68</b>	<b>8,20,067.18</b>	<b>12,10,414.86</b>
<b>NET</b>	<b>(4,57,017.80)</b>	<b>6,82,997.48</b>	<b>2,25,979.68</b>	<b>(3,30,706.24)</b>	<b>5,27,506.11</b>	<b>1,96,799.87</b>

## 50 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 and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of its Regulator, NHB. The Company monitors capital using, among other measures, a capital adequacy ratio which is a ratio of weighted assets to total owned capital derived as per the NHB requirements. As per the NHB guidelines Company being a Housing Finance Company is required to maintain minimum of 15% of capital adequacy ratio (March 31, 2023 - 15%). Company has complied in full with all its externally imposed capital requirements over the reported period.



# Notes to the financial statements

for the year ended March 31, 2024

The Company also manages its leverage position on periodic basis by monitoring debt equity ratio to aligning itself with market and peers.

Particulars	(₹ lakh)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Capital adequacy ratio :	16.79%	21.58%
Tier I CRAR	14.66%	18.01%
Tier II CRAR	2.13%	3.57%
Net Debt equity ratio :	6.93	5.96
Liquidity Coverage Ratio	211.80%	215.89%

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 period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2024 and March 31, 2023.

## 51 FAIR VALUES

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values, that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

Particulars	(₹ lakh)			
	Carrying value		Fair value	
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Financial assets at amortised cost</b>				
Loans #	17,67,792.74	13,55,696.21	17,67,792.74	13,55,696.21
Security deposits	707.19	643.47	527.21	620.97
	<b>17,68,499.93</b>	<b>13,56,339.68</b>	<b>17,68,319.95</b>	<b>13,56,317.18</b>
<b>Financial assets at FVTPL</b>				
Investments - Government Securities	26,574.59	12,536.72	26,574.59	12,536.72
	<b>26,574.59</b>	<b>12,536.72</b>	<b>26,574.59</b>	<b>12,536.72</b>
<b>Financial assets at Fair Value</b>				
Derivative financial instruments	-	18.55	-	18.55
	-	<b>18.55</b>	-	<b>18.55</b>
<b>Financial liabilities at amortised cost</b>				
Debt Securities	4,03,127.17	2,48,688.40	4,01,966.23	2,44,516.42
Sub debts*	34,240.55	34,211.43	34,038.10	32,913.15
Commercial papers	1,34,070.66	20,667.94	1,34,070.66	20,667.94
Borrowings other than debt securities#	10,23,229.00	8,90,155.86	10,23,229.00	8,90,155.86
	<b>15,94,667.38</b>	<b>11,93,723.63</b>	<b>15,93,303.99</b>	<b>11,88,253.37</b>

# Loans to customers and borrowings other than debt securities are primarily at floating rate of interest hence carrying value approximates the fair value.

\*Includes subordinate debts subscribed by Aditya Birla Sunlife Insurance Company Limited of face value ₹ 1,000 lakh ( March 31, 2023 : ₹ 1,000 lakh ) with fair value ₹ 1,071.92 lakh ( March 31, 2023 : ₹ 1,042.92 lakh) included in level 2 below.

The 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.

# Notes to the financial statements

for the year ended March 31, 2024

Interest accrued upto reporting period are included in both "Carrying value" and "Fair value".

The Company has availed the exemption granted under para 29(a) Ind AS 107-Financial Instruments: Disclosures, with regard to disclosure of financial instruments where the carrying amount approximates the fair value and accordingly, have not provided the disclosure of financial instruments falling under this category, except in case of loans to customers and borrowings other than debt securities.

## 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.

## Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and bank balances, Trade receivables, trade payables, other financial assets and financial liabilities. Disclosures of financial assets and financial liabilities where the carrying amount approximates fair value is not required and hence not given.

## Loans and advances to customers

Since the mortgage lending by the Company is primarily bearing variable rate of interest, the carrying amount net of ECL is considered as the most comparable price and approximates fair value.

## Debt securities, security deposits and other borrowings

The fair values of the Company's interest-bearing debt securities and security deposits are determined by using discounted cash flow (DCF) method using discount rate that reflects the issuer's market borrowing rate as at the end of the reporting period.

Since entity's other borrowings are primarily bearing variable rate of interest, the carrying amount of such borrowings is considered as the most comparable price and approximates fair value.

## Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

(₹ lakh)					
Particulars	Carrying Amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>As at March 31, 2024</b>					
<b>Financial assets at amortised cost</b>					
Loans	17,67,792.74	-	-	17,67,792.74	17,67,792.74
Security deposits	707.19	-	-	527.21	527.21
	<b>17,68,499.93</b>	-	-	<b>17,68,319.95</b>	<b>17,68,319.95</b>
<b>Financial assets at FVTPL</b>					
Investments - Government Securities	26,574.59	-	26,574.59	-	26,574.59
	<b>26,574.59</b>	-	<b>26,574.59</b>	-	<b>26,574.59</b>
<b>Financial assets at Fair Value</b>					
Derivative financial instruments	-	-	-	-	-
	-	-	-	-	-



# Notes to the financial statements

for the year ended March 31, 2024

(₹ lakh)

Particulars	Carrying Amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Financial liabilities at amortised cost</b>					
Debt securities	4,03,127.17	-	4,01,966.23	-	4,01,966.23
Sub Debts	34,240.55	-	34,038.10	-	34,038.10
Commercial papers	1,34,070.66	-	1,34,070.66	-	1,34,070.66
Borrowings other than debt securities	10,23,229.00	-	-	10,23,229.00	10,23,229.00
	<b>15,94,667.38</b>	-	<b>5,70,074.99</b>	<b>10,23,229.00</b>	<b>15,93,303.99</b>
<b>As at March 31, 2023</b>					
Financial assets at amortised cost					
Loans	13,55,696.21	-	-	13,55,696.21	13,55,696.21
Security deposits	643.47	-	-	620.97	620.97
	<b>13,56,339.68</b>	-	-	<b>13,56,317.18</b>	<b>13,56,317.18</b>
<b>Financial assets at FVTPL</b>					
Investments - Government Securities	12,536.72	-	12,536.72	-	12,536.72
	<b>12,536.72</b>	-	<b>12,536.72</b>	-	<b>12,536.72</b>
<b>Financial assets at Fair Value</b>					
Derivative financial instruments	18.55	-	18.55	-	18.55
	<b>18.55</b>	-	<b>18.55</b>	-	<b>18.55</b>
<b>Financial liabilities at amortised cost</b>					
Debt securities	2,48,688.40	-	2,44,516.42	-	2,44,516.42
Sub Debts	34,211.43	-	32,913.15	-	32,913.15
Commercial papers	20,667.94	-	20,667.94	-	20,667.94
Borrowings other than debt securities	8,90,155.86	-	-	8,90,155.86	8,90,155.86
	<b>11,93,723.63</b>	-	<b>2,98,097.51</b>	<b>8,90,155.86</b>	<b>11,88,253.37</b>

## 52 DETAILS OF STRUCK OFF COMPANIES\*

(₹ lakh)

Name of struck off Company	Nature of Transaction	Balance outstanding	Whether it is related party?
Nil			

(\*based on information available as on the date of reporting.)

## 53 OTHER DISCLOSURES

### I. The disclosure on the following matters required under Schedule III as amended not being relevant or applicable in case of the Company, same are not covered such as-

- The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- There are no transactions pertaining to surrender/ disclosure of income which have not been recorded in the books.
- No proceedings have been initiated or are 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 not been declared willful defaulter by any bank or financial institution or government or any government authority.

# Notes to the financial statements

for the year ended March 31, 2024

- e) The Company has not entered into any scheme of arrangement.
  - f) No Registration or satisfaction of charges are pending to be filed with ROC.
  - g) The provision relating to compliance with number of layers of companies prescribed under clause (87) of section 2 of the Companies Act is not applicable to the Company.
- II. No dividend is declared & paid during the current financial year.
- III. a) To the best of our knowledge & belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to 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.
- III. b) To the best of our knowledge & belief, no funds (which are material either individually or in aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend to 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.

## Report on Other Legal and Regulatory Requirements

The accounting software used by the Company to maintain its Books of account have a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software as also in database maintained with respect thereto.

## 54 EVENTS AFTER REPORTING DATE

There have been no events after the reporting date that require disclosure in these financial statements.

- 55 Disclosure of details as required under amended guidelines on Housing Finance Companies- Corporate Governance (National Housing Bank) Directions, 2016 issued by NHB vide circular dated February 9, 2017 has been given under Annexure 1 to these financial statements.

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

In terms of our report attached

For **KKC & Associates LLP**

Chartered Accountants

(formerly Khimji Kunverji Co & LLP)

ICAI Firm Registration No: : 105146W/W100621

For and on behalf of the Board of Directors of

**Aditya Birla Housing Finance Limited**

Hasmukh B. Dedhia

Partner

Membership No: 033494

Vishakha Mulye

Director

DIN: 00203578

Pankaj Gadgil

Managing Director and Chief Executive Officer

DIN: 08521239

Ashish Damani

Chief Financial Officer

Hiral Sidhpura

Company Secretary

Place: Mumbai

Date: April 18, 2024

Place: Mumbai

Date: April 18, 2024



# Notes to the financial statements

for the year ended March 31, 2024

## 1 DISCLOSURE OF DETAILS AS REQUIRED UNDER ANNEXURE IV OF MASTER DIRECTION – NON-BANKING FINANCIAL COMPANY – HOUSING FINANCE COMPANY (RESERVE BANK) DIRECTIONS, 2021 ISSUED BY RESERVE BANK OF INDIA VIDE CIRCULAR DATED FEBRUARY 17, 2021 & UNDER SCALE BASED REGULATION FRAMEWORK FOR NBFCS, CIRCULAR DOR. CRE.REC.NO.60/03.10.001/2021-22 DATED OCTOBER 21, 2022 & CIRCULAR DOR.ACC.REC. NO.20/21.04.018/2022-23 DATED APRIL 19, 2022.

### 1.1 Capital:

Particulars	(₹ lakh)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
CRAR (%)	16.79%	21.58%
CRAR - Tier I capital (%)	14.66%	18.01%
CRAR - Tier II Capital (%)	2.13%	3.57%
Amount of subordinated debt outstanding as Tier- II Capital	34,240.55	34,211.43
Amount raised by issue of perpetual debt instruments	-	-

### 1.2 Reserve fund u/s 29C of the National Housing Bank Act, 1987:

Particulars	(₹ lakh)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Balance at the beginning of the year</b>		
i) Statutory reserves u/s 29C of the National Housing bank Act, 1987	1,209.25	543.34
ii) Amount of special reserve u/s 36(1)(viii) of the Income Tax Act, 1961 taken into account for the purposes of statutory reserve u/s 29C of the National Housing Bank Act, 1987	14,674.68	10,521.97
<b>Total</b>	<b>15,883.93</b>	<b>11,065.31</b>
<b>Addition/ appropriation/ withdrawal during the year</b>		
<b>Add:</b>		
i) Amount transferred u/s 29C of the National Housing Bank Act, 1987	2,104.42	665.91
ii) Amount of special reserve u/s 36(1)(viii) of the Income Tax Act, 1961 taken into account for the purposes of statutory reserve u/s 29C of the National Housing Bank Act, 1987	3,709.39	4,152.71
<b>Less:</b>		
i) Amount appropriated from the statutory reserve u/s 29C of the National Housing Bank Act, 1987	-	-
ii) Amount withdrawn from the special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of provision u/s 29C of the National Housing Bank Act, 1987	-	-
<b>Balance at the end of the year</b>		
i) Statutory reserve u/s 29C of the National Housing Bank Act, 1987	3,313.67	1,209.25
ii) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of statutory reserve under Section 29C of the NHB Act, 1987	18,384.07	14,674.68
<b>Total</b>	<b>21,697.74</b>	<b>15,883.93</b>

# Notes to the financial statements

for the year ended March 31, 2024

## 1.3 Investments:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>1.3.1 Value of Investments</b>		
i) Gross value of investments		
- In India	26,574.59	12,536.72
- Outside India	-	-
ii) Provisions for depreciation		
- In India	-	-
- Outside India	-	-
iii) Net value of investments		
- In India	26,574.59	12,536.72
- Outside India	-	-
<b>1.3.2 Movement of provisions held towards depreciation on investments</b>		
i) Opening balance	-	-
ii) Add: Provisions made during the year	-	-
iii) Less: Write-off / Written-back of excess provisions during the year	-	-
iv) Closing balance	-	-

## 1.4 Derivatives:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>1.4.1 Forward rate agreement (FRA) / Interest rate swap (IRS)</b>		
<b>Cross currency interest rate swaps</b>		
i) The notional principal of swap agreements	-	35,445.00
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	-	NA
iv) Concentration of credit risk arising from the swaps \$	Refer foot note \$	Refer foot note \$
v) The fair value of the swap book	-	-
<b>Interest rate swaps</b>		
i) The notional principal of swap agreements	-	5,000.00
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	-	NA
iv) Concentration of credit risk arising from the swaps \$	Refer foot note \$	Refer foot note \$
v) The fair value of the swap book	-	18.55

\$ Counter-party for all Swaps entered into by the company are Scheduled Commercial Banks.





# Notes to the financial statements

for the year ended March 31, 2024

## 1.4.2 Exchange traded interest rate (IR) derivative

Company has not entered into any Exchange traded interest rate (IR) derivative during the current as well as previous financial year, hence the disclosure under this clause is not applicable.

## 1.4.3 Disclosures on risk exposure in derivatives

### i) Qualitative disclosure

The Company's activities expose it to the financial risks of changes in foreign exchange rates and interest rates. The Company uses derivative contracts such as cross currency interest rate swaps to hedge its exposure to movements in foreign exchange and to hedge its exposure in fluctuations of interest rates the company has entered into overnight index swaps. The use of these derivative contracts reduce the risk or cost to the Company and the Company does not use those for trading or speculation purposes.

The Company uses hedging instruments that are governed by the policies of the Company which are approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Company. The Board constituted Risk Management Committee (RMC) of the company manages risk on the company's derivative portfolio. All derivative transactions that are entered into by the company are reported to the board, and the mark-to-market on its portfolio is monitored regularly by the senior management.

To hedge its risks on the principal and/or interest amount for foreign currency borrowings on its balance sheet, the company has currently used cross currency interest rate swaps (CCIRS). The same is also used to hedge its LIBOR risk for foreign currency borrowings. To hedge its risks on the fluctuations in interest rates for secured debentures issued, the company has currently used overnight index swaps (OIS).

Derivative financial instruments are initially measured at fair value on the contract date and are subsequently remeasured to fair value at each reporting date. Derivatives are classified as assets when the fair value is positive (positive marked to market value) or as liabilities when the fair value is negative (negative marked to market value). Derivative assets and liabilities are recognized on the balance sheet at fair value. Fair value of derivatives is ascertained from the mark to market and accrual values received from the counter-party banks. Changes in the fair value of derivatives other than those designated as hedges are recognized in the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, no longer qualifies for hedge accounting or the Company chooses to end the hedging relationship.

### ii) Quantitative disclosure

Particulars	(₹ lakh)	
	Cross Currency interest rate Derivatives	Interest Rate Swaps Derivatives
(i) Derivatives (Notional Principal Amount)	-	-
(ii) Marked to Market Positions [1]		
(a) Assets (+)	-	-
(b) Liability (-)	-	-
(iii) Credit Exposure [2]	Nil	Nil
(iv) Unhedged Exposures	Nil	Nil

Company has entered into a cross currency interest rates swaps hence the name of the column has been amended to that extent and the existing columns (currency derivatives and interest rate derivatives) as per NHB circulars requirements have not been given as they are not applicable.

# Notes to the financial statements

for the year ended March 31, 2024

## 1.5 Securitisation :

### 1.5.1 Details of transfer through assignment in respect of loans not in default

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Nature of entities	Banks	NA
Amount of Loan Accounts Assigned (₹ in Lakh)	58,744.19	-
Count of Loan Accounts Assigned	5,498	-
No of transactions	4	-
Weighted average residual maturity (in Months)	131	-
Weighted average holding period by originator (in Months)	22	-
Retention of beneficial economic interest (MRR)	10.00%	NA
Coverage of tangible security coverage	100.00%	NA

### 1.5.2 Details of financial assets sold or acquire to securitisation / reconstruction Company for asset reconstruction

Since the Company has not sold or acquired any financial assets to securitisation or reconstruction company for asset reconstruction during the current as well as previous financial year, the disclosure under this clause is not applicable.

### 1.5.3 Details of assignment transactions undertaken by HFCs (portfolio acquired)

(₹ lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
i) No. of accounts	1,925	-
ii) Aggregate value (net of provisions) of accounts assigned	15,911.06	-
iii) Aggregate consideration paid	15,911.06	-
iv) Weighted average residual tenor of loans acquired (in Months)	127	-
v) Additional consideration realized in respect of accounts transferred in earlier years	-	-
vi) Aggregate gain / loss over net book value	-	-

### 1.5.4 Details of non-performing financial assets purchased / sold

#### A. Details of non-performing financial assets purchased:

Since the Company has not purchased any non-performing financial assets during the current as well as previous financial year, the disclosure under this clause is not applicable.

#### B. Details of non-performing financial assets sold:

Since the Company has not sold any non-performing financial assets during the current as well as previous financial year, the disclosure under this clause is not applicable.



# Notes to the financial statements

for the year ended March 31, 2024

## 1.6 Exposure

(₹ lakh)		
Direct exposure to	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>1.6.1 Exposure to real estate sector</b>		
<b>i) Residential mortgages -</b>		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; Exposure would also include non-fund based (NFB) limits;	14,49,387.96	11,61,221.69
<b>ii) Commercial real estate -</b>		
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;	3,38,310.45	2,19,580.69
<b>iii) Investments in mortgage backed securities (MBS) and other securitised exposures -</b>		
Residential	-	-
Commercial real estate	-	-
<b>1.6.2 Indirect exposure</b>		
Fund base and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	-	-

### 1.6.3 Exposure to capital market

Since the Company does not have any exposure to capital market during the current as well as previous financial year, the disclosure under this clause is not applicable.

### 1.6.4 Details of financing of parent company products

Since the Company has not entered into any transaction for financing the parent company products during the current as well as previous financial year, the disclosure under this clause is not applicable.

### 1.6.5 Single Borrower Limit (SBL) / Group Borrower Limit (GBL)

As per RBI Directions, Housing Finance Companies shall not lend more than 15% of its owned funds to Single borrower and 25% of its owned funds to any single group of borrowers. The Company has not exceeded prudential exposure relating to Single Borrower Limit (SBL) / Group Borrower Limit (GBL) during the current as well as previous financial year.

### 1.6.6 Unsecured advances

The exposure of the company towards unsecured advances in the current year is ₹ 663.29 lakh, previous year is ₹ 819.34 lakh.

### 1.6.7 Exposure to group companies engaged in real estate business

(₹ lakh)		
Description	Amount	% of owned fund
(i) Exposure to any single entity in a group engaged in real estate business	Nil	Nil
(ii) Exposure to all entities in a group engaged in real estate business	Nil	Nil

### 1.6.8 Intra group exposure

There are no exposures to the group companies in the current year as well as previous year.

# Notes to the financial statements

for the year ended March 31, 2024

## 1.6.9 Sectoral Exposure

(₹ lakh)

Sectors	Particulars					
	As at March 31, 2024			As at March 31, 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
<b>1. Agriculture and Allied Activities</b>						
<b>2. Industry</b>						
i. Construction Finance	4,04,254.91	859.93	0.21%	1,92,098.47	859.93	0.45%
Others						
<b>Total of Industry (i+Others)</b>	<b>4,04,254.91</b>	<b>859.93</b>	<b>0.21%</b>	<b>1,92,098.47</b>	<b>859.93</b>	<b>0.45%</b>
<b>3. Services</b>						
Others						
<b>Total of Services (i+ii+...+Others)</b>						
<b>4. Personal Loans</b>						
i. Housing Loan	11,92,841.73	20,526.68	1.72%	9,57,603.65	28,558.50	2.98%
ii. Loan against Property	4,24,615.21	10,589.00	2.49%	3,37,625.19	14,708.11	4.36%
iii. Insurance	55,222.98	573.84	1.04%	38,471.36	465.33	1.21%
<b>Total of Personal Loans (i+ii+...+Others)</b>	<b>16,72,679.92</b>	<b>31,689.52</b>	<b>5.25%</b>	<b>13,33,700.20</b>	<b>43,731.94</b>	<b>8.55%</b>
<b>5. Others, if any (please specify)</b>						
<b>Total</b>	<b>20,76,934.83</b>	<b>32,549.45</b>	<b>5.46%</b>	<b>15,25,798.67</b>	<b>44,591.87</b>	<b>9.00%</b>

## 1.7 Miscellaneous

### 1.7.1 Registration obtained from other financial sector regulators-

(₹ lakh)

Regulator	Registration No
Insurance Regulatory and Development Authority: As corporate agent (Composite)	CA0623

### 1.7.2 Disclosure of penalties imposed by NHB and other regulators -

A penalty amount of Rs. Nil is imposed by NHB during the current financial year [March 31, 2023: Nil].

### 1.7.3 Unhedged foreign currency exposure

The company doesn't have any unhedged foreign currency exposure during the current & previous years.

### 1.7.4 Group Structure

For diagrammatic representation of group structure please refer 'annexure a' to these notes.



# Notes to the financial statements

for the year ended March 31, 2024

## 1.7.5 Rating assigned by Credit Rating Agencies and migration of rating during the year

Instrument	Rating agency	Rating assigned
Bank lines programme	India Ratings	IND AAA Outlook Stable/ IND A1+
	ICRA	[ICRA] AAA (stable) / ICRA A1+
Non-convertible debenture programme	India Ratings	IND AAA; Outlook Stable
	ICRA	[ICRA] AAA with Stable Outlook
Subordinated debt programme	India Ratings	IND AAA; Outlook Stable
	ICRA	[ICRA] AAA with Stable Outlook
Principal Protected Market Linked Debenture - (PP-MLD)	India Ratings	IND- PPMLD AAA ' Outlook Stable
Commercial paper programme	India Ratings	IND A1+
	ICRA	[ICRA] A1+

There were no changes in any of the ratings or outlook during the year.

## 1.7.6 Remuneration of directors

Details of remuneration of directors are disclosed as part of the Director's Report.

## 1.7.7 Management

Refer to the Management Discussion and Analysis Report for the relevant disclosures.

## 1.7.8 Net profit or loss for the period, prior period items and changes in accounting policies

There are no prior period items that have impact on the current as well as previous year's profit and loss.

## 1.7.9 Revenue recognition

There have been no instances during current as well as previous financial year in which revenue recognition has been postponed pending the resolution of significant uncertainties.

## 1.7.10 Accounting Standard 21 - Consolidated Financial Statements (CFS)

These details are not applicable since the Company does not have any subsidiary / associate.

## 1.8 Related Party Transactions - Disclosures required by circular RBI/2022-23/26 DOR.ACC.REC. No.20/21.04.018/2022-23 dated April 19, 2022

(₹ lakh)

Item/ Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Others*		Total	
	CY	PY	CY	PY	CY	PY	CY	PY	CY	PY	CY	PY		
<b>Borrowings</b>														
a. Outstanding at the end of the Year	-	-	-	-	-	-	-	-	-	-	-	8,000.00	1,000.00	8,000.00
b. Maximum during the Year	-	-	-	-	-	-	-	-	-	-	-	8,000.00	1,000.00	8,000.00
<b>Deposits</b>														
a. Outstanding at the end of the Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b. Maximum during the Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Placement of Deposits</b>														
a. Outstanding at the end of the Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b. Maximum during the Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-

# Notes to the financial statements

for the year ended March 31, 2024

(₹ lakh)

Item/ Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Others*		Total	
	CY	PY	CY	PY	CY	PY	CY	PY	CY	PY	CY	PY		
<b>Advances</b>														
a. Outstanding at the end of the Year	-	-	-	-	-	-	-	-	-	-	-	124.03	109.64	124.03
b. Maximum during the Year	-	-	-	-	-	-	-	-	-	-	-	124.03	109.64	124.03
<b>Investments</b>														
a. Outstanding at the end of the Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b. Maximum during the Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	20.95	-
Sale of fixed/other asstes	-	-	-	-	-	-	-	-	-	-	-	8.64	0.10	8.64
Interest Paid	-	-	-	-	-	-	-	-	-	-	-	318.27	85.00	318.27
Interest Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Others</b>														
Commission Income	-	-	-	-	-	-	-	-	-	-	-	4,101.14	502.82	4,101.14
Other Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	4,574.83	5,002.85	4,574.83
Managerial Remuneration	-	-	-	-	-	-	622.76	637.30	-	-	-	-	-	622.76

\*Others include fellow subsidiaries & other group companies

(CY- Current Year, PY- Previous Year)

## 1.9 Loans to Directors, Senior Officers and Relatives of Directors

(₹ lakh)

Particulars	Mar'24	Mar'23
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	551.88	307.87

## 1.10 Additional Disclosures

### 1.10.1 Provisions and contingencies

Break up of 'Provisions and Contingencies' shown under the head expenditure in statement of profit and loss

(₹ lakh)

	For the year ended March 31, 2024	For the year ended March 31, 2023
i) Provisions for depreciation on investments	-	-
ii) Provision made towards income tax (including tax on other comprehensive income)	8,577.28	6,941.83
iii) Provision towards Stage 3 assets	(3,768.09)	6,202.09
iv) Provision towards Stage 1 & Stage 2 assets*	(1,432.47)	(4,392.22)
v) Other provision and contingencies		
- Provision for employee benefits - gratuity (net of fund assets)	174.65	85.60
- Provision for employee benefits - leave encashment	315.61	146.44

\*Provision for Stage 1 & Stage 2 assets includes charge of CRE of ₹ 198.04 lakh (March 31, 2023 ₹ 258.71 lakh), CRE - RH of ₹ 348.30 lakh (March 31, 2023 ₹ 199.45 lakh) and Others of ₹ 6.05 lakh (March 31, 2023 ₹ (742.84) lakh).



# Notes to the financial statements

for the year ended March 31, 2024

## Break up of loan & advances and provisions thereon

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Housing loans</b>		
Standard assets		
- Total outstanding amount	12,14,756.31	9,13,400.86
- Provisions made	5,542.36	6,504.02
Sub standard assets		
- Total outstanding amount	8,558.89	16,037.51
- Provisions made	3,213.55	5,755.42
Doubtful I		
- Total outstanding amount	6,568.76	5,103.03
- Provisions made	2,337.11	1,810.34
Doubtful II		
- Total outstanding amount	3,390.69	4,679.59
- Provisions made	1,007.60	1,150.94
Doubtful III		
- Total outstanding amount	603.78	620.06
- Provisions made	155.15	161.50
Loss		
- Total outstanding amount	-	-
- Provisions made	-	-
<b>Non-housing loans</b>		
Standard assets		
- Total outstanding amount	5,40,392.57	4,22,809.71
- Provisions made	3,369.22	3,840.04
Sub standard assets		
- Total outstanding amount	7,705.79	14,554.31
- Provisions made	2,266.97	4,786.17
Doubtful I		
- Total outstanding amount	4,561.48	2,159.06
- Provisions made	1,674.80	739.31
Doubtful II		
- Total outstanding amount	1,093.85	1,040.65
- Provisions made	319.74	258.30
Doubtful III		
- Total outstanding amount	66.22	397.60
- Provisions made	19.10	100.12
Loss		
- Total outstanding amount	-	-
- Provisions made	-	-
<b>Total</b>		
- Total outstanding amount	17,87,698.34	13,80,802.38
- Provisions made	19,905.60	25,106.17

# Notes to the financial statements

for the year ended March 31, 2024

## 1.10.2 Draw down from reserves

There were no draw down from Reserves during the current as well as previous financial year.

## 1.10.3 Concentration of public deposits, advances, exposures and NPA

### i) Concentration of public deposits

Since the company is not a public deposit taking/holding HFC, the above disclosure is not applicable to the company.

### ii) Concentration of loans & advances

Particulars	(₹ lakh)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Total loans & advances to twenty largest borrowers	73,073.03	14,101.69
Percentage of loans & advances to twenty largest borrowers to total advances of the company	4.09%	1.02%

### iii) Concentration of all exposure (including off-balance sheet exposure)

Particulars	(₹ lakh)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Total exposure to twenty largest borrowers / customers	1,20,431.45	14,833.78
Percentage of exposure to twenty largest borrowers / customers to total exposure of the company on borrowers / customers	5.80%	1.07%

### iv) Concentration of NPAs

Particulars	(₹ lakh)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Total exposure to top ten NPA accounts	6,836.42	9,131.49

### v) Sector-wise NPAs

Sector	Percentage of NPAs to total advances in that sector
<b>I. Housing loans :-</b>	
a) Individuals	1.69%
b) Builders/project loans	0.58%
c) Corporates	0.00%
d) Others (specify)	0.00%
<b>II. Non - housing loans :-</b>	
a) Individuals	2.23%
b) Builders/project loans	0.00%
c) Corporates	5.26%
d) Organisation	0.00%





# Notes to the financial statements

for the year ended March 31, 2024

## vi) Movement of NPAs

(₹ lakh)		
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(I) Net NPAs to net advances (%)	1.22%	2.20%
(II) Movement of NPAs (Gross)		
a) Opening balance	44,591.86	42,295.71
b) Additions during the year	10,969.65	25,229.66
c) Reductions during the year	23,012.06	22,933.51
d) Closing balance	32,549.45	44,591.86
(III) Movement of Net NPAs		
a) Opening balance	29,829.77	31,879.09
b) Additions during the year	6,321.85	14,793.50
c) Reductions during the year	14,596.17	16,842.82
d) Closing balance	21,555.45	29,829.77
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	14,762.09	10,416.62
b) Provisions made during the year	4,647.80	10,436.16
c) Write-off/write-back of excess provisions	8,415.89	6,090.69
d) Closing balance	10,994.00	14,762.09

## vii) Overseas assets

The company does not have any overseas assets during the current as well as previous financial year.

## viii) Off- balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

The company does not have any off- balance sheet SPVs during the current as well as previous financial year.

## 1.11 Disclosure of Complaints

### 1.11.1 Customers complaints

(₹ lakh)		
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1) No of complaints pending as at the beginning of the year	2	35
2) No of complaints received during the year	1,152	581
3) No of complaints redressed during the year	1,122	614
3.1) Of which, number of complaints rejected by the Company	-	-
4) No of complaints pending as at the end of the year	32	2

# Notes to the financial statements

for the year ended March 31, 2024

## 1.11.2 Maintainable complaints received from the Office of Ombudsman

(₹ lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1) No of maintainable complaints received from Office of Ombudsman	NIL	NIL
1.1) Of 1, No of complaints resolved in favour of the company by Office of Ombudsman	NIL	NIL
1.2) Of 1, No of complaints resolved through conciliation/mediation/advisoris issued by Office of Ombudsman	NIL	NIL
1.3) Of 1, No of Complaints resolved after passing of Awards by the Office of Ombudsman	NIL	NIL
2) No of Awards unimplemented within the stipulated time (other than those appealed)	NIL	NIL

## 1.11.3 Top 5 grounds of complaints received by the company from the customers

### Current Financial Year

Grounds of Complaints (i.e. Complaints relating to)	No of complaints pending at the beginning of the year	No of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of Above, number of complaints pending beyond 30 days
Insurance	1	326	1616% ↑	13	-
Pre-Closure/Closure	1	325	9.43% ↑	15	-
Rescheduling Related	-	258	448.94% ↑	-	-
Statements & Documents Related	-	56	250.% ↑	-	-
Waiver / Refund	-	43	24.56% ↓	1	-

### Previous Year

Grounds of Complaints (i.e. Complaints relating to)	No of complaints pending at the beginning of the year	No of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of Above, number of complaints pending beyond 30 days
Pre-Closure/Closure	15	297	2.77% ↑	1	-
Waiver / Refund	1	57	280.00% ↑	-	-
Credit Bureau	1	56	1020.00% ↑	-	-
Rescheduling Related	9	47	11.32% ↓	-	-
PMAY Subsidy Related	4	29	60.81% ↓	-	-



# Notes to the financial statements

for the year ended March 31, 2024

## 1.12 A) Corporate governance

### 1) Composition of the Board

Sl. No	Name of Director	Director since	Capacity (i.e. Executive/ Non- Executive/ Chairman/ Promoter nominee/ Independent)	DIN	Number of Board Meetings		No. of other Director ships#	Remuneration			No. of shares held in and convertible instruments held in the NBFC
					Held	Attended		Salary and other compensation	Sitting Fee	Commission	
1	Mrs. Vishakha Mulye	13-10-2022	Non-Executive Director	00203578	5	5	6	-	-	-	-
2	Mr. V Chandrasekaran	28-06-2018	Independent Director	03126243	5	5	5	-	11.50	-	-
3	Mrs. Anita Ramachandran	31-03-2015	Independent Director	00118188	5	4	8	-	9.50	-	-
4	Mr. Narayanan N R	19-01-2023	Independent Director	07877022	5	5	1	-	15.25	-	-
5	Mr. Pankaj Gadgil	23-09-2022	Executive Director	08521239	5	5	1	455.09	-	-	-

# Excluding Directorship in the Company, Foreign Companies, Private Limited Companies and Companies under Section 8 of the Companies Act, 2013

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

Sl. No.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Effective date
1	Mr. Ajay Srinivasan	Non-Executive Director	Resignation	25-07-2022
2	Mr. Pankaj Gadgil	Executive Director	Appointment	23-09-2022
3	Mrs. Vishakha Mulye	Non-Executive Director	Appointment	13-10-2022
4	Mr. Narayanan N R	Independent Director	Appointment	19-01-2023
5	Mr. Rakesh Singh	Non-Executive Director	Resignation	28-08-2023

Details of any relationship amongst the directors inter-se shall be disclosed - None

Where an independent director resigns before expiry of her/ his term, the reasons for resignation as given by her/him shall be disclosed - Not Applicable

# Notes to the financial statements

for the year ended March 31, 2024

## 2) Committees of the Board and their composition

- i Mention the names of the committees of the Board.
- ii For each committee, mention the summarized terms of reference and provide the following details.

Sl. 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 NBFC
				Held	Attended	
<b>Audit Committee</b>						
1.	Mr. V. Chandrasekaran	16-07-2018	Independent Director	4	4	-
2.	Mrs. Anita Ramachandran	31-03-2015	Independent Director	4	4	-
3.	Mrs. Vishakha Mulye	13-10-2022	Non- Executive Director	4	4	-
4.	Mr. Narayanan N R	19-01-2023	Independent Director	4	3	-
<b>Nomination &amp; Remuneration Committee</b>						
1.	Mrs. Anita Ramachandran	31-03-2015	Independent Director	3	3	-
2.	Mr. V. Chandrasekaran	16-07-2018	Independent Director	3	3	-
3.	Mrs. Vishakha Mulye	13-10-2022	Non- Executive Director	3	3	-
4.	Mr. Narayanan N R	19-01-2023	Independent Director	3	2	-
<b>Stakeholder Relationship Committee</b>						
1.	Mrs. Anita Ramachandran	13-10-2022	Independent Director	1	1	-
2.	Mr. Pankaj Gadgil	13-10-2022	Executive Director	1	1	-
3.	Mr. Narayanan N R	19-01-2023	Independent Director	1	1	-
<b>Corporate Social Responsibility Committee</b>						
1.	Mr. Narayanan N R	19-01-2023	Independent Director	2	2	-
2.	Mr. Rakesh Singh*	27-08-2019	Non- Executive Director	2	1	-
3.	Mr. Pankaj Gadgil	13-10-2022	Executive Director	2	2	-
4.	Mrs. Vishakha Mulye*	26-10-2023	Non-Executive Director	2	1	-
* Entitled to attend 1 Corporate Social Responsibility Committee Meeting						
<b>Risk Management Committee</b>						
1.	Mr. Narayanan N R	19-01-2023	Independent Director	4	4	-
2.	Mr. V. Chandrasekaran	16-07-2018	Independent Director	4	4	-
3.	Mrs. Vishakha Mulye	13-10-2022	Non- Executive Director	4	2	-
4.	Mr. Pankaj Gadgil	13-10-2022	Executive Director	4	4	-
<b>IT Strategy Committee</b>						
1.	Mr. Narayanan N R	19-01-2023	Independent Director	2	2	-
2.	Mr. Pankaj Gadgil	08-09-2022	Executive Director	2	2	-
3.	Mrs. Anita Ramachandran*	19-01-2024	Independent Director	2	1	-
4.	Mr. Ashish Damani	31-01-2022	Chief Financial Officer	2	2	-
5.	Mr. Subhajeet Roy Choudhury	31-01-2022	Chief Risk Officer	2	2	-
6.	Mr. Dharmendra Patro	31-01-2022	Chief Credit Officer	2	2	-
7.	Mr. Sachin Jadhav	31-01-2022	Head - Information Technology	2	2	-
8.	Mr. Ashish Chauhan	08-09-2022	Chief Information Security Officer	2	1	-
9.	Ms. Preeti Mishra	27-04-2023	Head – Customer Service, Products & Digital Transformation	2	2	-
* Entitled to attend 1 IT Strategy Committee Meeting						



# Notes to the financial statements

for the year ended March 31, 2024

Sl. 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 NBFC
				Held	Attended	
<b>Asset Liability Management Committee (ALCO)</b>						
1.	Mr. Pankaj Gadgil	08-09-2022	Executive Director	11	11	-
2.	Mr. Ashish Damani	31-01-2022	Chief Financial Officer	11	11	-
3.	Mr. Subhajeet Roy Choudhury	31-01-2022	Chief Risk Officer	11	9	-
4.	Mr. Anindya Karmakar**	31-01-2022	Head - Operations, Customer Service, Products	11	1	-
5.	Mr. Dharmendra Patro	31-01-2022	Chief Credit Officer	11	9	-
6.	Mr. Anubhav Katare	03-08-2016	Lead - Treasury	11	11	-
7.	Ms. Preeti Mishra*	27-04-2023	Head - Customer Service, Products & Digital Transformation	11	7	-

\* Entitled to attend 10 ALCO Meetings

\*\* Entitled to attend 1 ALCO meeting

### 3) General Body Meetings

Details of the date, place and special resolutions passed at the General Body Meetings.

Sl. No.	Type of Meeting (Annual/ Extra- Ordinary)	Date and Place	Special resolutions passed
1	Extra-Ordinary	12-04-2023, Place : Audio Visual Means	Increase in the borrowings in excess of the limits as provided for under section 180 (1)(c) of the Companies Act. 2013  Granting of authority to mortgage / create charge on the assets of the Company as a security towards borrowings under section 180 (1)(a) of the Companies Act. 2013  Issue of Debentures under Section 42, 71 of the Companies Act. 2013  Appointment of Mr. Narayanan Nadadur Rajagopalan as an Independent Director of the Company  Re-appointment of Mr. V. Chandrasekaran as an Independent Director of the Company for a second term of 5 (five) consecutive years with effect from June 28, 2023
2	Annual General meeting	27-05-2023 Place: Audio Visual Means	None. Ordinary resolutions were passed

### 4) Details of non-compliance with requirements of Companies Act, 2013

During the year there were no defaults in compliance with the requirements of Companies Act, 2013, including with respect to compliance with accounting & secretarial standards.

### 5) Details of penalties and strictures

Details of penalties or stricture imposed on it by the RBI or any other statutory authority March 31, 2024 (Rs NIL) March 31, 2023 (Rs NIL)

# Notes to the financial statements

for the year ended March 31, 2024

## 1.12 B) Breach of covenant

During the year there were no instances of breach of covenant of loan availed or debt securities issued.

## 1.12 C) Divergence in Asset Classification and Provisioning

Details of divergence as per the table given below, if either or both of the following conditions are satisfied:

**There has been no divergence in asset classification and provisioning requirements as assessed by NHB during the year ended 31<sup>st</sup> March, 2024 and 31<sup>st</sup> March, 2023**

- 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 reference period - **Not applicable**
- the additional Gross NPAs identified by RBI/NHB exceeds 5 per cent of the reported Gross NPAs for the reference period - **Not applicable**

		(₹ lakh)
SN.	Particulars	Amount
1.	Gross NPAs as on March 31, 2023* as reported by the Company	
2.	Gross NPAs as on March 31, 2023 as assessed by the Reserve Bank of India/ NHB	
3.	Divergence in Gross NPAs (2-1)	
4.	Net NPAs as on March 31, 2023 as reported by the NBFC	
5.	Net NPAs as on March 31, 2023 as assessed by Reserve Bank of India/ NHB	
6.	Divergence in Net NPAs (5-4)	
7.	Provisions for NPAs as on March 31, 2023 as reported by the NBFC	NIL
8.	Provisions for NPAs as on March 31, 2023 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 March 31, 2023	
11.	Reported Net Profit after Tax (PAT) for the year ended March 31, 2023	
12.	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2023 after considering the divergence in provisioning	

Note:

\* March 31, 2023 is the close of the reference period in respect of which divergences were assessed.

## 1.13 Asset liability management (Maturity pattern of certain items of assets and liabilities)

(₹ lakh)							
Particulars	Liabilities				Assets		
	Deposits	Borrowings from banks	Market borrowings*	Foreign Currency Liabilities	Advances**	Investments	Foreign Currency Assets
1 day to 7 days	-	28,635.09	-	-	8,426.23	-	-
8 to 14 days	-	57,013.91	-	-	7,365.75	-	-
15 days to 30/31 days (one month)	-	18,101.68	3,784.62	-	1,802.35	-	-
Over one months to 2 months	-	30,813.74	89,422.17	-	4,596.40	-	-
Over 2 months to 3 months	-	20,845.23	26,712.97	-	4,145.32	-	-
Over 3 months to 6 months	-	75,022.76	47,804.67	-	13,016.49	4,846.13	-



# Notes to the financial statements

for the year ended March 31, 2024

(₹ lakh)

Particulars	Liabilities				Assets		
	Deposits	Borrowings from banks	Market borrowings*	Foreign Currency Liabilities	Advances**	Investments	Foreign Currency Assets
Over 6 months to 1 year	-	1,34,097.55	38,690.31	-	36,387.81	2,373.23	-
Over 1 year to 3 years	-	3,31,315.68	1,09,507.32	-	3,77,010.06	2,040.96	-
Over 3 years to 5 years	-	2,49,613.50	1,40,509.03	-	1,43,930.57	9,690.67	-
Over 5 years	-	77,769.86	1,15,007.29	-	11,71,111.76	7,623.60	-
<b>Total</b>	<b>-</b>	<b>10,23,228.99</b>	<b>5,71,438.38</b>	<b>-</b>	<b>17,67,792.74</b>	<b>26,574.59</b>	<b>-</b>

\* The above amount is net of unamortized discounting charges on commercial paper amounting to ₹ 2,129.34 lakh (FY 2022-23: ₹ 332.06 lakh).

\*\* Advances includes loan and advances in the nature of loans and excludes advances recoverable in cash or kind or for value to be received and advance payment of taxes and other Deposits.

## 2 DISCLOSURE OF DETAILS RELATING TO PRINCIPAL BUSINESS CRITERIA AS PER PARAGRAPH 4.1.17 OF MASTER DIRECTION – NON-BANKING FINANCIAL COMPANY – HOUSING FINANCE COMPANY (RESERVE BANK) DIRECTIONS, 2021 ISSUED BY RESERVE BANK OF INDIA VIDE CIRCULAR DATED FEBRUARY 17, 2021.

Criteria	For the year ended March 31, 2024	For the year ended March 31, 2023
Percentage of total assets towards housing finance	67.11%	67.17%
Percentage of total assets towards housing finance for individuals	58.80%	61.35%

## 3 DISCLOSURE OF DETAILS RELATING TO GUIDELINES ON MAINTENANCE OF LIQUIDITY COVERAGE RATIO (LCR) AS PER PARAGRAPH 3.1.2 OF MASTER DIRECTION – NON-BANKING FINANCIAL COMPANY – HOUSING FINANCE COMPANY (RESERVE BANK) DIRECTIONS, 2021 ISSUED BY RESERVE BANK OF INDIA VIDE CIRCULAR DATED FEBRUARY 17, 2021 ALONGWITH PARA 15 B OF MASTER DIRECTION - NON-BANKING FINANCIAL COMPANY -SYSTEMICALLY IMPORTANT NON-DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016.

Liquidity Coverage Ratio : The LCR of the Company as on 31 March, 2024 is 211.80% vis-à-vis as on 31 March, 2023 is 215.89%.

(₹ lakh)

Sr. No.	Particulars	31 March, 2024		31 March, 2023	
		Total Unweighted Value 3 (Average)	Total Weighted Value 4 (Average)	Total Unweighted Value 3 (Average)	Total Weighted Value 4 (Average)
	Total High Quality Liquid Assets (HQLA)				
1	Total High Quality Liquid Assets (HQLA)	54,251.20	54,251.20	31,823.90	31,823.90
	<b>Cash Outflows</b>				
2	Deposits (for deposit taking companies)	-	-	-	-
3	Unsecured wholesale funding	-	-	8,870.97	10,201.62
4	Secured wholesale funding	7,424.00	8,537.60	12,512.12	14,388.94
5	Additional requirements, of which	-	-	-	-
	(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-
	(ii) Outflows related to loss of funding on debt products	-	-	-	-
	(iii) Credit and liquidity facilities	-	-	-	-

# Notes to the financial statements

for the year ended March 31, 2024

(₹ lakh)

Sr. No.	Particulars	31 March, 2024		31 March, 2023	
		Total Unweighted Value 3 (Average)	Total Weighted Value 4 (Average)	Total Unweighted Value 3 (Average)	Total Weighted Value 4 (Average)
6	Other contractual funding obligations	38,290.67	44,034.26	28,048.93	32,256.27
7	Other contingent funding obligations	43,379.70	49,886.66	1,839.47	2,115.39
8	<b>Total Cash Outflows</b>	<b>89,094.37</b>	<b>1,02,458.52</b>	<b>51,271.49</b>	<b>58,962.22</b>
	<b>Cash Inflow</b>	-	-	-	-
9	Secured lending	-	-	-	-
10	Inflows from fully performing exposures	22,978.55	17,233.91	16,751.83	12,563.88
11	Other cash inflows	1,99,300.00	1,49,475.00	1,87,370.97	1,40,528.23
12	<b>Total Cash Inflows</b>	<b>2,22,278.55</b>	<b>1,66,708.91</b>	<b>2,04,122.80</b>	<b>1,53,092.11</b>
	<b>Total Adjusted Value</b>				
13	Total HQLA	54,251.20	54,251.20	31,823.90	31,823.90
14	Total Net Cash Outflows	(1,33,184.18)	25,614.63	(1,52,851.31)	14,740.55
15	Liquidity Coverage Ratio (%)	<b>211.80%</b>		<b>215.89%</b>	

## Foot Notes:

- 1 In computing the above information, certain estimates/ assumptions have been made by the Company's management which have been relied upon by the Auditors.
- 2 Unweighted values must be calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).
- 3 Weighted values must be calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.

## Qualitative Disclosure:

- (a) **The main drivers of their LCR results and the evolution of the contribution of inputs to the LCR's calculation over time:** RBI had introduced the liquidity coverage ratio (LCR) to ensure that NBFC has an adequate stock of unencumbered high-quality liquid assets (HQLA) to survive a significant liquidity stress lasting for a period of 30 days. LCR is defined as a ratio of HQLA to the total net cash outflows estimated for the next 30 calendar days. At March 31, 2024, the applicable minimum LCR required to be maintained by NBFC is 70%.

The Company has an Asset Liability Management Committee (ALCO), a management level committee to handle liquidity risk. The ALCO meets at periodic intervals. At the apex level, the Risk Committee (RC), a sub-committee of the Board of Directors of the Company, oversees the liquidity risk management. The RC subsequently updates the Board of Directors on the same.

- (b) **Intra-period changes as well as changes over time:** The Company has started maintaining LCR w.e.f 1<sup>st</sup> December 2021. The details for the year ended 31<sup>st</sup> March 2024 and year ended 31<sup>st</sup> March 2023 are disclosed above.
- (c) **The composition of HQLAs:** The Company, for the year ended 31 March 2024, had HQLA of ₹ 54,251.25 lakhs vis-à-vis 31,823.90 lakhs for the month ended March 31, 2023.

(₹ lakh)

High-Quality Liquid Assets (HQLA)	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023
<b>Total</b>	<b>54,251.20</b>	<b>31,823.90</b>
Cash	27,983.98	7,236.52
Investments in Govt Securities	26,267.22	12,552.78
Others	-	12,034.60





# Notes to the financial statements

for the year ended March 31, 2024

(d) **Concentration of funding sources:**

**As at 31 March 2024**

Name of the Source	% of Total Borrowings
Banks	53%
Corporate	1%
Insurance	8%
Mutual Fund	13%
PF	4%
Public Financial Institution	20%
Retail & Others	0%
<b>Total</b>	<b>100%</b>

- (e) **Other inflows and outflows in the LCR calculation that are not captured in the LCR common template but which the institution considers to be relevant for its liquidity profile:** All inflows/ outflows considered relevant has been considered for LCR calculation.

## 4 DISCLOSURE OF DETAILS AS REQUIRED UNDER ANNEXURE III OF MASTER DIRECTION – NON-BANKING FINANCIAL COMPANY – HOUSING FINANCE COMPANY (RESERVE BANK) DIRECTIONS, 2021 ISSUED BY RESERVE BANK OF INDIA VIDE CIRCULAR DATED FEBRUARY 17, 2021.

### Schedule to the Balance Sheet

(₹ lakh)

Particulars	Amount outstanding	Amount overdue
<b>Liabilities side</b>		
<b>(1) Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:</b>		
(a) Debentures : Secured	4,03,127.17	-
: Unsecured	34,240.55	-
(other than falling within the meaning of public deposits*)		
(b) Deferred Credits	-	-
(c) Term Loans (includes NHB Refinance & External Commercial Borrowing)	9,01,028.19	-
(d) Inter-corporate loans and borrowing	-	-
(e) Commercial Paper	1,34,070.66	-
(f) Public Deposits*	-	-
(g) Other Loans (Working capital demand loan & Overdraft)	1,22,200.81	-
* Please see Note 1 below		
<b>(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):</b>		
(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	-	-

# Notes to the financial statements

for the year ended March 31, 2024

Assets side	(₹ lakh)
	Amount outstanding
<b>(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:</b>	
(a) Secured	17,87,035.05
(b) Unsecured	663.29
<b>(4) Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities</b>	
(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	-
<b>(5) Break-up of Investments</b>	
<b>Current Investments</b>	
1 Quoted	-
(i) Shares	-
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	26,574.59
(v) Others (please specify)	-
2 Unquoted	-
(i) Shares	-
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-
<b>Long Term investments</b>	
1 Quoted	-
(i) Share	-
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-



# Notes to the financial statements

for the year ended March 31, 2024

		(₹ lakh)
Assets side		Amount outstanding
2	Unquoted	-
	(i) Shares	-
	(a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others (please specify)	-

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

(Please see Note 2 below)

		(₹ lakh)		
Category	Amount net of provisions			Total
	Secured	Unsecured		
1	Related Parties **			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
2	Other than related parties	17,67,565.07	227.67	17,67,792.74
<b>Total</b>		<b>17,67,565.07</b>	<b>227.67</b>	<b>17,67,792.74</b>

## 7. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

(Please see Note 3 below)

		(₹ lakh)	
Category	Amount 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	26,574.59	26,574.59
<b>Total</b>		<b>26,574.59</b>	<b>26,574.59</b>

\*\* As per applicable Accounting Standard (Please see Note 3)

# Notes to the financial statements

for the year ended March 31, 2024

## 8. Other information

		(₹ lakh)
Particulars		Amount
(i)	Gross Non-Performing Assets	
	(a) Related parties	-
	(b) Other than related parties	32,549.45
(ii)	Net Non-Performing Assets	
	(a) Related parties	-
	(b) Other than related parties	21,555.45
(iii)	Assets acquired in satisfaction of debt	-

### Notes:

- As defined in Paragraph 4.1.30 of these Directions.
- Provisioning norms shall be applicable as prescribed in these Directions.
- As per applicable Accounting Standards including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.

## 5 DISCLOSURE OF DETAILS AS REQUIRED UNDER OTHER GUIDELINES OF HFCS (NHB) DIRECTIONS, 2010 AND RESERVE BANK OF INDIA CIRCULARS.

### 5.1 Percentage of outstanding loans granted against the collateral gold jewellery to their outstanding total assets :

We have not disbursed any loans against the collateral of gold jewellery during the relevant financial year and in previous year.

### 5.2 Disclosure related to information namely, area, country of operation and joint venture partners with regard to joint ventures and overseas subsidiaries as prescribed under the said Directions :

We do not have any joint venture or overseas subsidiaries during the relevant financial year and in previous year.

### 5.3 Disclosure pursuant to RBI circular RBI/2019-20/170 DOR (NBFC).CC.PD. No.109/22.10.106/2019-20 dated March 13, 2020

							(₹ lakh)
Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms	
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)	
<b>Performing Assets</b>							
Standard	Stage 1	17,35,757.33	7,143.82	17,28,613.51	9,968.06	(2,824.24)	
	Stage 2	19,391.56	1,510.95	17,880.61	658.87	852.08	
<b>Subtotal</b>		<b>17,55,148.89</b>	<b>8,654.77</b>	<b>17,46,494.12</b>	<b>10,626.93</b>	<b>(1,972.16)</b>	
<b>Non-Performing Assets (NPA)</b>							
Substandard (Re-structured)	Stage 2	-	-	-	-	-	
	Stage 1	-	-	-	-	-	
Substandard	Stage 2	-	-	-	-	-	
	Stage 3	16,264.67	5,480.52	10,784.15	2,544.91	2,935.61	



# Notes to the financial statements

for the year ended March 31, 2024

(₹ lakh)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Doubtful - up to 1 year	Stage 3	11,130.23	4,011.91	7,118.32	2,790.38	1,221.53
1 to 3 years	Stage 3	4,484.55	1,327.34	3,157.21	1,742.80	(415.46)
More than 3 years	Stage 3	670.00	174.24	495.76	526.86	(352.62)
Subtotal for doubtful		16,284.78	5,513.49	10,771.29	5,060.04	453.45
Loss (potential threat of non-recoverability)	Stage 1	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
<b>Subtotal for NPA</b>		<b>32,549.45</b>	<b>10,994.01</b>	<b>21,555.44</b>	<b>7,604.95</b>	<b>3,389.06</b>
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	256.32	(256.3)	-	256.32
	Stage 2	-	0.49	(0.5)	-	0.49
	Stage 3	-	-	-	-	-
<b>Subtotal</b>						
<b>Total</b>	Stage 1	17,35,757.33	7,400.09	17,28,357.24	9,968.06	(2,567.92)
	Stage 2	19,391.56	1,511.44	17,880.12	658.87	852.56
	Stage 3	32,549.45	10,994.08	21,555.37	7,604.95	3,389.06
	<b>Total</b>	<b>17,87,698.34</b>	<b>19,905.61</b>	<b>17,67,792.73</b>	<b>18,231.88</b>	<b>1,673.70</b>

## 5.4 Details of resolution plan implemented under the Resolution Framework for COVID-19-related stress as per RBI circular RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 (Resolution Framework 1.0) and Resolution for COVID-19 related stress of Individuals and Small Businesses dated May 05, 2021 (RBI Resolution Framework - 2.0) are given below:

(₹ lakh)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year
Personal Loans~	37,874.55	1,584.95	-	3,759.51	31,825.36
Corporate persons*	1,171.44	-	-	152.11	2,021.62
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
<b>Total</b>	<b>39,045.99</b>	<b>1,584.95</b>	<b>-</b>	<b>3,911.62</b>	<b>33,846.98</b>

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

## 5.5 Disclosure of Frauds as per NHB (ND)/DRS/Policy Circular No.92/2018-19 dated 05 February, 2019

During financial year ended March 31, 2024, there were 18 instances of frauds detected and reported (of which 1 is employee related amounting to ₹ 543 lakh) where amount involved is ₹ 1,077.59 lakh [March 31, 2023: ₹ 336.22 lakh].

# Notes to the financial statements

for the year ended March 31, 2024

## 5.6 Disclosure on liquidity risk under RBI/2020-21/60 DOR.NBFC (HFC).CC.No.118/03.10.136/2020-21 dated October 22, 2020

### i. Funding Concentration based on significant counterparty (both deposits and borrowings)

Sr. No.	No. of Significant Counterparties	Amount	% of total Deposits	% of Total Liabilities*
1	16	13,60,392.03	NA	83.97%

### ii. Top 20 large deposits – Not Applicable

### iii. Top 10 Borrowings

Amount	% of Total Liabilities*
11,88,525.36	73.36%

### iv. Funding Concentration based on significant instrument/product

(₹ lakh)			
Sr. No.	Name of the instrument	Amount	% of Total Liabilities*
1	Term Loans	5,95,371.94	36.75%
2	NHB Loans	3,05,656.25	18.87%
3	NCD	4,03,127.17	24.88%
4	Sub-Debt	34,240.55	2.11%
5	Working capital / short term facilities	1,22,200.81	7.54%
6	CP	1,34,070.66	8.28%

### v. Stock Ratios

(₹ lakh)		
Sr. No.	Particulars	31-Mar-24
1	Commercial Papers to Total Liabilities*	8.28%
2	Commercial Papers to Total Assets	7.26%
3	NCDs (Original Maturity <1 ys) to Total Assets	Nil
4	NCDs (Original Maturity <1 ys) to Total Liabilities	Nil
5	Other Short-Term Liabilities** to Total Assets	24.71%
6	Other Short-Term Liabilities to Total Liabilities	28.15%

\*Total Liabilities does not include Net Worth.

\*\* Other Short Term Liabilities excludes Commercial Paper as they are already considered in 1 & 2.

\*\*\* Significant Counterparties and Top 10 Borrowings are as per actual outstanding

### vi. Liquidity Coverage Ratio

Sr. No.	Name of the instrument	Regulatory Limit	Quarterly Avg Mar'24
1	Liquidity Coverage Ratio (LCR)	70.00%	147.06%

### vii. Institutional set-up for liquidity risk management

The Company has an Asset Liability Management Committee (ALCO), a management level committee to handle liquidity risk. The ALCO meetings are held at periodic intervals. At the apex level, the Risk Committee (RC), a sub-committee of the Board of Directors of the Company, oversees the liquidity risk management. The RC subsequently updates the Board of Directors on the same.

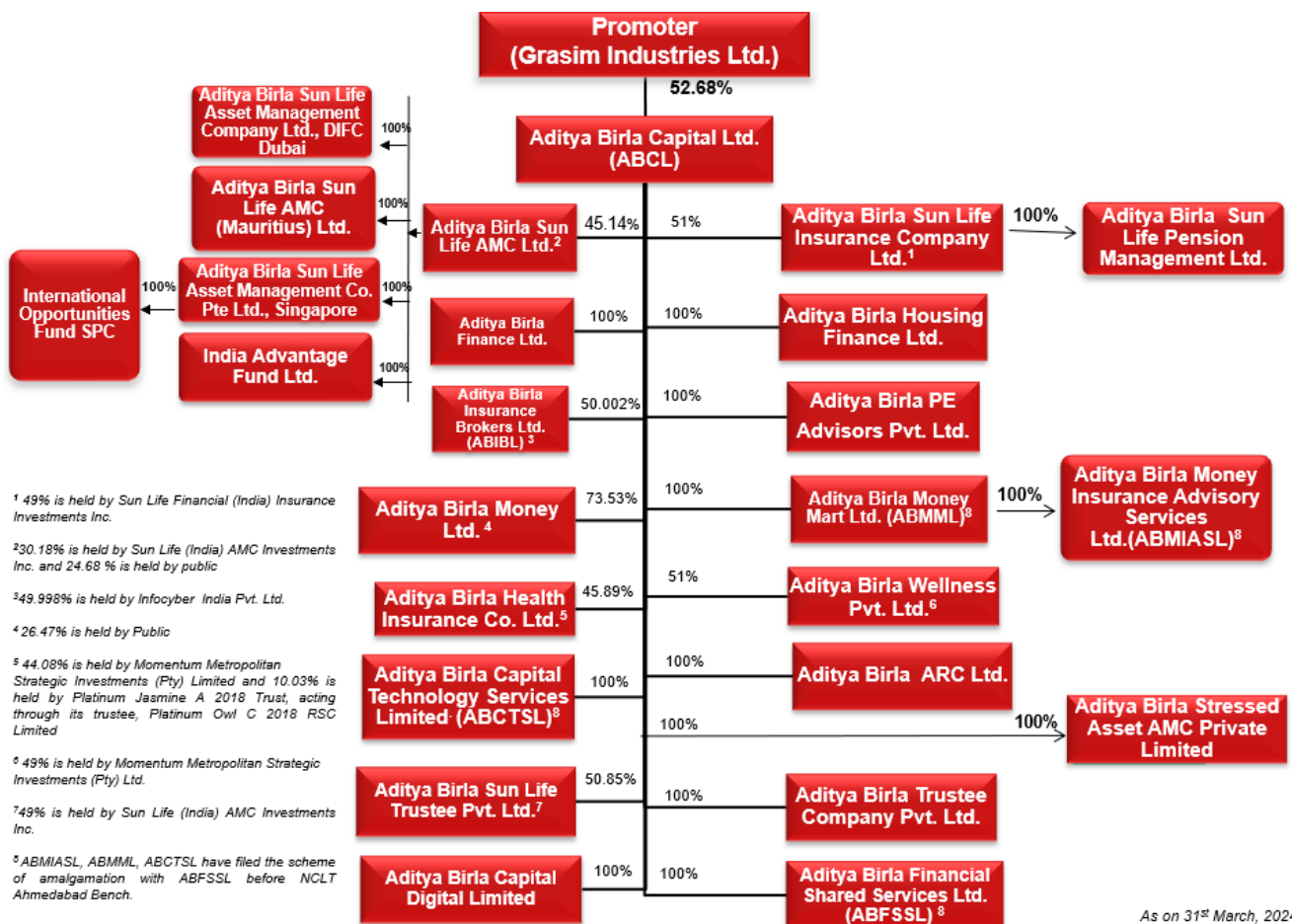


# Notes to the financial statements

for the year ended March 31, 2024

## 1 DISCLOSURE OF DETAILS AS REQUIRED UNDER ANNEXURE IV OF MASTER DIRECTION – NON-BANKING FINANCIAL COMPANY – HOUSING FINANCE COMPANY (RESERVE BANK) DIRECTIONS, 2021 ISSUED BY RESERVE BANK OF INDIA VIDE CIRCULAR DATED FEBRUARY 17, 2021 & UNDER SCALE BASED REGULATION FRAMEWORK FOR NBFCs, CIRCULAR DOR. CRE.REC.NO.60/03.10.001/2021-22 DATED OCTOBER 21, 2022 & CIRCULAR DOR.ACC.REC. NO.20/21.04.018/2022-23 DATED APRIL 19, 2022.

The diagrammatic representation of group structure is shown as below (refer note 1.7.4):















**Aditya Birla Housing Finance Ltd.**

REGISTERED OFFICE  
Indian Rayon Compound,  
Veraval - 362 266  
Gujarat

T: +91 22 6279 9505

CIN: U65922GJ2009PLC083779

E: [hiral.Sidhpura@adityabirlacapital.com](mailto:hiral.Sidhpura@adityabirlacapital.com)

W: <https://homefinance.adityabirlacapital.com/>