UMMEED HOUSING FINANCE

We bring your dreams to life

ANNUAL REPORT 2020-21

CONTENTS

CORPORATE INFORMATION

CHAIRMAN & MANAGING DIRECTOR

Mr. Ashutosh Sharma

BOARD OF DIRECTORS

Mr. Sachin Grover	Whole Time Director
Mr. Inderjit Walia	Independent Director
Ms. Geeta Mathur	Independent Director
Mr. Nirav Vinod Mehta	Nominee Director
Mr. Vinayak Prabhakar Shenvi	Nominee Director
Mr. Kartik Srivatsa	Nominee Director
Mr. Rajiv Yashwant Inamdar	Non-Executive Director

STATUTORY AUDITOR

S. R. Batliboi & Associates LLP

Chartered Accountants
Partner: Mr. Chirag Jain
Golf View Corporate Tower – B, Sector 42, Sector Road,
Gurgaon – 122002
Tel: 0124 6816000
Mobile: 9551499000

Email: Chirag3.Jain@srb.in

COMPANY SECRETARY

Mr. Nitin Agrahari

CHIEF FINANCIAL OFFICER

Mr. Bikash Kumar Mishra

REGISTERED OFFICE

318, DLF Magnolias
Sector 42, Golf Course Road
Gurugram – 122002
Haryana, INDIA

CORPORATE OFFICE

Unit No. 809-815, 8th Floor, Tower A
Emaar Digital Greens,
Golf Course Extn Road
Sector 61, Gurugram – 122011
Haryana, INDIA
Phone: 0124 4836480

CIN: U65922HR2016PTC057984
Email: ashutosh.sharma@ummeedhfc.com
Website: www.ummeedhfc.com

DEBENTURE TRUSTEES

Catalyst Trusteeship Limited
Tel: 022-49220555
Fax: +91 (022) 49220505
Email: Suhani.merchant@ctltrustee.com
Contact Person: Ms. Suhani Merchant
Address: Windsor, 06th Floor Office No. 604, C.S.T Road,
Kalina, Santacruz (East) Mumbai -400098

BANKERS / LENDERS

National Housing Bank
State Bank of India
Kotak Mahindra Bank
IDFC First Bank
DCB Bank
RBL Bank Ltd
Bandhan Bank Ltd.
Catholic Syrian Bank Limited
Utkarsh Small Finance Bank
Suryoday Small Finance Bank
AU Small Finance Bank
Ujjivan Small Finance Bank
Water Equity
Blue Orchard
Triple Jump
Northern ARC
MAS Financials
MAS Rural Housing & Mortgage Finance Limited
Sundaram Home Finance Ltd
A K Capital Finance Pvt Ltd
Hinduja Housing Finance
Hinduja Leyland Finance
Manappuram Finance
Tata Capital
Fedbank Financial Services Ltd.

REGISTRAR AND TRANSFER AGENT

Skyline Financial Service Pvt Ltd
Address: Skyline Financial Services (P) Ltd.D-153A,
1st Floor, Okhla Industrial Area,
Phase -I, New Delhi - 110 020
Tel: 9999589742
Email: info@skylinerta.com
Contact Person: Mr. Virender Kumar Rana, Director

Dream Big and Make It Happen……

What you dream, we endeavor to make it happen.

With a view to stretch across the geographies, we are robustly seeing our presence in the Northern India with a few developed metro regions. This opportunity has given us the caliber to dream bigger and pursue them to own a home by our patrons.

In the past year, Government has introduced several initiatives and the impetus on housing for all has elevated the growth in the affordable housing segment, giving the much-needed boost to home owning dream of many people.

At Ummeed, we keep our patrons first and we strive hard to acknowledge the dreams of our patrons. We work extremely hard to consummate them by constantly working together to make it happen and nurture the dream of owning a home with you.

Despite the challenges faced in the previous year, we strongly believe to achieve great heights and look forward to building a relationship of trust and integrity.

Ummeed's Corporate Snapshot

Ummeed is one of the fastest growing housing finance company amongst low-income housing finance companies in India. The Company's culture and credit philosophy are visible through the systems and processes with reference to who the customers are, how to access them, how to service the home financing needs and how to retain them.

A lot of emphasis has been put on Customers through becoming their preferred financial partner in fulfilling their housing needs, thus making a positive impact on the standard of living of our customers, that is why our priority is "Customers First".

Ummeed Housing Finance Private Limited was incorporated on 28 January 2016. It started operations in September 2016 with a presence in few states. Presently, we provide home financing solutions to self-employed and salaried segment to low- & middle-income groups following with a Hub & Spoke Model.

We offer a range of products including Housing Loan, Secured Business Loan, Secured Small Ticket Business Loan and LAP.

Under Housing Loans, products offered are Home Loan Purchase, Home Loan Renovation, Home Loan Construction, Plot Purchase plus Construction Loan and Home Loan Balance Transfer.

Non-Housing Loans product offerings include Loan Against Property (LAP), Business Loans (BL) and Small Ticket Business Loan (STBL).

OUR VISION

- Ummeed's vision is to build an inclusive scalable business serving the lower- & middle-income groups in India.

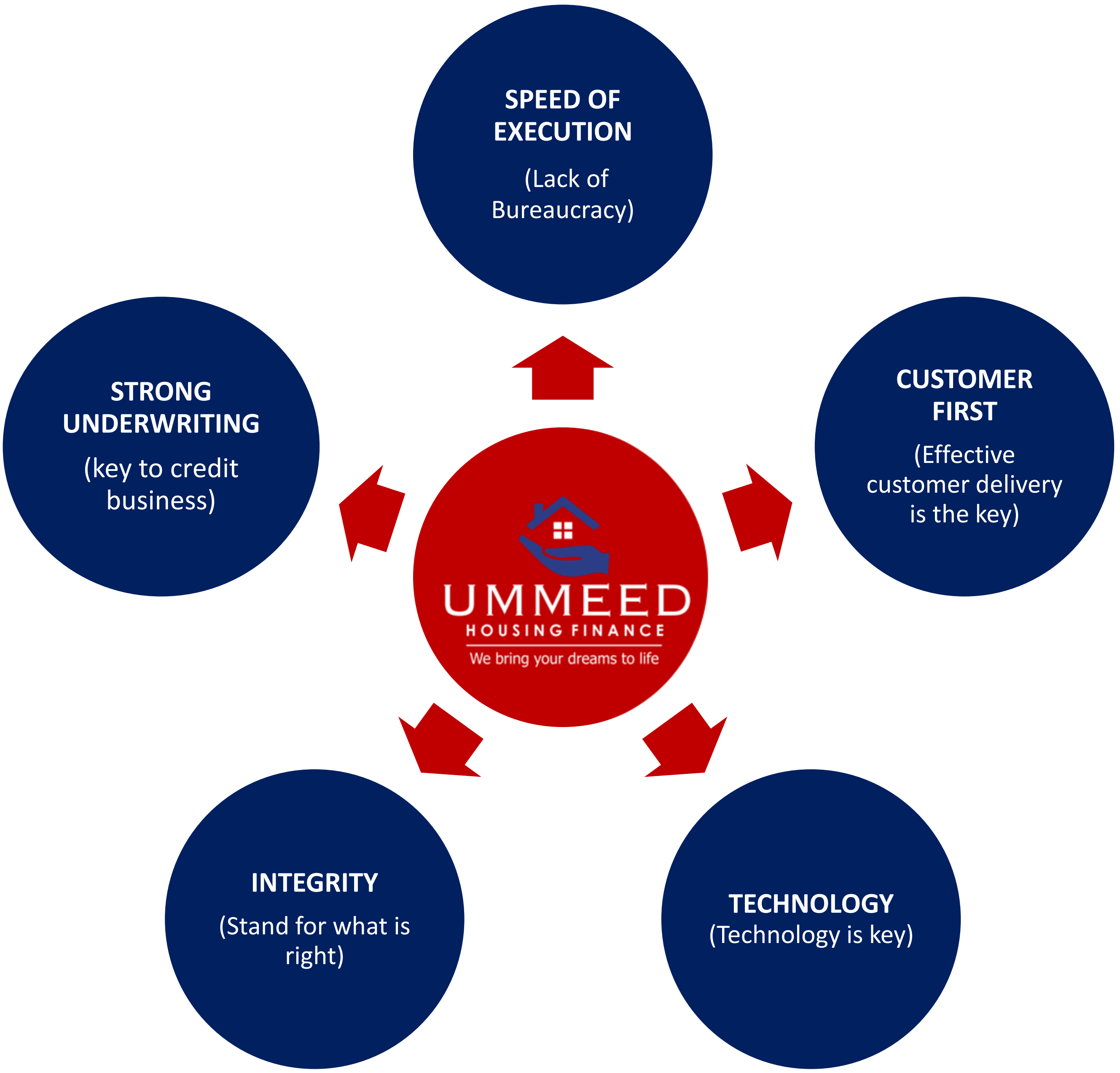
OUR MISSION

- To deliver **customer friendly and hassle-free** housing loans and help facilitate the dreams of millions of Indians to own a home
- Build adequate **size & scale using technology & robust** processes to achieve our goals
- Focus on **training around credit philosophy, Income assessment techniques and processes**, which is going to be our key to **SUCCESS**

OUR VALUES

Our values are a reflection of our focus and commitment to delivering what our brand promises –

"WE BRING YOUR DREAMS TO LIFE".



PRODUCTS & SERVICES AND CUSTOMERS

Self-Employed (informal)

Small retailers, manufacturers, traders, and service providers – mostly informal transactions limited, small loan or no credit history

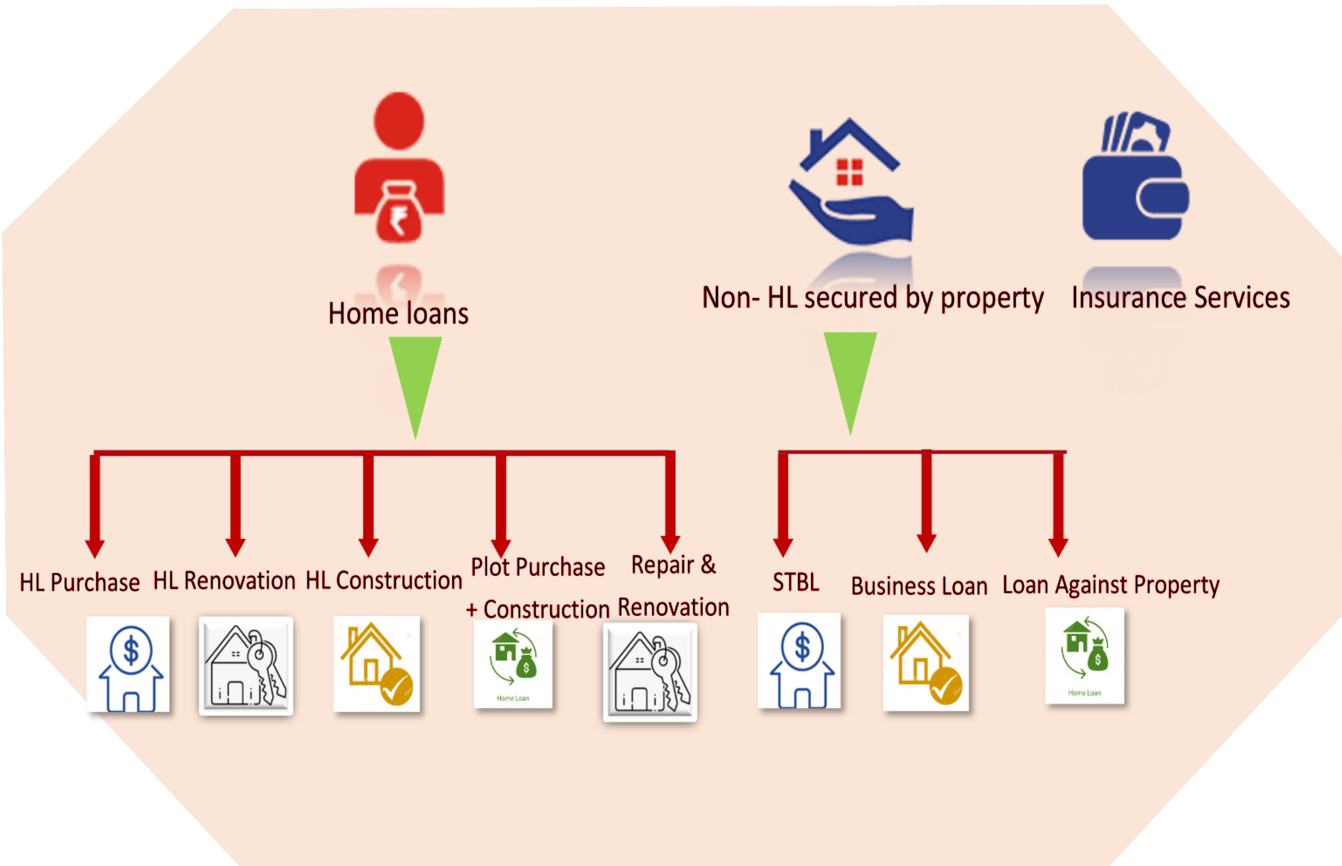
Salaried (informal)

- Part formal and informal income / cash salary
- Fully formal - employed at SMEs / small concerns
- Salaried with family co-applicants having cash / informal kind of income

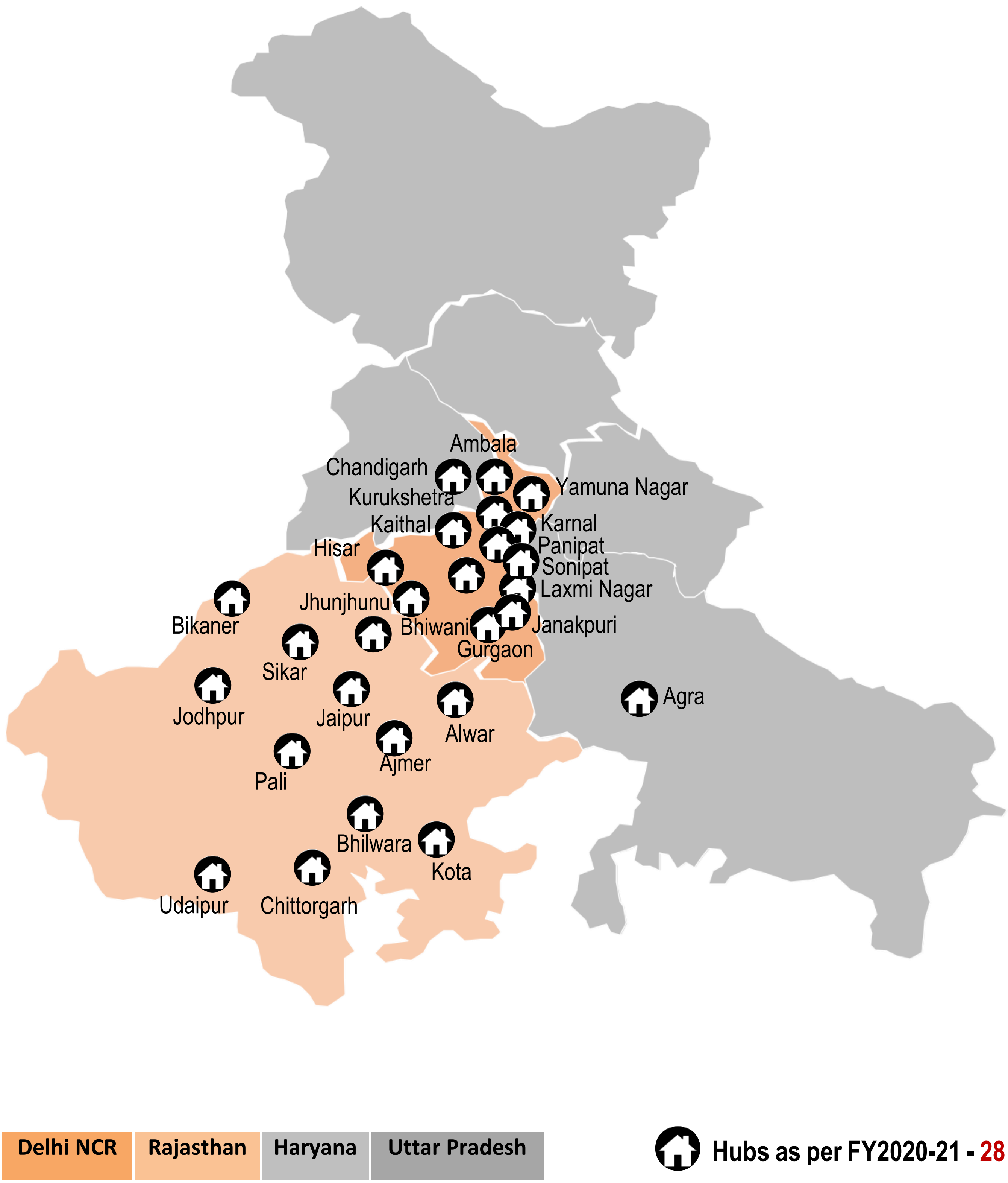
Self-Employed (informal)

- Income generating small assets
- With credit history, limited financial supported with informal incomes
- Stuckists, retailers, ancillary suppliers

Through a wide range of products



BRANCH NETWORK OF UHFC



MESSAGE FROM FOUNDER AND MANAGING DIRECTOR

I am pleased to share with our stakeholders, the 6th Annual Report and Financial Statements of Ummeed Housing Finance Private Limited ("Ummeed") for the financial year ended 2020-21.

Amidst the unprecedented health and economic crisis on account of Covid-19 Pandemic, Ummeed sustained its strong performance during the year with the support of several Government and RBI led interventions.

The economy showed resilience and steady growth in the last two quarters of FY 2020-21 and started coming back to normalcy but then again, the second wave of pandemic hit hard in April-21. While Fiscal 2020-21 has been a difficult year for the financial sector and we anticipate some challenges ahead, we are confident that our past learning and focused approach will allow us to meet our business goals going forward.

During the year being reported, our top priorities were:

i. To ensure the safety and well-being of our employees and customers;
ii. To provide financial flexibility & support for customers seeing financial distress through moratorium and one-time restructures in line with RBI and Board Approved Policies.
iii. To continue investing in our technology to help streamline the processes;
iv. To continuously innovate our products and distribution channel to meet customer requirements.

These objectives aligned with the goal of being customer-centric, enhancing productivity and efficiency by enabling a positive change across the organization.

Despite the challenges faced during this time, Ummeed took a proactive approach towards the business to offset the impact of the pandemic. Our AUM grew by over 29% from Rs 451 Cr to Rs 580 Cr, our branch network (across the existing States of operation i.e. Rajasthan, Haryana, NCR and UP) marginally expanded from 26 to 28 branches. Total employee strength grew from 371 Employees in March 2020 to 384 Employees in March 2021. The focus to put in place the building blocks for a large, scalable business continues unabated. We also introduced new channel partners like SAARTHI which helped our business to achieve great success in terms of building new logins along with business. We smoothly enabled work-from-home for employees which helped them to ensure the business continuity during the time of Covid-19.

We have continued to widen our liability wagon wheel, developing relationships with multiple lenders, and raising debt through various instruments, including term loans, USD ECB loans, Non-Convertible Debentures. The sanction of long-term funds from the National Housing Bank under their LIFT scheme was another important watershed during the year. Our efforts to build out the business on a strong, stable, regulatory compliant platform with a view of continuous growth has enabled an upgrade in credit ratings from BBB to a stable Investment Grade of BBB+ in September 2020 from CARE Ratings.

Valuing and serving our customers have been in our DNA since inception and a key objective during our lifecycle. Following the RBI Directions, the customers who were requested moratorium (covid resultant loan restructure), we granted moratorium on payment of instalments failing due between March 1, 2020 and August 31, 2020 to our eligible customers.

The Investment in technology enabled us to go digital across all dimensions which led us to crunch turn- around approval times for customers, improve on our underwriting processes and improve & streamline collection efficiency. Employee training and skill development remains a key priority as we look to build out on our successes.

Finally, I extend sincere gratitude to all our stakeholders and customers, investors, employees, creditors who have stayed resilient and strong during these times. The team at Ummeed is ready to face the uncertainty and challenge, armed with a strong Balance Sheet, dedicated employees, and a loyal customer base to accomplish our mission.

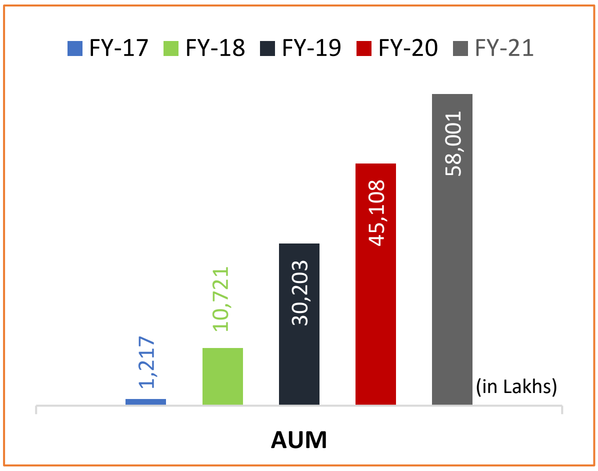
Ashutosh Sharma

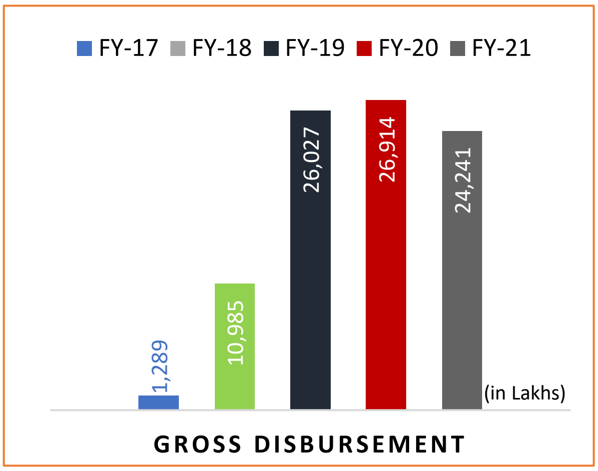
Founder and Managing Director

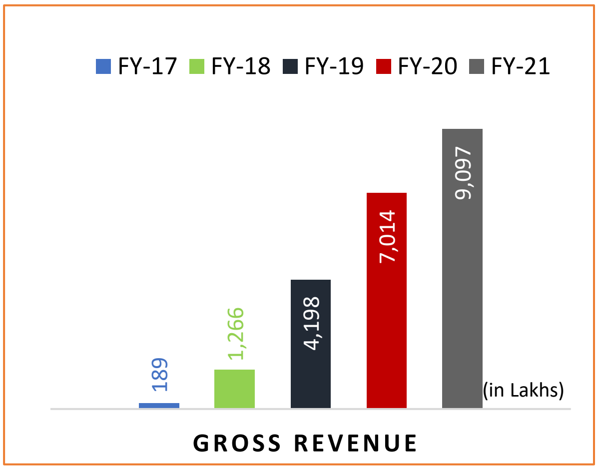
Date: 16th June 2021

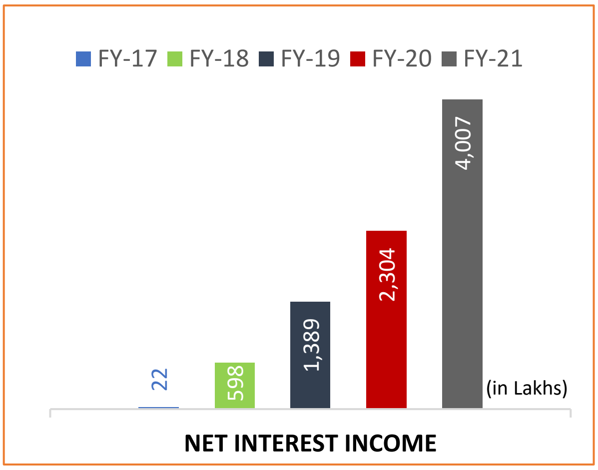
Place: Gurugram

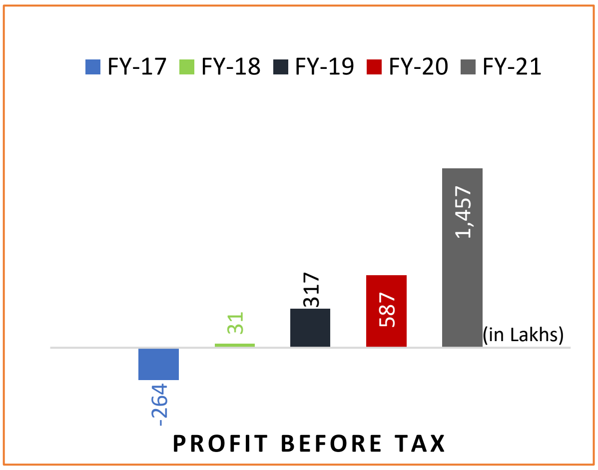
KEY PERFORMANCE INDICATORS

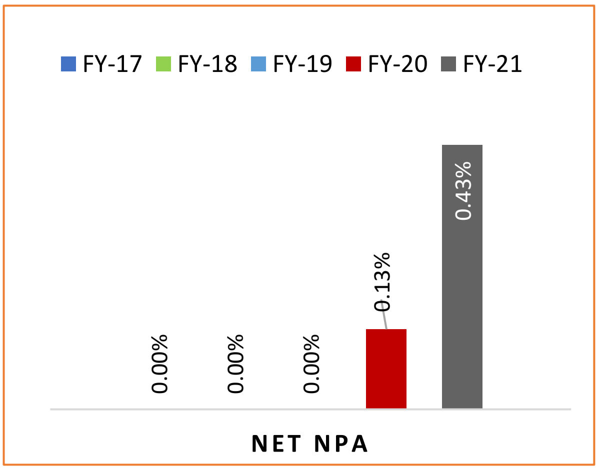












DIVERSIFIED BOARD OF DIRECTORS

Ashutosh Sharma
Founder & Managing Director

- Mr. Ashutosh is a veteran with 30+ years of experience across multiple banks, geographies, and banking verticals.
- He has spent ~15 years with Citibank working in India and Asia, served as the MD at Citibank Malaysia.
- In 2008, Mr. Ashutosh returned to India as country head for Bank of Montreal and set up various businesses for the group.
- He holds a master's degree an MBA from IIM-Ahmedabad and Honors in Economics from St. Stephen's College.

Sachin Grover
Chief Operating Officer

- Veteran in the field of mortgage with 25 years of retail lending experience
- Started housing operations for Magma Housing Finance and IIFL
- At IIFL, he built a portfolio of INR 4000+ Crores
- At Citi Financial he worked in the mortgage business.

Mr. Nirav Mehta
Nominee & Non-Executive Director

- Nirav is a Managing Director of Morgan Stanley Private Equity Asia. Nirav joined the firm in 2009 and is the Co-Head of the Fund's India Investment Operations.
- Prior to joining Morgan Stanley, Nirav worked for three years at ICICI Venture, where he focused on growth and buyout transactions across multiple sectors.
- He received his bachelor's degree in commerce from St. Xavier's College and holds an MBA from the Indian Institute of Management Bangalore.
- He currently serves on the boards of Jana Capital Limited, ZCL Chemicals Limited and Nspira Management Services Private Limited.

Mr. Kartik Srivatsa
Nominee & Non-Executive Director

- Mr. Kartik is a Co-Founder and the Managing Partner of Aspada Investment Advisors and acts as the fund advisor for the SONG Fund through Aspada Capital Advisors.
- Prior, he was with Lightspeed Venture Partners, a global venture capital firm with over $2 billion under management, where he was a founding member of the India office.
- He is a graduate of the Indian Institute of Technology (IIT), Madras.
- Currently serves on the Boards of Be Well Hospitals, SV Agri, LEAF, Xamcheck, Capital Float,and Eye-Q Vision

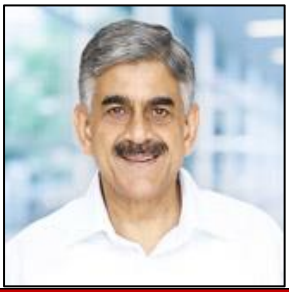
DIVERSIFIED BOARD OF DIRECTORS

Ms. Geeta Mathur
Independent Director

- She has worked across areas of Corporate Finance, Treasury, Risk Management, and Investor relations. Has Worked in ICICI Limited, IBM & DCM Shriram Consolidated Limited, etc.
- Served as an Independent Director in various large organizations across manufacturing and services such as Motherson Sumi Ltd, IIFL Holdings Ltd, Tata Communication Transformation Services Ltd.
- Mrs. Geeta is a qualified Charted Accountant and holds Bachelor of Commerce from Shriram College of Commerce, Delhi University.

Mr. Rajeev Inamdar
Non-Executive Director

- Mr. Rajiv has over 40 years of international experience in advertising, brand management, market research, consumer banking, private banking, asset management, credit cards and knowledge management.
- Has been Managing Director of Standard Chartered Bank and Private & Investment Bank and Head of Corporate Communications, Saudi American Bank (Citi Bank), Saudi Arabia.
- He has worked in five countries: UK, Saudi Arabia, UAE, Sri Lanka and India.
- He has an honors degree in Economics from the University of Mumbai and an MBA from IIM Ahmedabad from the batch of 1976.



Mr. Inderjit Walia
Independent Director

- He has been a leader in Human Resources for more than three decades.
- Served as Group Director of Human Resources at Bharti and also on the Board of several group companies
- Served as Exec VP and Global Head of Human Resources at ArcelorMittal and also on the Board of several group companies
- Mr. Walia is an economics and accounting graduate with post graduate degree in Human Resources.

Mr. Vinayak Shenvi
Nominee & Non-Executive Director

- Mr. Shenvi is a Managing Partner at CX Advisors LLP and also acts as an Investment Advisor.
- Prior to joining CX Advisors, he was a founding partner at Exponentia Capital Partners LLP.
- Mr. Shenvi was associated with CVCI as a Board Member wherein he had about 15 years of investing experience with diverse industry portfolios.
- He has also worked as an equity and debt research analyst at Citicorp Securities & Investments Limited for about two years.
- Mr. Shenvi is a qualified Chartered Accountant and holds a bachelor's degree from University of Mumbai.

STATUTORY REPORT

DIRECTORS' REPORT
For the Financial Year 2020-21

To,
The Members,
Ummeed Housing Finance Private Limited

Your directors are pleased to present the 6th (Sixth) Annual Report along with the Audited Financial Statements on the business and operations of **Ummeed Housing Finance Private Limited** ("the Company" or "Ummeed") for the year ended 31st March 2021.

1. FINANCIAL RESULTS

The performance of the Company for the financial year ended 31st March 2021 is summarized below:

(Amount in Rs. Lakhs unless stated otherwise)

PARTICULARS	For the year ended 31st March 2021 (In INR)	For the year ended 31st March 2020 (In INR)
Total revenue from operations	9,056.92	7,186.50
Other Income	39.88	145.89
Total Income	**9,096.80**	**7,332.39**
Profit/(Loss) before Interest, Depreciation & Tax	**5,592.58**	**4,275.88**
Less: a. Interest	3,898.40	3,339.01
b. Depreciation & Amortization	237. 15	231.45
Profit before Tax	**1,457.03**	**705.42**
Less: a. Current tax	350.07	167.26
b. Current tax expense relating to prior years	0.76	(12.67)
c. MAT credit entitlement		
d. Deferred tax charge	(24.78)	10.70
Net Profit /(Loss) after Tax	**1,130.98**	**540.13**
EPS (Basic)	2.62	1.56
EPS (Diluted)	2.56	1.51

The Company has closed the FY21 with an AUM (including off-book) of Rs 580.01 Crores and generated a revenue of Rs 90.96 Crores against Rs 73.32 Crores of previous financial year. There has been an increase in revenue by 24.06% on y-o-y basis and consequently an increase in PAT to Rs 11.31 Crores against Rs 5.40 Crores of previous year.

2. INDIAN ACCOUNTING STANDARDS

In compliance of para 7 of the Reserve Bank's Directions on HFCs, the Company has prepared its financial statements in accordance with the applicable Indian Accounting Standards (Ind-AS) as notified by the Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013 and the Companies (Indian Accounting Standards) Rules, 2015. The financial statements for the year have been prepared in accordance with Schedule III to the Companies Act, 2013. Ind

AS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, w.e.f. 1st April 2020.

3. TRANSFER TO RESERVES

As per Section 29C of National Housing Bank Act,1987, the Company is required to transfer at least 20% of its net profit every year to a reserve before any dividend is declared. Accordingly, your Company has transferred Rs 2.26 Crores to special reserve in accordance with Section 29C of National Housing Bank Act, 1987 read with Section 36(1)(viii) of the Income Tax Act, 1961.

4. DIVIDEND

The Board of Directors of the Company has not recommended dividend for the financial year ended 31st March 2021.

5. COMPANY AFFAIRS

Your Company is a registered housing finance company under National Housing Bank Act, 1987, supervised by National Housing Bank ("NHB") and regulated by Reserve Bank of India ("RBI"). The Company is managed by a team of experienced professionals, who work with a common motive of providing financial services to lower & middle-income families based out of urban & semi-urban areas, with products viz. Home loan, Loan against property, Business loans against property, and Small ticket business loan.

a) The Pandemic

Outbreak of the deadly Corona virus and lockdown imposed across the country in first half of the financial year 2020-21 affected business operations. Both the global and domestic economies seen, an unprecedented and largely disruptive phase due to Covid19 pandemic. The overall commercial ecosystem remained muted with reduced demands across industries, the housing finance sector also saw a drop in demand owing to stringent lockdowns. The lockdown gave India time to make a concerted effort to flatten the outbreak curve, and the later part of year saw a quick recovery due to unlocking restrictions, pick-up in economic activity, increase in demands, picked up infrastructural activities, favourable government reforms, and mass disbursement of vaccines compared to that during the initial period of Covid19.

During this time as the pandemic spread, our highest priority was to ensure the safety of our employees as well as facilitating uninterrupted services to our customers. Our IT and HR team played an important role in providing sufficient tech support and required training so that employees could leverage remote working technology in their working i.e., work from home.

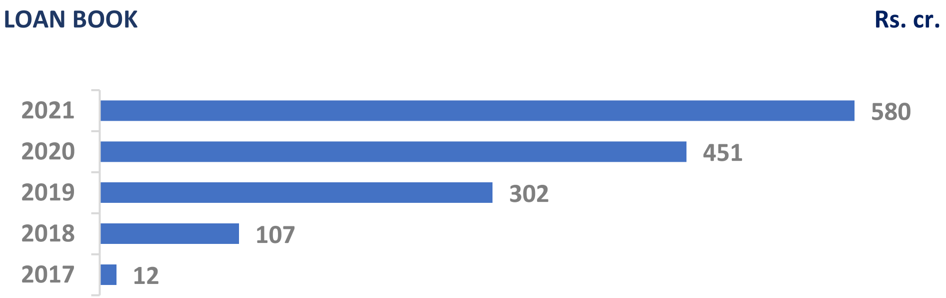
A surge in second wave of Covid19 infections in the first quarter of Financial Year 2021-22, that could halt the consumption pace again. However, we expect no massive disruption again in overall economic activity as now we are preparing to face the challenges with vaccines and resources to combat Covid19.

The Indian government in order to balance the economic impact has brought various measures. Starting with Covid19-Regulatory Package, which allowed lending institutions including HFCs to grant a moratorium of three months on payment of all instalments falling due between March 1, 2020 and May 31, 2020, which was further extended by another three months up to August 31, 2020. Thereafter, RBI released another guideline for Lending Institutions (including HFCs) on implementation of resolution framework for Covid19 related stress, which provides a special window to RBI's earlier directions on Prudential Framework to the eligible borrowers for repayment of their loan by way of restructuring the loan or extending the tenure for repayment of the debt. Now, with the resurgence of Covid19 pandemic in India in the recent weeks, the Reserve Bank announced notification of Resolution Framework-2.0 with objective of alleviating the potential stress to individual borrowers and small businesses, and MSMEs.

b) Our AUM

As of 31st March 2021, the total assets under management increased to Rs. 580 Cr. as against Rs. 451 Cr., thereby registering year-on-year growth of 28.60%.

CAGR 4 years – 163.67%



c) HUB Network

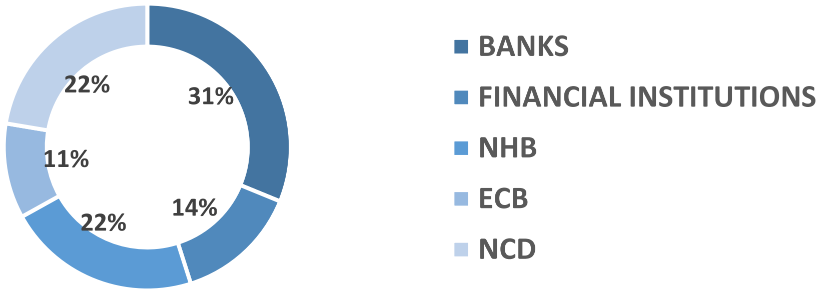
As of 31st March 2021, Ummeed has presence in 28 locations with marginal progress as against 26 in previous year due to impact of pandemic. These Hubs are located in Delhi NCR, Rajasthan, Haryana and Uttar Pradesh.

d) Asset Quality

The amount of net Non-Performing Assets (NPA) as of 31st March 2021 was Rs 2.20 Cr., which is 0.43% to total advances, as against Rs 0.57 Cr. i.e. 0.13% of total advances as at 31st March 2020. This would have been possible only because of the robust risk management practices, effective controls, strong collection ability, and adherence to the laid down policies and regulatory norms.

e) Borrowings

Your Company has committed to diversify the borrowings sources for raising funds at haggled rates. As of 31st March 2021, the borrowings comprised of 45% from Banks and Financial Institutions, 22% from NHB, 11% from ECB and 22% from Non-Convertible Debentures.



The company has also received a sanction of total of Rs 83 Cr. under Refinance Facility from National Housing Bank during the year. Ummeed has added various public & private sector banks as new lenders to its portfolio and extended the support from existing lenders during the end of financial year. Having good acceptability with its lender, during the period under review Ummeed has raised funds amounting to Rs 143.62 Cr. with competitive rates. Total borrowings outstanding from banks and other sources as of 31st March 2021 amounting to Rs 347.94 Cr.

For more information on Company' business outlook, please refer Management Discussion and Analysis Report annexed to this report at **Annexure-VIII**.

6. CHANGE IN THE NATURE OF BUSINESS

During the year under review there was no change in the nature of the business of the Company for the financial year ending 31st March 2021.

7. MATERIAL CHANGES AND COMMITMENTS, IF ANY

There are no material changes and commitments except those discussed in foregoing clauses, affecting the financial position of the Company, occurred between the end of the financial year 31st March 2021 and the date of signing of this Board Report.

8. CHANGE IN SHARE CAPITAL OF THE COMPANY

The Company has not raised any share capital in the financial year being reported. However, two existing shareholders of the Company i.e. Lok Capital Growth Fund and Duane Park Private Limited ("***Existing Shareholders***") transferred a portion of their holdings in the company to four investors i.e. to CX Alternative Investment Fund, Thyme Private Limited, Atma Ram Properties Private Limited ("***New Shareholders***") and Mr. Ashutosh Sharma ("***Existing Shareholder and Promoter***") through secondary sale transaction. Details of such transfer is provided in the extract of Annual Return in Form MGT-9, which has been attached as part of this Report as **Annexure - I**

Authorized Share Capital

During the fiscal, there was no change in the Authorized Share Capital of the Company, i.e. Rs 716,280,000/- (*Rupees Seven Hundred Sixteen Million Two Hundred Eighty Thousand*) comprising of:

(i) 16,300,000 (*Sixteen Million Three Hundred Thousand*) Equity Shares of face value of Rs 10/- each;
(ii) 27,013,000 (*Twenty-Seven Million Thirteen Thousand*) Fully and Compulsorily Convertible Cumulative Preference Share of face value of Rs 20/- each; and
(iii) 1,302,000 (*One Million Three hundred and Two Thousand*) Optionally Convertible Non-Cumulative Redeemable Preference Shares of face value of Rs 10/- each.

Paid Up Share Capital

Similar to Authorised Share Capital, Ummeed's Paid Up Capital was also remaining unchanged during the FY21, and stood as total 44,292,865 (*Forty-Four Million Two Hundred Ninety-Two Thousand Eight Hundred Sixty-Five*) Shares comprising in to:

(i) 15,980,416 (*Fifteen Million Nine Hundred Eighty Thousand Four Hundred Sixteen*) Equity Shares with fully paid-up value of Rs 10/- each;
(ii) 27,011,933 (*Twenty-Seven Million Eleven Thousand Nine Hundred Thirty-Three*) Fully and Compulsorily Convertible Cumulative Preference Share with fully paid-up value of Rs 20/- each; and
(iii) 1,300,516 (One Million Three Hundred Thousand Five Hundred Sixteen) Optionally Convertible Non-Cumulative Redeemable Preference Shares of partly paid-up value of Rs 1/- each.

Capital adequacy ratio (CAR) calculated in accordance with extant regulatory directions stood at 66.69%, and Tier I CAR was at 66.58%.

Dematerialization of securities:

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's securities are:

S. No.	ISIN	Securities Type/ Description
1	INE870W01012	Equity Shares
2	INE870W03018	SERIES A CCPS
3	INE870W03026	SERIES B CCPS
4	INE870W03034	SERIES C CCPS
5	INE870W03042	SERIES D CCPS
6	INE870W07019	12.2224 NCD FV Rs 10,000
7	INE870W07027	13 NCD FV Rs 10,000
8	INE870W07035	11.90 NCD FV Rs 10,00,000
9	INE870W07043	11.7230 NCD FV Rs 10,00,000

9. NON-CONVERTIBLE DEBENTURES

During the financial year under review, the Company raised Rs 48 Cr. by way of issue of Non-Convertible Debentures (NCDs) of face value of Rs. 10 Lakhs each on private placement basis and got these listed on BSE, under provisions of SEBI (Issue and Listing of Debt Securities) Regulations 2008, SEBI LODR 2015 and NHB' HFCs issuance of NCDs on private placement basis (NHB) Directions 2014.

Details as of March 31, 2021 for NCDs issued by the Company are as follows:

Date of allotment	Allottees	Number of Securities	Mode of issuance	Issue price (Rs.) per NCD	Coupon rate	Maturity date	Amount (Rs.)
June 16, 2020	Bandhan Bank	100	Private placement	10,00,000	11.90% payable quarterly	34 months and 5 days from the deemed date of allotment (being June 16, 2020)	10,00,00,000
July 01, 2020	Blue Orchard	380	Private placement	10,00,000	11.7230% payable semi-annually	36 months from the deemed date of allotment (being July 01, 2020)	38,00,00,000
November 20, 2018	Micro Build I, B V & Northern ARC	16,188	Private placement	10,000	12.2224% payable semi-annually	74 months from the deemed date of allotment (being November 16, 2018)	16,18,80,000
December 28, 2018	Northern ARC	14,000	Private placement	10,000	13.00% payable semi-annually	74 months from the deemed date of allotment (being November 16, 2018)	14,00,00,000

Statutory Disclosure:

(i) 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 became due for redemption- **None**

(ii) The total amount in respect of such debentures remaining unclaimed or unpaid beyond the date as aforesaid- **Nil**

10.REVISION IN FINANCIAL STATEMENT OR THE REPORT, IF ANY

The Company has not revised its financial Statement or Board Report in respect of any of the previous financial years either voluntarily or pursuant to the order of judicial Authority.

11.RATING UPDATES

During the year under review, the Company's long-term instruments got an upward rating revision as under:

Rating Agency	Rating	Nature of Securities/ Borrowing
CARE	CARE BBB+; [Triple B Plus]	Bank Loan Facility
CARE	CARE BBB+; [Triple B Plus]	Non-Convertible Debentures

As per CARE Ratings key rating drivers are experienced promoters and senior management team, healthy capitalization backed by periodic equity infusions, adequate headroom for growth, well diversified resource profile, and adequate risk management & control.

12. INVESTOR EDUCATION AND PROTECTION FUND

There is no dividend declared since inception of the Company, therefore the provisions of Section 125 of the Companies Act, 2013 do not apply.

13. COMPOSITION OF BOARD OF DIRECTORS / KEY MANAGERIAL PERSONNEL

The details of directors or key managerial personnel who were appointed or have resigned during the year under review:

a) Board of Directors

Name	Designation	DIN	Date of Appointment	Date of Cessation
Mr. Ashutosh Sharma	Managing Director	2582205	27-01-2016	-
Mr. Sachin Grover	Whole Time Director	7387359	27-01-2016	-
Mr. Inderjit Walia	Independent Director	1812849	23-03-2018	-
Ms. Geeta Mathur	Independent & Woman Director	2139552	27-02-2019	-
Mr. Vinayak Prabhakar Shenvi	Non-Executive Director (Nominee)	694217	29-12-2020	-
Mr. Vishal Mehta	Non-Executive Director (Nominee)	256331	29-09-2016	29-12-2020
Mr. Kartik Srivatsa	Non-Executive Director (Nominee)	3559152	27-02-2019	-
Mr. Nirav Vinod Mehta	Non-Executive Director (Nominee)	7504945	26-02-2020	-
Mr. Rajiv Yashwant Inamdar	Non-Executive Director	1295880	10-07-2019	-

Board has appointed Mr. Vinayak Prabhakar Shenvi, nominated by Thyme Private Limited, as Non-Executive Director w.e.f. December 29, 2020, which was further consented by shareholders. Mr. Vishal Mehta, Director of the Company and Nominee of Lok Capital Growth Fund (Shareholder) resigned from the company due to reduction in their shareholding below 10% as prescribed in the SHA under section 168 of the Companies Act, 2013 w.e.f. December 29, 2020.

Pursuant to the ‘Fit and Proper’ Policy adopted by the Company under the Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016, the Company has received the ‘Fit and Proper’ declarations every year from Directors along with other Disclosures including Independency Declarations, if applicable. Based on the declarations and confirmations received in terms of the provisions of Section 164 of the Companies Act 2013 and the NHB/RBI Directions, none of the Directors on the Board of your Company are disqualified from being appointed/continuing as Directors. Further, the Company has also obtained signed Deed of Covenants from the newly appointed Directors.

b) Key Managerial Personnel

Mr. Nitin Agrahari has been appointed as the Company Secretary of the Company by the Board in the meeting held on June 11, 2020. Thereafter, the Company also elevated Mr. Bikash Mishra, SVP Finance as the Chief Financial Officer and designated as Key Managerial Personnel of the Company. His appointment as CFO was approved by the Board on August 14, 2020. Further, the Company has re-appointed Mr. Ashutosh Sharma as Managing Director and Mr. Sachin Grover as Whole-Time Director for a period of five years w.e.f. January 28, 2021 to January 27, 2026 in the board meeting held on November 25, 2020. Required statutory disclosures/ declarations were received and due processes have been followed by the Board in respect of aforesaid appointments/ reappointments.

14. NUMBER OF GENERAL MEETINGS/ BOARD MEETINGS CONDUCTED DURING THE YEAR

a) General Meetings

Type of Meeting	Date of Meeting	Total Numbers of Members entitled to attend Meeting	Attendance	
			Numbers of Members attended	% of Total Shareholding
1st Extra-ordinary General Meeting for FY 2020-21	15-06-2020	8	6	99%
5th Annual General Meeting	22-07-2020	8	5	99%
2nd Extra-ordinary General Meeting for FY 2020-21	31-12-2020	8	5	99%

b) Board Meetings

The Company had 10 (ten) Board meetings during the financial year. The Company held a minimum of one board meeting in every quarter with a gap of not exceeding 120 days between two consecutive board meetings.

Date of meeting	Total No. of Directors on the Date of Meeting	Attendance	
		No. of Directors attended	% of Attendance
03-04-2020	8	8	100%
21-05-2020	8	6	75%
11-06-2020	8	8	100%
29-06-2020	8	8	100%
14-08-2020	8	7	86%
14-10-2020	8	8	100%
25-11-2020	8	7	86%
11-12-2020	8	6	75%
29-12-2020	8	6	75%
11-03-2021	8	8	100%

c) Attendance of Directors

The details of attendance of the Directors at Board Meetings and at the last AGM held during FY 2020-21 are given below:

Name of the Directors	Designation	Board Meetings			AGM
		No. of Meetings which director was entitled to attend	No. of Meetings Attended	% of Attendance	Attendance
Mr. Ashutosh Sharma	Managing Director	10	10	100%	Yes

Mr. Sachin Grover	Whole Time Director	10	10	100%	Yes
Mr. Inderjit Walia	Independent Director	10	9	90%	Yes
Ms. Geeta Mathur	Independent & Woman Director	10	9	90%	-
Mr. Vinayak Prabhakar Shenvi	Non-Executive Director (Nominee)	1	1	100%	-
Mr. Vishal Mehta	Non-Executive Director (Nominee)	9	6	67%	-
Mr. Kartik Srivatsa	Non-Executive Director (Nominee)	10	10	100%	-
Mr. Nirav Vinod Mehta	Non-Executive Director (Nominee)	10	10	100%	-
Mr. Rajiv Yashwant Inamdar	Non-Executive Director	10	7	70%	-

Name of Director	Board Meeting No.									
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Mr. Ashutosh Sharma	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mr. Sachin Grover	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mr. Inderjit Walia	Y	-	Y	Y	Y	Y	Y	Y	Y	Y
Ms. Geeta Mathur	Y	Y	Y	Y	Y	Y	Y	Y	-	Y
Mr. Vinayak Prabhakar Shenvi	-	-	-	-	-	-	-	-	-	Y
Mr. Vishal Mehta	Y	Y	Y	Y	-	Y	-	-	Y	-
Mr. Kartik Srivatsa	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mr. Nirav Vinod Mehta	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mr. Rajiv Yashwant Inamdar	Y	-	Y	Y	Y	Y	Y	-	-	Y

15. COMMITTEES OF THE BOARD

We believe that our Board effectiveness is derived through focused committees. At Ummeed, the governance culture is demonstrated through functioning of various specialized committees committed to their respective terms of references. The Board has formed committees with specific terms of reference to focus on specific issues and ensure expedient resolution on diverse matters. The decision taken by, or updates of any Committee of the Board shall be placed before the Board, which are noted by the Board at its meeting held follow to those committee meetings. Details of various committees constituted by the Board, are mentioned below:

a) Audit Committee:

The Audit Committee of the Board deals in accordance with the terms of reference specified by the Board, as per relevant provisions of applicable regulatory provisions or directions, *inter-alia* recommendation for appointment, remuneration and terms of appointment of auditors, review and monitor the auditor's independence and performance, and effectiveness of audit process, examination of the financial statements and the auditors' report thereon, approval or any subsequent modification of transactions of the company with related parties, accounting policies, Compliance Report, financial reporting and internal control systems, etc.

Audit Committee meets regularly, and not less than one meeting is being held every quarter. The Audit Committee met 6 (Six) times during the financial year 2020-21 i.e. on 11th June 2020, 29th June 2020, 13th August 2020, 24th November 2020, 11th December 2020 and 10th March 2021. All recommendations made by the Committee during the year were accepted by the Board. The attendance status of the Members at these meetings is provided in table given below. Presently, the Audit Committee of the Company comprises of following members:

Name of the Member	Designation	Number of Meetings attended
Ms. Geeta Mathur	Chairperson*	6
Mr. Inderjit Walia	Member	6
Mr. Kartik Srivatsa	Member	6

*Chairman/Chairperson of the Audit Committee is being elected every time during the meeting.

The Audit Committee monitors and oversee compliance reporting, internal audit reports and also discusses the statutory audit observations on a half yearly basis with Statutory Auditors. In compliance with SEBI's guidelines and with reference to the SEBI Circular (*SEBI/HO/MIRSD/CRADT/CIR/P/2019/121 dated November 4, 2019*), wherein credit rating agencies are required to meet the audit committee of the rated entity with listed NCDs, officials of CARE Ratings met audit committee members during the year. The Audit committee also reviews the investment positions of the company on a quarterly basis and ensure that the investment has been made as per the policy of the company.

b) Nomination and Remuneration Committee:

During the year under review, the Nomination and Remuneration Committee ("NRC") of the Company met 5 (five) times on 08th April 2020, 11th June 2020, 14th July 2020, 25th November 2020 and 10th March 2021. The NRC formulates criteria for determining qualifications, positive attributes and independence of a director. It recommends to the Board a policy, relating to the remuneration for the directors, key managerial personnel, and other employees. The Nomination & Remuneration Policy of the Company is hosted on Company's website at https://www.ummeedhfc.com/company-policies. All recommendation made by the Committee to the Board during the year were accepted by the Board of Directors. This Committee presently comprises of following members:

Name of the Member	Designation	No. of Meeting Attended
Mr. Inderjit Walia	Chairman	5
Ms. Geeta Mathur	Member	3
Mr. Nirav Mehta	Member	5
Mr. Ashutosh Sharma	Member	5

c) Corporate Social Responsibility (CSR) Committee:

In the FY 2021, provisions related to CSR made applicable on your Company thus Board constituted CSR Committee of the Board under Section 135 of the Companies Act, 2013. Committee held its meeting on 24th November 2020 wherein the CSR Committee recommended the CSR Policy and amount of expenditure required to be incurred on the CSR activities during the FY 2020-21, to the Board.

All the recommendation made by the Committee to the Board during the year were accepted by the board of directors. This Committee presently comprises of following members.

Name of the Member	Designation	No. of Meeting Attended
Mr. Rajiv Yashwant Inamdar	Chairman	1
Mr. Inderjit Walia	Member	1
Mr. Ashutosh Sharma	Member	1

A report on CSR activities as required under Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014 is encloses as **Annexure – II**. Ummeed's Board further undertakes to spend the amount towards various identified CSR activities either directly or through the implementing agencies as per the CSR policy of the Company. CSR policy of the Company may be accessed on the Company's website at the link: https://www.ummeedhfc.com/company-policies.

d) Other Committees

The Company has constituted various Committees as per the requirement under Housing Finance Companies (NHB) Circulars/Directions and/or corresponding provisions of Reserve Bank' Master Directions of 2021 on HFCs, as amended from time to time. These Committees meet time to time as per requirement and predefined periodicity, minimum number of meeting or prescribed frequency as per applicable laws or RBI or NHB Directions / Guidelines. The list of the Committees and their members as on 31st March 2021 as follows:

Name of the Committee	Name of the Member
Risk Management Committee	Mr. Alok Prasad Mr. Ashutosh Sharma Mr. Sachin Grover Mr. Rajendra Gupta Mr. Bikash Kumar Mishra
Asset Liability Management Committee (ALCO)	Mr. Ashutosh Sharma Mr. Sachin Grover Mr. Alok Prasad Mr. Bikash Kumar Mishra
Internal Compliant Committee	Ms. Beenata Lawrence, Presiding Officer Ms. Geeta Mathur, Independent Director Ms. Sonia Gaba Mr. Shariq Khan Mr. Bikash Kumar Mishra Mr. Vikas Khandelwal Mr. Ajitpal Singh Mr. Salamrit Virk, External Member
Customer Service and Grievance Redressal	Mr. Sachin Grover Mr. Shariq Khan Ms. Veena Mishra
Willful Defaulter Identification Committee	Mr. Sachin Grover Mr. Shariq Khan Mr. Harish Gupta
Willful Defaulter Review Committee	Mr. Ashutosh Sharma Mr. Rajiv Yashwant Inamdar Mr. Inderjit Walia
IT Strategy Committee	Mr. Inderjit Walia Mr. Sachin Grover Mr. Harvinder Gandhi Mr. Madan Singh
Human Resource Matters Committee	Mr. Inderjit Walia Mr. Rajiv Yashwant Inamdar Mr. Ashutosh Sharma Mr. Sachin Grover Ms. Beenata Lawrence
Borrowing & Banking Committee	Mr. Ashutosh Sharma Mr. Sachin Grover Mr. Bikash Mishra

16. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act 2013, Directors of your Company state and confirm that:

a) In preparation of the annual financial statements for the financial year ending 31st March 2021, the applicable accounting standards had been followed along with the proper explanation relating to the material departures and in compliance with the provisions of the Companies Act 2013;
b) The directors had adopted appropriate accounting policies and applied them consistently and have 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 of 31st March 2021 and of the profit or loss of the company for that period;
c) Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
d) The directors have prepared the annual accounts on a 'going concern' basis;
e) The directors have laid down internal financial controls in the Company that are adequate and are operating effectively*; and
f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**This statement is relevant for listed companies, whereas Ummeed, being a private company and having only listed its non-convertible debt securities on BSE in terms of SEBI (Issue and Listing of Debt Securities) Regulations, 2008, issued on private placement basis, not to be considered as listed company w.e.f. 1st April 2021 for the purpose of the proviso to clause (52) of section 2 of the Act, vide insertion of Rule 2A by the Companies (Specification of definitions details) Second Amendment Rules, 2021.*

17. INTERNAL FINANCIAL CONTROLS / SYSTEMS

As per explanation given for the term "Internal Financial Controls" under the Companies Act 2013, it means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information;

Therefore, the Board of Directors of your Company has been cautiously monitoring and reviewing that the Company is following in letter and spirit following substances of Internal Financial Controls:

Policies and Procedures: The Company has laid down relevant policies and procedures. As part of the Internal Control Framework (ICF), the Company has in place standard operating procedures (SOPs) covering the key activities / functions / processes (Sourcing, Credit, Operations, Treasury, Accounting, etc.)

Compliance Reporting: The Company has in place process to ensure compliance with the provisions of all applicable laws and the same is reported in the form of monthly reporting to MD and quarterly compliance reports to the Audit Committee by the process owners.

Risk Management System: The Company has in place a Risk Management Policy, which provides a framework to address the risk faced by the Company on a sustainable basis. Participants of Risk Management Committee meet on monthly basis and reporting on key finding are being made to Board.

Internal Audit System: The Internal Audit process determines the existence, adequacy, effectiveness and adherence to the Company's internal controls, besides review of processes, adherence to SOPs and compliance with statutory provisions/ regulatory guidelines. There is a process of reporting findings of internal audit to Audit Committee on quarterly basis in the Company.

Adequacy and Effectiveness of Internal Financial Control: The SOPs, Compliance Reporting, Risk Management System, Internal Audit and Fraud Reporting System in place, facilitate orderly and efficient conduct of business as well as safeguarding of assets, the accurate, complete, reliable and timely preparation of financial information and accounting records.

All these ensure that Internal Financial Controls within the Company are adequate and operating effectively.

18. PUBLIC DEPOSITS

Your Company has not accepted any public deposits at the beginning of the year, nor has it accepted any public deposits during the year under review.

19. CORPORATE GOVERNANCE

During the year under your review, the company has adhered to all internal guidelines on corporate governance in line with Housing Finance Companies – Corporate Governance (NHB) Directions, 2016 read with corresponding provisions of Housing Finance Company (Reserve Bank) Directions, 2021. The Company has accordingly framed the internal guidelines on Corporate Governance and the same is forming part of this report as **Annexure-III**. The said policy is available on the website of the Company at https://www.ummeedhfc.com/company-policies.

20. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to Section 186(11) of the Companies Act, 2013, details regarding loans made, guarantee given or security provided by a housing finance company in the ordinary course of its business are exempted from disclosure in the Annual Report.

The details of Investment made by the Company for the same are provided in notes to the financial statements of the Company for the year ending 31st March 2021.

21. EMPLOYEES STOCK OPTIONS PLAN (ESOP)

The stock options granted to eligible employees operate under the Ummeed's Employee Stock Option Plan 2017 ("ESOP 2017" or "Plan"). The objective of introducing ESOP 2017 with effect from 25th May 2017, was to reward Employees for their association with the Company, to attract, retain, and motivate Employees to contribute to the growth and profitability of the Company. ESOP 2017 is being administered by the Board or Nomination & Remuneration Committee in accordance with terms of plan, applicable laws and articles of the Company.

Under the extant ESOP 2017, the Board of Directors of the Company was authorised to grant a total of 20,60,658 (Twenty Lac Sixty Thousand Six Hundred and Fifty-Eight) Employee Stock Options to the Employees under ESOP 2017, exercisable into not more than 20,60,658 (Twenty Lac Sixty Thousand Six Hundred and Fifty-Eight) fully paid-up equity shares of Rs. 10 each, with each such Option conferring a right upon the Employee to apply for one Share of the Company, in accordance with the terms and conditions of such issue and subject to the provisions of ESOP

2017. Shares to be allotted to the eligible employees on the exercise of ESOP options as per the said plan of the company. During the year under review, there were no material changes made in the terms of the options granted under the ESOP 2017. Further details as per Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 are provided in this report as **Annexure-IV**.

22. HUMAN RESOURCE, PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

"***Extraordinary times call for extraordinary measures***". In this year of Covid19 pandemic, your Company stay focused on the health and wellbeing of employees through multiple measures such as remote working and work from home models. During the year, your Company has undertaken various initiatives and projects to keep employees productive and make them able to support the vision of the Company. For proper responding to any Covid19 related instance amongst employees following protocols were followed under guidance of Human Resource (HR) Team of the Company:

- Supervisors informs to HR on any covid case;
- HR connect with the employee to ask for any help or support required;
- HR sends get well soon note and get-well Kit.

As on March 31, 2021, total number of employees on role of the Company stood at 384.

23. REMUNERATION TO DIRECTORS

Disclosures related to particulars required under section 197 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable of the Company, being a private limited company.

Details of remuneration paid to Executive Directors and KMP along with sitting fee and commission paid to Non-Executive Directors have been provided in MGT -9 and Financial Statements attached to this report.

24. RELATED PARTY TRANSACTIONS

Pursuant to the requirements of Housing Finance Companies – Corporate Governance (NHB) Directions, 2016 read with corresponding provisions under Housing Finance Company (Reserve Bank) Directions, 2021, the Company has adopted a Related Party Transactions Policy to define and lay down the procedures based on applicable laws or regulatory directions to be adopted by the Company while dealing with a related party and entering into a transaction with a related party and appended as **Annexure-V.**

The Company has not entered any contract or arrangement during the FY 2021 with any of the related party as per Section 2(76) read with Section 188 of the Companies Act, 2013. Therefore, requirement to disclose the details of all material transactions with related parties, if any, in this report or financial statements are not applicable and Policy on dealing with Related Party Transactions have already been uploaded on Company's website.

Disclosure as per Regulation 53(f) of SEBI LODR, 2015: Relevant additional disclosures pursuant to regulation 53(f) of SEBI (LODR), 2015 are provided at note no. 38 in the financial statements attached to this report.

25. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your Company does not have any joint venture, Associate Company and Subsidiary Company as on March 31, 2021.

26. CORPORATE SOCIAL RESPONSIBILITY

During the year under your review, the Corporate Social Responsibility (CSR) under section 135(1) of the Companies Act, 2013 is applicable to your company. Your Company has put in place, Corporate Social Responsibility Policy as per the provisions of Companies (Corporate Social Responsibility Policy) Rules, 2014 as approved by the Board, which lays down the emphasis on quality education, health infrastructure and services, promoting sports and environmental protection.

The Company had constituted CSR Committee that reviews the CSR Policy, steers activities to be undertaken by the Company towards CSR activities, and formulate a monitoring mechanism to ensure implementation of projects and activities undertaken by the Company.

During the year, the Company has spent a sum of Rs 6.26 Lakhs on various CSR activities. The annual report on CSR activities undertaken during the year forms part of **Annexure - II** to this Board's Report. The CSR Policy is available on the website of the Company at https://www.ummeedhfc.com/company-policies and also forms part of **Annexure - II**.

27. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company aims to provide financing facilities to people for their housing needs and do not engage in any kind of manufacturing or producing activities, therefore no disclosure required to be provided under Section 134(3)(m) of the Companies Act, 2013, read with rule 8(3) of the Companies (Accounts) Rules, 2014. However, your Company had undertaken all reasonable steps according to size of operations of the Company to conserve the energy. Further, the Company has not imported any technology, therefore details related to technology absorption is not applicable to the Company.

Subsequently, the Company has no foreign exchange earnings and outgo. Therefore, no information has been provided as required under the aforesaid provisions of the act and rules made thereunder.

28. RISK MANAGEMENT

Risk Management is an integral and core part of Company's business strategy and culture. The significance of risk and its management are comparatively more in financial sector because of very nature of the industry. As being a housing finance company, it is exposed to various risks such as credit risk, market & liquidity risk, operational risk, money laundering risk, compliance risk, credit concentration risk, legal risk, and reputational risk.

The Risk Management oversight structure includes the Board and Senior Management. The Directors have implemented a comprehensive Risk Management Policy, which addresses issues relating to measuring, monitoring and management of aforesaid risks. A board approved Risk Management Policy of the Company is annexed herewith as **Annexure-VI.**

The Risk Management Committee of the Board is set up to assist the Board in its oversight of various risks, review of compliance with risk policies, monitoring of risk tolerance limits, review and analyze the risk exposures related to specific issues and provides oversight of risk across the organization. While the Risk Management Committee is managing the major risks identified by business and other functionaries of the Company, financial and internal control related risks are monitored and controlled by the Audit Committee of the Company.

29. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company has put in place a Whistleblower Policy ("the Policy") with a view to provide a vigil mechanism for employees of the Company to raise concerns on any violations of Code of Conduct or legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc. This Policy is framed in terms of direction related to constitution of Audit Committee and establishment of vigil mechanism under the provisions of Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and the relevant provisions under Section 177 (9 & 10) of the Companies Act, 2013 and the rules made thereunder.

The Audit Committee oversees the Vigil Mechanism and employees have access to the Audit Committee. The said policy is placed on the company website and can be visited at https://www.ummeedhfc.com/company-policies.

30. SIGNIFICANT AND MATERIAL ORDERS PASSED

There are no significant material orders passed by the Regulators / Courts/ Tribunals which would impact the going concern status of the Company and its future operations.

31. AUDITORS

a) Statutory Auditor

At the Annual General Meeting held on August 21, 2017, the members had appointed M/s. S. R. Batliboi & Associates LLP, having firm registration number 101049W/E300004 as Statutory Auditors of the Company for a period of five consecutive years i.e. up to the conclusion of Annual General Meeting of the Company to be held in year 2022.

During the year under your review, M/s. S. R. Batliboi & Associates LLP, received a total remuneration of Rs. 0.41 Crores from the Company for the financial year ending March 31, 2021. The remuneration relates to the fees for audit, limited review, tax audits and taxation services, internal financial control reporting, certifications and other matters and reimbursement of expenses.

Particulars	Amount in INR (Lakhs)
Remuneration for audit and other matters paid to M/s. S.R. Batliboi & Associates LLP & affiliates firms and to entities of the network of which the statutory auditor is a part	41.54
Total	41.54

b) Cost Records and Cost Audit

Maintenance of cost records and requirement of Cost Audit as per prescribed under provision of Section 148(1) of the Companies Act, 2013 are not applicable for the business activity carried out by the Company.

c) Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013, The Company has appointed M/s Navneet K Arora & Co. LLP, Practicing Company Secretary as Secretarial Auditor to conduct Secretarial Audit of the Company for the financial year ending March 31, 2021. The secretarial auditor's report does not contain any qualifications, reservations, or adverse remarks. Secretarial audit report is attached to this report as **Annexure-VII** for perusal of members.

32. AUDITORS' REPORT

The Auditors' Report read together with notes to the accounts are self-explanatory and hence, do not require any further comments or elaborations under Section 134 of the Companies Act, 2013. The Statutory Auditors have not made any adverse comments or qualifications or adverse remarks. Hence, explanations or comments by the Board are not required to be provided.

33. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12) OF COMPANIES ACT, 2013

The Statutory Auditors have not reported any instances of fraud in the Company committed by its officers or employees of the Company to the Audit Committee or the Board, therefore nothing is required to be disclosed under Sub-section (12) of Section 143 of Companies Act, 2013.

34. SECRETARIAL STANDARDS

The Company has complied with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

35. DECLARATION OF INDEPENDENT DIRECTORS AND SEPARATE MEETINGS OF INDEPENDENT DIRECTORS

The Company has received necessary declaration from each Independent Directors under 149(7) of the Companies Act, 2013, that they meet the criteria of Independence laid down under section 149(6) of the Companies Act 2013.

A separate meeting of Independent Directors held in absence of non-independent directors and members of management as per provisions of Clause VII of Schedule IV to the Companies Act, 2013. In that meeting of Independent Directors, performance of non-independent directors, Chairman and the Board as a whole were reviewed and evaluated.

36. BOARD EVALUATION

The Board works with the nomination and remuneration committee to lay down the evaluation criteria for the performance of executive / non-executive / independent directors. Nomination & Remuneration Committee of the Company carried out an annual evaluation of performance of the Board and each Director on Board of the Company and Committees during the financial year ended on March 31, 2021, as per the terms of references of the Nomination and Remuneration Committee of the Company constituted in accordance with the provisions of section 178 of the Companies Act, 2013 and as per Board approved Board Evaluation Policy of the Company.

Findings of evaluation process and ratings of the Board and its Committees shared to the Board of Directors during one of its meeting by the Chairman of Nomination Committee.

37. CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC)

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

38. THE ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Companies Act, 2013, the extract of Annual Return in Form MGT-9 has been attached as part of Board's Report as **Annexure-I**. The Annual Return is also available on the website of the Company at www.ummeedhfc.com.

39. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 AND RULES THEREUNDER

Your Company has complied with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH") and the rules thereunder, and the Company has also adopted a policy in it.

Pursuant to the requirements of Section 22 of POSH and rules thereunder, the Company has constituted an Internal Complaints Committee (ICC) comprising of such persons as required under the law. The Committee is responsible for ensuring compliance in terms of provisions of POSH, from time to time.

During FY 2021, the Company has not received any complaint of sexual harassment and neither there was any complaint pending from previous years.

40. DISCLOSURE PURSUANT TO NATIONAL HOUSING BANK ACT, 1987 READ WITH THE HOUSING FINANCE COMPANIES (NHB) DIRECTIONS, 2010 AND HOUSING FINANCE COMPANY (RESERVE BANK) DIRECTIONS, 2021

a) Your Company is in compliance with all applicable provisions of NHB Act, 1987 and Directions, Guidelines and Circulars issued by NHB and RBI from time to time.
b) Your Company being a Non-Public Deposit accepting Housing Finance Company, not required to make disclosures in pursuance to direction 10(1) and 10(2) of The Housing Finance Companies (NHB) Directions, 2010 read with corresponding provisions of Para 44.1 and 44.2 of Housing Finance Company (Reserve Bank) Directions, 2021.
c) Disclosures required under Direction 29(6) of NHB Directions 2010 read with Para 16 of Housing Finance Company (Reserve Bank) Directions, 2021, have been provided accordingly wherever relevant.
d) The Board of Directors periodically review compliance of the Fair Practices Code and the functioning of the grievance's redressal mechanism at various levels of management.
e) Management Discussion and Analysis Report forming part of the Annual Report to the Shareholders, has been attached as part of this report as **Annexure-VIII**.

41. LISTING WITH STOCK EXCHANGE

The Company is up to date in the payment of annual listing fees and in compliance with other disclosure related requirements to be made to Bombay Stock Exchange (BSE) on which its debentures are listed.

42. ACKNOWLEDGEMENT

Your Board of Directors acknowledge their sincere gratitude the co-operation and assistance extended by its various regulatory bodies like National Housing Bank, Reserve Bank of India, Securities and Exchange Board of India, Ministry of Corporate Affairs, the Bankers, Employees, Customers, Trustees, Debenture holders, and the Society at large and look forward for their continued support & co-operation from the shareholders.

The Directors express their appreciation for the dedication and commitment with which employees of the Company at all levels have worked during the year.

For and on behalf of the Board of Directors

Ummeed Housing Finance Private Limited

Sd/-	**Sd/-**
Ashutosh Sharma **Managing Director** **DIN: 02582205**	**Sachin Grover** **Executive Director** **DIN: 07387359**

Date: 16th June, 2021

Place: Gurugram

Annexure-I

MGT-9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2021
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

i)	CIN	U65922HR2016PTC057984
ii)	Registration Date	27-01-2016
iii)	Name of the Company	UMMEED HOUSING FINANCE PRIVATE LIMITED
iv)	Category/Sub-category of the Company	Private company limited by shares
v)	Address of the Registered office & contact details	318, DLF Magnolias, Sector-42, Golf Course Road, Gurgaon-122002, Haryana, India. ashutosh.sharma@ummeedhfc.com Phone: 0124 4836 480 www.ummeedhfc.com
vi)	Whether listed company	No*
vii)	Name, Address & contact details of the Registrar & Transfer Agent, if any.	SKYLINE FINANCIAL SERVICES PVT. LTD. D-153 A 1ST FLOOR OKHLA INDUSTRIAL AREA PHASE-1 NEW DELHI-110020 CONTACT NO: 011-40450193 TO 197 EMAIL ID: virenr@skylinerta.com

** Ummeed, being a private company and having only listed its non-convertible debt securities on BSE in terms of SEBI (Issue and Listing of Debt Securities) Regulations, 2008, issued on private placement basis, not to be considered as listed company w.e.f. 1st April 2021 for the purpose of the proviso to clause (52) of section 2 of the Act, vide insertion of Rule 2A by the Companies (Specification of definitions details) Second Amendment Rules, 2021.*

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Other financial service activities, except insurance and pension funding activities	649	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the company	CIN/GLN	Holding/ Subsidiary /associate	% of Shares Held	Applicable Section
1	N.A.	N.A.	N.A.	N.A.	N.A.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2020]				No. of Shares held at the end of the year [As on 31-March-2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	98,79,172	-	98,79,172	61.82	98,79,172	-	98,79,172	61.82	0
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-								-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1): -	**98,79,172**	**-**	**98,79,172**	**61.82**	**98,79,172**	**-**	**98,79,172**	**61.82**	**0**
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2): -	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of Promoter (A)= (A)(1) +(A)(2)	**98,79,172**	**-**	**98,79,172**	**61.82**	**98,79,172**	**-**	**98,79,172**	**61.82**	**0**
B. Public Shareholding	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-

e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify) FFI/BANK	-	-	-	-	-	-	-	-	-
Sub-total (B)(1): -	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2. Non-Institutions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) Bodies Corp.	-								-
i) Indian	36,43,867	200	36,44,067	22.8	5,02,940	200	5,03,140	3.15	-19.65
ii) Overseas	19,99,469	1,08,636	21,08,105	13.19	52,49,032	-	52,49,032	32.85	19.66
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	-	-		-	-	-		-
ii) Individual shareholders holding nominal share capital in excess of Rs 1lakh	-	3,49,072	3,49,072	2.18	-	3,49,072	3,49,072	2.18	0
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non-Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R/	-	-	-	-	-	-	-	-	-
HUF	-	-	-	-	-	-	-	-	-
Sub-total (B)(2): -	**56,43,336**	**4,57,908**	**61,01,244**	**38.18**	**57,51,972**	**3,49,272**	**61,01,244**	**38.18**	**0**
Total Public Shareholding (B)=(B)(1) + (B)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**1,55,22,508**	**4,57,908**	**1,59,80,416**	**100**	**1,56,31,144**	**3,49,272**	**1,59,80,416**	**100**	**-**

ii) Shareholding of Promoters-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 31-March-2020]			Shareholding at the end of the year [As on 31-March-2021]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Mr. Ashutosh Sharma	98,79,172	61.82	-	98,79,172	61.82	-	0

iii) Change in Promoters' Shareholding

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1.	**Mr. Ashutosh Sharma**	**No. of Shares**	**% of total shares of the company**	**No of shares**	**% of total shares of the company**
	At the beginning of the year	98,79,172	61.82	98,79,172	61.82
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	None	Nil	None	Nil
	At the end of the year	98,79,172	61.82	98,79,172	61.82

iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Particulars		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1	**Thyme Private Limited**		**No. of Shares**	**% of total shares of the company**	**No of shares**	**% of total shares of the company**
	At the beginning of the year		Nil	Nil	Nil	Nil
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	Date of Increase: 29/12/2020 Reason: Transfer	Nil	Nil	31,40,927	19.65%
	At the end of the year		**31,40,927**	**19.65%**	**31,40,927**	**19.65%**

2.	**NHPEA Kabru Holding B.V.**		**No. of Shares**	**% of total shares of the company**	**No of shares**	**% of total shares of the company**
	At the beginning of the year		21,08,005	13.19	21,08,005	13.19
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	None	Nil	Nil	21,08,005	13.19
	At the end of the year		**21,08,005**	**13.19**	**21,08,005**	**13.19**
3	**CX Alternative Investment Fund**		**No. of Shares**	**% of total shares of the company**	**No of shares**	**% of total shares of the company**
	At the beginning of the year		Nil	Nil	Nil	Nil
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	Date of Increase: 29/12/2020	Nil	Nil		
		Reason: Transfer			5,02,840	3.15%
	At the end of the year		**5,02,840**	**3.15%**	**5,02,840**	**3.15%**
4.	**Mr. Harvinder Gandhi**		**No. of Shares**	**% of total shares of the company**	**No of shares**	**% of total shares of the company**
	At the beginning of the year		70,299	0.44	70,299	0.44
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	None	-	-	70,299	0.44
	At the end of the year		**70,299**	**0.44**	**70,299**	**0.44**
5	**Mr. Rajendra Gupta**		**No. of Shares**	**% of total shares of the company**	**No of shares**	**% of total shares of the company**
	At the beginning of the year		47,100	0.29	47,100	0.44
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	None	Nil	Nil	47,100	47,100
	At the end of the year		**47,100**	**0.29**	**47,100**	**0.29**

6.	**Duane Park Pvt. Ltd.**		**No. of Shares**	**% of total shares of the company**	**No of shares**	**% of total shares of the company**
	At the beginning of the year		200	0	200	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	None	-	-	200	0
	At the end of the year		**200**	**0**	**200**	**0**
7.	**Lok Capital Growth Fund**		**No. of Shares**	**% of total shares of the company**	**No of shares**	**% of total shares of the company**
	At the beginning of the year		36,43,867	22.8	36,43,867	22.8
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	Date of Decrease: 29/12/2020 Reason: Transfer	-36,43,767	-22.8	36,43,767	22.8
	At the end of the year		**100**	**0**	**100**	**0**
8	**Lightstone Fund S.A. Raif (LGT)**		**No. of Shares**	**% of total shares of the company**	**No of shares**	**% of total shares of the company**
	At the beginning of the year		100	0	100	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	None	-	-	100	0
	At the end of the year		**100**	**0**	**100**	**0**

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	**Particulars of Director / KMP**	**Shareholding at the beginning of the year**		**Cumulative Shareholding during the year**	
1.	**Mr. Ashutosh Sharma**	**No. of Shares**	**% of total shares of the company**	**No of shares**	**% of total shares of the company**
	At the beginning of the year	98,79,172	61.82	98,79,172	61.82

	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	None	-	-	-	-
	At the end of the year		**98,79,172**	**61.82**	**98,79,172**	**61.82**
2.	**Mr. Sachin Grover**		**No. of Shares**	**% of total shares of the company**	**No of shares**	**% of total shares of the company**
	At the beginning of the year		2,31,673	1.45	2,31,673	1.45
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	None	-	-	-	-
	At the end of the year		**2,31,673**	**1.45**	**2,31,673**	**1.45**

VI) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,81,51,95,984	-	-	2,81,51,95,984
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3,22,57,803	-	-	3,22,57,803
Total (i+ii+iii)	**2,84,74,53,788**	**-**	**-**	**2,84,74,53,788**
Change in indebtedness during the financial year				
· Addition	1,43,62,58,809	-	-	1,43,62,58,809
· Reduction	(77,20,44,426)	-	-	(77,20,44,426)
Net Change	**66,42,14,383**	**-**	**-**	**66,42,14,383**
Indebtedness at the end of the financial year				
i) Principal Amount	3,47,94,10,366	-	-	3,47,94,10,366
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3,93,08,805	-	-	3,93,08,805
Total (i+ii+iii)	**3,51,87,19,171**	**-**	**-**	**3,51,87,19,171**

VII) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors ~~and/or Manager~~:

(Rs in Lakhs)

S. No.	Particulars of Remuneration	Mr. Ashutosh Sharma Managing Director	Mr. Sachin Grover Whole-Time Director	Total Amount
1	Gross salary a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 b. Value of perquisites u/s 17(2) Income-tax Act, 1961 c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	144.64	103.26	247.90
2	Stock Option		49.64	49.64
3	Sweat Equity			
4	Commission - as % of profit - others, specify			
5	Others			
	Total (A)	**144.64**	**152.90**	**297.54**
	Ceiling as per the Act	N.A., Company being Private Company.		

B. REMUNERATION TO OTHER DIRECTORS:

(Rs in Lakhs)

S. No.	Particulars of Remuneration	Name of Directors				
	Independent Directors	**Ms. Geeta Mathur**	**Mr. Inderjit Walia**			
1	Fee for attending board committee meetings	3.5	3.5			
	Commission	1	1			
	Others, please specify	-				
	Total (1)	**4.5**	**4.5**			
2	**Other Non-Executive Directors**	**Mr. Nirav Mehta**	**Mr. Vishal Mehta**	**Mr. Kartik Srivatsa**	**Mr. Rajiv Yashwant Inamdar**	**Mr. Vinayak Prabhakar Shenvi**
	Fee for attending board committee meetings	-	-	-	3.5	-

Commission	-	-	-	1	-
Others, please specify	-	-	-	-	-
Total (2)	-	-	-	**4.5**	-
Total (B)= (1+2)					**13.5**
Total Managerial Remuneration					**258.42**
Overall Ceiling as per the Act	**Not Applicable, Company being a Private Company**				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD: *(Rs in Lakhs)*

S. No.	Particulars of Remuneration	Mr. Nitin Agrahari, CS	Mr. Bikash Kumar Mishra, CFO
1	Gross salary a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 b. Value of perquisites u/s 17(2) Income-tax Act, 1961 c. Profits in lieu of salary under section 17(3) Income- tax Act, 1961	9.54	40.5
2	Stock Option		5.24
3	Sweat Equity		
4	Commission - as % of profit - others, specify		
5	Others (P.F. & Superannuation)	0.18	0.21
	Total (A)	**9.72**	**45.95**

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There was no penalty, punishment, compounding of the Company, directors, or any other officers in default in respect of the Companies Act, 2013.

For and on behalf of the Board of Directors
Ummeed Housing Finance Private Limited

Sd/-	**Sd/-**
Ashutosh Sharma **Managing Director** **DIN: 02582205**	**Sachin Grover** **Whole-Time Director** **DIN: 07387359**

Date: 16th June, 2021

Place: Gurugram

Annexure-II

THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL YEAR 2020-21

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

The Company has adopted its CSR Policy as approved by Board of the Company on recommendation of CSR Committee, in accordance with the provisions under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Companies Act, 2013 ("the Act").

At Ummeed, we intend to make a positive difference to society and contribute our share towards the social cause for betterment of society. Under CSR Activities, the Company undertakes activities mentioned in Schedule VII of the Act, such as Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care; Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects; Training to promote Rural sports, Nationally recognized sports, Paralympic sports and Olympic sports; Contributions to public funded Universities and Institutions; and Rural development projects and Slum area development.

As per the requirement, the CSR activities shall be undertaken by the Company, as per its CSR policy, on various projects or program or activities, as approved by CSR committee, through the registered trust or registered society or any Company established under Section 8 of the Act. There is no maximum ceiling for CSR expenditure by the Company. However, as per clause 135 of the Act, Company is required to spend, in every financial year, at least 2% of the average net profits of the company made during the 3 immediately preceding financial years on CSR activities. The annual budget for Ummeed' CSR initiative shall be approved by the Board of Directors on recommendation of the CSR Committee of the Company. The allocation of funds to specific projects/ programs will be as decided by the Board. Various CSR activities, projects and programs are to be monitored by the Company and progress is to be reported to be CSR committee of the Board at periodical intervals as may be required by the Committee.

2. COMPOSITION OF CSR COMMITTEE:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of meetings CSR Committee attended during the year
1	Mr. Rajiv Yashwant Inamdar	Non-executive Director and Chairman	1	1
2	Mr. Inderjit Walia	Independent Director	1	1
3	Mr. Ashutosh Sharma	Managing Director	1	1

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://www.ummeedhfc.com/company-policies

4. DETAILS OF IMPACT ASSESMENT 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:

Not Applicable

5. DETAILS OF 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:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)
1	Not Applicable	Nil	Nil

6. AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5):

Rs. 3,12,69,429/-

7. (a) Two percent of average net profit of the Company as per section 135(5):

Rs. 6,25,389/-

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

NA

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

NA

(d) Total CSR obligation for the financial year (7a+7b-7c):

Rs. 6,25,389/-

8. (a) CSR AMOUNT SPENT OR UNSPENT FOR THE FINANCIAL YEAR:

Total Amount Spent for the Financial Year.	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount.	Date of transfer.
6,26,526	Nil	N.A.	N.A.	N.A.	N.A.

(b) DETAILS OF CSR AMOUNT SPENT AGAINST ONGOING PROJECTS FOR THE FINANCIAL YEAR: *No such project

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

(c) DETAILS OF CSR AMOUNT SPENT AGAINST OTHER THAN ONGOING PROJECTS FOR THE FINANCIAL YEAR:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
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 Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1	Food distribution to migrants	Eradicating hunger, poverty and malnutrition	No	Uttar Pradesh	Renukoot	50,000	No	Samanvaya Parivar	-
2	For food packets during COVID-19	Eradicating hunger, poverty and malnutrition	No	Uttar Pradesh	Sonbhadra	50,000	No	Seva Samarpan Sansthan	-

3	Promoting health care including preventive health care	Healthcare	Yes	Haryana	Gurugram	2,00,000	No	I Am Gurgaon	-
4	To promote sports	Sports	Yes	Haryana	Gurugram	2,00,000	No	Tiger Sports Marketing Pvt. Ltd.	-
5	To develop financial literacy related tools and upgradation/ changes under Ummeed's CSR initiative.	Education	Yes	Haryana	Gurugram	86,000	Yes	N.A.	N.A.
6	To design & create educational content for financial literacy campaigns under Ummeed's CSR initiative.	Education	Yes	Haryana	Gurugram	40,584	Yes	N.A.	N.A.

(d) AMOUNT SPENT IN ADMINISTRATIVE OVERHEADS:

Nil

(e) AMOUNT SPENT ON IMPACT ASSESSMENT, IF APPLICABLE:

Nil, impact assessment not applicable

(f) TOTAL AMOUNT SPENT FOR THE FINANCIAL YEAR (8b+8c+8d+8e):

Rs 6,26,584/-

(g) EXCESS AMOUNT FOR SET OFF, IF ANY:

Sl. No.	Particular	Amount (in Rs.)
1	Two percent of average net profit of the company as per section 135(5)	Rs. 6,25,389/-
2	Total amount spent for the Financial Year	Rs. 6,26,584/-
3	Excess amount spent for the financial year [(ii)-(i)]	Rs. 1,195/-
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
5	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs. 1,195/-

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 Rs.)	Amount spent in the reporting Financial Year (in Rs.).	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 Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
	NA	NA	NA	NA	NA	NA	NA

(b) DETAILS OF CSR AMOUNT SPENT IN THE FINANCIAL YEAR FOR ONGOING PROJECTS OF THE PRECEDING FINANCIAL YEAR(S):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

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

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)

(a) Date of creation or acquisition of the capital asset(s):

NA

(b) Amount of CSR spent for creation or acquisition of capital asset:

NA

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.:

NA

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):

NA

11. 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, Company has spent all monies required to spend as per Section 135 of the Act.

For and on behalf of the Board of Directors of Ummeed Housing Finance Private Limited

Sd/-	Sd/-
Mr. Ashutosh Sharma **Managing Director** **(DIN: 02582205)**	**Mr. Rajiv Yashwant Inamdar** **Chairman- CSR Committee** **(DIN: 01295880)**

Place: Gurugram, Haryana
Date: 16th June, 2021

Corporate Social Responsibility Policy

A. Background:

Ummeed Housing Finance Private Limited (hereinafter referred to as "the Company" or "Ummeed") is a Private Limited Company incorporated under the provisions of the Companies Act, 2013 and registered as a Housing Finance Company ("HFC") with the National Housing Bank ("NHB").

At Ummeed, we intend to make a positive difference to society and contribute our share towards the social cause of betterment of society. We always believe in benefitting the underprivileged and those who have been deprived of even the basics in life. Helping, caring and sharing in whatever way possible is the approach, we follow when it comes to registering our presence beyond the realm of just business. With our efforts of giving back to society, we try to do our best to the society.

In this regard, Company has made this policy which encompasses the Company's philosophy for describing its responsibility as a good corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, which is titled as the **"Corporate Social Responsibility (CSR) Policy"** based on provisions of Companies Act, 2013 and rules made thereunder.

As per **Section 135** of the Companies Act, 2013 ("Act") and Companies (Corporate Social Responsibility Policy) Rules, 2014 ("Rules")**,** Every Company having Net worth of Rs. 500 crore or more, or Turnover of Rs. 1000 crore or more, or a Net profit of Rs. 5 crore or more during any financial year, shall have CSR Committee of the Board consisting of Directors of the Company, adopt a CSR Policy, and draw out a framework for undertaking CSR activities laid out under the said Act. Such Company is also required to ensure that it spends in every financial year at least 2% of average net profit of the Company made during the three immediately preceding financial years.

B. Definitions:

I. "Act" means the Companies Act, 2013.

II. "Administrative overheads" means the expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.

III. "Annual Action Plan" means and includes -

a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
b) the manner of execution of such projects or programmes as specified in rule 4(1) of CSR Rules 2014;
c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
d) monitoring and reporting mechanism for the projects or programmes; and
e) details of need and impact assessment, if any, for the projects undertaken by the company:

IV. "Corporate Social Responsibility (CSR)" means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act and in accordance with the definition provided in rule 2(d) of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

V. "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;

VI. "CSR Policy" means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;

VII. "Implementing Agency" means-

a) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
c) any entity established under an Act of Parliament or a State legislature; or
d) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

VIII. "Net profit" means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, and in accordance with the definition provided in rule 2(h) of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

IX. Ongoing Project" means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

C. <u>Composition of CSR Committee:</u>

The Committee shall consist of total 3 (three) Directors from the Board, which includes at least 1 (one) Independent Director and other 2 (two) Directors as decided by the Board from time to time.

D. <u>Role and Responsibilities of CSR Committee:</u>

i. To formulate and recommend to the Board the Corporate Social Responsibility policy which shall include the activities to be undertaken by the Company as detailed in Schedule VII of the Companies Act, 2013.
ii. To recommend the amount of expenditure to be incurred on activities referred above.
iii. To formulate and recommend to the Board, an annual action plan.
iv. To monitor the Corporate Social Responsibility activities of the Company from time to time.
v. Review and reassess the adequacy of CSR Policy periodically and recommend any proposed changes to the Board for approval.
vi. To institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company.
vii. Coordinate with such other agency/ entity for implementing programs and executing initiatives as per CSR policy and shall review the performance of such other agency/ entity periodically.
viii. Delegate authority to subcommittees/ any individual when appropriate.

E. Role and Responsibilities of Board:

i. The Board shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it;

ii. The Board shall take utilisation certification from Chief Financial Officer or the person responsible for financial management to the effect that the fund was utilised for the purposes, it was disbursed.

iii. In case of ongoing project, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

iv. Board may alter annual action plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

F. CSR Activities to be undertaken by the Company, as detailed in Schedule VII of the Companies Act, 2013 is given below:

The CSR Committee constituted under Section 135(1) of Companies Act, 2013 will work on any or all of the following activities as detailed in Schedule VII of the Companies Act, 2013, relating to:

I. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care.
II. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
III. Training to promote Rural sports, Nationally recognized sports, Paralympic sports and Olympic sports
IV. Contributions to public funded Universities and Institutions;
V. Rural development projects and Slum area development.

Explanation.- For the purposes of this item, the term `slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

G. CSR Reporting:

The disclosure of contents of Corporate Social Responsibility Policy in the Board's report and on the company's website, if any, shall be as per Format attached to this policy at **Annexure-"A"**.

H. Implementation Vehicle for CSR Activities:

As per the requirement, the CSR activities shall be undertaken by the Company, as per its CSR policy, on various projects or program or activities or plan, as approved by CSR committee, by itself or through an Implementing Agency.

I. CSR Obligation:

There is no maximum ceiling for CSR expenditure by the Company. However, as per clause 135 of the Companies Act, Company is required to spend, in every financial year, at least 2% of the average net profits of the company made during the 3 immediately preceding financial years on CSR activities.

In case the company spends an amount in excess of the aforesaid 2% of average net profits made during previous 3 fiscal, then such excess amount may be set off against the requirement to spend for such number of succeeding financial years and in such manner, as may be prescribed by the Government in this behalf.

At the end of each financial year, the Company shall prepare an annual report on CSR containing the particulars as furnished in **Annexure "A"**.

J. <u>CSR Budget:</u>

The annual budget for Ummeed' CSR initiative shall be approved by the Board of Directors on recommendation of the CSR Committee of the Company. The allocation of funds to specific projects/ programs will be as decided by the Board.

Any surplus arising out of the CSR Projects or programs or activities shall not form part of the business profit of the Company. CSR expenditure shall include all expenditure including contribution to corpus, or on projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the areas or subjects, specified in Schedule VII of the Act.

K. <u>Monitoring the CSR activities:</u>

Various CSR activities, projects and programs are to be monitored by the Company and progress is to be reported to be CSR committee of the Board at periodical intervals as may be required by the Committee, in the proforma similar to the annual report as furnished in the **Annexure "A"**.

L. <u>Display of CSR activities on the website:</u>

The contents of the CSR policy of the Company as approved by the Board shall be displayed in the Companies official website. Further, the annual report as per **Annexure-I** shall also be displayed in the Company's website for public view.

M. <u>Amendments in the policy:</u>

Any amendment or modification to the CSR policy shall be approved by the Board on the recommendation of the CSR committee. The contents of this policy shall be disclosed on the website of the Company at: https://www.ummeedhfc.com/

Annexure-"A"

(FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT)

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Annexure-III

INTERNAL GUIDELINES ON CORPORATE GOVERNANCE

At Ummeed Housing Finance Private Limited ('the Company'), we believe that sound governance practices are the bedrock for the functioning of the Company and for creation of value for its stakeholders on a sustainable and long-term basis. This philosophy guides us in maintaining an ethical framework within which we operate.

In order to adopt best practices and greater transparency in the operations of the Company and in compliance with the Guidelines on Corporate Governance issued by the National Housing Bank vide Circular No. NHB(ND)/DRS/REG/MC-07/2017 dated July 1, 2017, the Company has framed these Internal Guidelines on Corporate Governance.

THE BOARD

The Company's Board has a primary role of trusteeship to protect and enhance stakeholders value through supervision and strategic inputs. The Board along with its Committees provides supervision and exercises appropriate controls and in addition to basic governance issues, the Board lays strong emphasis on transparency, accountability and integrity.

Fit and Proper criteria for Directors

The Company shall have a policy put in place for ascertaining the fit and proper criteria at the time of appointment of Directors and on a continuing basis. The Nomination and Remuneration Committee shall review the appointment/re-appointment of Directors considering their qualifications, expertise, track record, integrity and other 'fit and proper' criteria. All the Directors shall meet the 'fit and proper' criteria as prescribed by the National Housing Bank.

Board's Composition

Board shall have an optimum combination of Executive, Non-Executive and Independent Directors in line with the requirements of the provisions of the Companies Act, 2013, the Articles of Association of the Company and the Shareholder's Agreement.

Meetings of the Board

At least 4 meetings of the Board shall be held in every calendar year and at least 1 (one) meeting will be held every calendar quarter, with a maximum time gap of 120 (one hundred and twenty) days between two Board meetings. The minimum information to be statutorily made available to the Board shall be furnished to the Directors before the meeting.

The decisions of the Board shall be taken by simple majority of the Directors and each Director shall exercise one vote.

Independent Directors

Independent Directors shall comply with the provisions specified in Schedule IV to the Companies Act, 2013 and the relevant NHB regulations.

REMUNERATION

The remuneration payable to the Director(s) shall be determined by the Nomination and Remuneration Committee and shall be recommended to the Board for its consideration and approval. The remuneration payable shall be in accordance with the Board approved Remuneration Policy and applicable laws.

COMMITTEES OF THE BOARD

The Board shall constitute Committees with specific terms of reference to focus on specific issues and ensure expedient resolution of diverse matters. The Minutes of the Meetings of all Committees of the Board shall be circulated to the Board of Directors, for their noting.

Details of various committees of the Board are mentioned below:

Audit Committee

The Audit Committee of the Board shall deal in accordance with the terms of reference specified by the Board with recommendation for appointment, remuneration and terms of appointment of auditors, review and monitor the auditor's independence and performance, and effectiveness of audit process, examination of the financial statement and the auditors' report thereon, approval or any subsequent modification of transactions of the company with related parties, accounting policies, Compliance Report, financial reporting and internal control systems.

Nomination and Remuneration Committee:

Terms of references of Nomination and Remuneration Committee ("NRC") includes formulating criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel, and other employees.

Other Committees

The Company shall constitute various Committees as per the requirement under Housing Finance Companies (NHB) Circulars/Directions issued from time to time. These Committees shall meet time to time as per requirement, minimum number of meeting or prescribed frequency as per applicable laws or NHB Directions / Guidelines.

A list of such committees as follows:

Risk Management Committee

The Risk Management Committee shall be responsible for setting up and reviewing risk management policies of the Company from time to time. The Risk Management Committee shall primarily be responsible for identifying, monitoring, managing and mitigating the credit risk, market risk, operational risk and other risks of the Company that can be applicable to the Company considering the business operations of the Company through integrated risk management systems, strategies and mechanisms.

Asset Liability Management Committee (ALCO)

The ALCO shall monitor the asset liability composition of the Company's balance sheet and determine actions to mitigate risks associated with the asset liability mismatches.

IT Strategy Committee

The IT Strategy Committee shall be responsible for recommending IT related policies and other security policies, evaluating new threats and reducing the risk of intrusion, loss of data integrity, compliance violations and the committee is also responsible for role based access controls, resource allocation, documentation, and reporting.

Wilful Defaulter Identification Committee

The Company shall constitute Wilful Defaulter Identification Committee headed by an Executive Director or equivalent and consisting of two other senior officers of the Company.

Wilful Defaulter Review Committee

This committee shall be headed by Managing Director/ Chairman and consist of two Non-executive/ Independent Director to review the order passed by Identification Committee or wilful defaulters.

Borrowing & Banking Committee

The Borrowing & Banking Committee is responsible to (i) To borrow monies from Banks, Financial Institutions, Firms, Bodies Corporate and Other Persons/Entities including securitization transactions up to a sum prescribed by the Board while delegating its Borrowing Powers; (ii) Opening / Closing of Bank/ Imprest Accounts of the Company; (iii) Addition/ Deletion/ Change in Authorised Signatories of the Bank Accounts of the Company; (iv) Revising the authorization limits of the Bank Accounts of the Company; and (v) Availing of payment gateway services, Internet Banking or Cash Management Services or entering any agreement for those services with Banks/ Financial Institutions.

In addition to above, the Board shall constitute other committees, such as Internal Complaints Committee, Customer Service and Grievance Redressal Committee, Whistle Blower Committee, Human Resource Matters Committee, as may be required for effective functioning of the Company.

GUIDELINES FOR CONVENING BOARD AND AUDIT COMMITTEE MEETINGS:

(1) Finalisation of next Board and Audit Committee day, dates, venue and time at the current meeting;

(2) On finalisation of the date of the Meetings the notice to be sent to all the Directors/ Members of the Board and Audit on the same day;

(3) Agenda of the said meetings shall be circulated to all the Directors/members not later than seven (7) days before the date of the meetings. However, annexures having price sensitive information may be circulated three (3) days prior to the date of the meeting;

(4) In case representatives Director of Shareholders/ Investors, express their inability to attend the meetings then a waiver to be obtained from attending the Meetings;

(5) Finalisation of the Minutes of the meetings shall be done within fifteen (15) days from the date of such meetings;

(6) The said Minutes to be circulated members of the Board or Audit Committee for their review and comments;

(7) The members of the Board/ Audit shall be provided 7 days' time from the date of circulation to review and comment. The comments, if any, received on the Minutes then it shall be incorporated appropriately after obtaining approval of MD. In the event no comments received from any Directors/ Members within seven (7) days, then it will be deemed approved;

(8) The approved Minutes shall be printed on the Minute sheet and will be filed in a Minute Book. The approval/ confirmation of the said Minutes shall be done at the next Meeting and it will be signed by the Chairman of that Meeting.

PERFORMANCE EVALUATION

The Nomination and Remuneration Committee of the Company shall evaluate the performance of the individual Directors, the Board, as a whole and its Committees. The Nomination Committee shall provide an overview Report of the evaluation conducted by it, to the Board for their discussion and analysis.

CONFLICT OF INTEREST

The Company expects its Directors, officers and other employees to act ethically at all times and to acknowledge their adherence to the policy(ies) and code(s) adopted by the Company. The Directors, Senior Management and other Employees of the Company shall endeavour to avoid any conflict of interest with respect to their dealings with the Company. A Director who is interested in any proposed transaction shall not exercise any influence over other Board/Committee Members in any manner whatsoever.

AUDITORS

The Board and the Audit Committee of the Company shall be responsible to appoint Auditors, statutory or otherwise, as required under Companies Act and NHB Directions. The Company shall review the independence and performance of Auditors and effectiveness of their audit process periodically.

CODE OF CONDUCT AND POLICIES

The Code of Conduct for Directors (including Independent Directors) and Employees provides guide to professional code of conduct to be applied in their businesses and affairs in compliance with applicable laws, rules and regulations of India. The Code is applicable to all employees of the Company, including Executive Director(s) and to the Non-Executive Director(s), whether Independent or Non- Independent to the extent of their role and responsibilities in the Company.

In accordance with the applicable provisions of the Companies Act, 2013, the directions / guidelines issued by the National Housing Bank, under other applicable laws and for internal requirements and operational convenience, the Company shall frame and adopt various policies and shall modify/ update / revise / review as and when required under the applicable laws or due to change in the functioning or the structure of the Company.

DISCLOSURES

The Company is committed to make adequate disclosures based on the principles of transparency, timeliness, fairness and continuity. The Board of Directors and employees of the Company shall ensure and make necessary disclosures to the Company, the Regulator(s) / Statutory Authorities, the Shareholders, Investors, Members or other stakeholders as may be required by the applicable laws and the codes / policies of the Company.

The Board of Directors of the Company or such other person authorized by the Board or any law / regulation, shall ensure that all the disclosures statutorily required to made on behalf of the Company are duly made to the Regulatory/ Statutory authorities or such other persons as maybe required under applicable laws / regulations.

COMPLIANCE OFFICER

A qualified Company Secretary shall be the Compliance Officer of the Company.

REVIEW

The Board or its Committee may review the policy from time to time as may be required. Changes, if any, shall be effective only upon approval by the Board itself or by COO / MD wherever authorised by the Board.

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Annexure-IV

EMPLOYEES STOCK OPTIONS PLAN (ESOP)

The details of the employee stock option pursuant to the provisions of Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 as on March 31st, 2021, under Ummeed' Employees Stock Option Plan 2017 ("ESOP 2017" or "Plan") to are given below:

<table>
<tr><th>Details</th><th>ESOP 2017*</th></tr>
<tr><td>Options granted</td><td>The total options granted under ESOP 2017 as on date is 12,75,996</td></tr>
<tr><td>Options vested</td><td>5,02,480</td></tr>
<tr><td>Options exercised</td><td>Nil</td></tr>
<tr><td>The total number of shares arising as a result of exercise of option</td><td>Nil</td></tr>
<tr><td>Options lapsed</td><td>45,844</td></tr>
<tr><td>The exercise price</td><td>10 - 28.50</td></tr>
<tr><td>Variation of terms of options</td><td>The ESOP 2017 was formulated by the Board and approved by the shareholders of the Company in the year 2017.

The amendment with respect to the exercise of options was made in the year 2018 with due approval from the Board of Directors and shareholders of the Company.</td></tr>
<tr><td>Money realized by exercise of options</td><td>Nil</td></tr>
<tr><td>Total number of options in force</td><td>12,30,152</td></tr>
<tr><td colspan="2">Employee wise details of options granted to</td></tr>
<tr><td>Key Managerial Personnel</td><td>
<table>
<tr><th>KMP</th><th>Designation</th><th>Total Options Granted</th></tr>
<tr><td>Mr. Sachin Grover</td><td>Whole Time Director & COO</td><td>759,052</td></tr>
<tr><td>Mr. Bikash Mishra</td><td>Chief Financial Officer</td><td>92,426</td></tr>
</table>
</td></tr>
<tr><td>Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year</td><td>Name of employees have been granted options amounting to 5% or more options granted during the year.
<table>
<tr><th>KMP</th><th>Designation</th><th>Total Options Granted</th></tr>
<tr><td>Ajit Pal Singh</td><td>State Business Head</td><td>25,000</td></tr>
<tr><td>Vikas Khandelwal</td><td>State Business Head</td><td>20,000</td></tr>
<tr><td>Mritunjay Tiwari</td><td>State Credit Head</td><td>20,000</td></tr>
<tr><td>Ravi Tiwari</td><td>State Credit Head</td><td>15,000</td></tr>
<tr><td>Madan Singh</td><td>Head - IT</td><td>10,000</td></tr>
</table>
</td></tr>
<tr><td>Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;</td><td>Nil</td></tr>
</table>

**Ummeed Stock Option Plan 2017- became effective from May 25, 2018, as per the terms of the scheme*

Annexure-V

RELATED PARTY TRANSACTION POLICY

1. BACKGROUND

Ummeed Housing Finance Private Limited (hereinafter referred to as "the Company" or "HFC" or "Ummeed") is a Private Limited Company incorporated under the provisions of the Companies Act, 2013 ("Act") and registered as a Housing Finance Company ("HFC") with the National Housing Bank ("NHB").

With the shifting of regulation of HFCs from NHB to RBI, now Reserve Bank of India's ("RBI") Master Direction - Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, shall apply to all HFCs. Therefore, this Policy is prepared in line with the said RBI Master Direction due to the onset of change in regulations for HFCs.

The Board of Directors of the Company approved this Policy to define and lay down the procedures based on applicable laws or regulatory directions to be adopted by the Company while dealing with a related party and entering into a transaction with a related party.

2. SCOPE & OBJECTIVES

2.1 Policy Objective

The Policy intends to define a governance framework for proper approval and reporting of transactions between the Company and its Related Parties. This Policy has been framed with the objective of ensuring compliance with the provisions pertaining to Related Party Transactions in the Companies Act, 2013 ("Act"), the Rules made thereunder, INDAS 24 or applicable Accounting Standards issued by the ICAI and the applicable provisions of the Master Direction - Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ("Master Directions"). The present policy is designed with an objective to regulate transactions with related parties and ensure adequate systems and procedures to address potential conflict of interest and compliance with the provisions of the Act. This policy seeks to serve the following objectives:

- To regulate and control related party transactions as intended under Companies Act/ RBI Master Directions;
- To ensure that there is a proper system of approval for related party transactions;
- To ensure disclosure of the related party transactions entered between the company and its related parties;
- To ensure transparency regarding such transactions; and
- To improve corporate governance by providing required disclosures of related party transactions.

2.2 Review of Policy

The Policy shall be reviewed periodically on such gaps as considered necessary by the Audit Committee of the Board and whenever required under the applicable directions, rules and regulations.

2.3 Policy Approval

The Board of Directors or the Audit Committee of the Board may review and may amend this policy, as and when required by the applicable laws, rules and regulations.

3. POLICY STANDARDS

All Related Party Transactions should be reported to the Audit Committee and referred for approval to the relevant authorities in accordance with this Policy.

4. DEFINITIONS

4.1.1 **"Act"** means the Companies Act, 2013 and rules made thereunder and includes any amendment or modification thereof.

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

4.1.3 **"Audit Committee or Committee"** means a committee of the Board of Directors of the Company constituted under provisions of the RBI Directions and the Companies Act, 2013.

4.1.4 **"Board"** means the Board of Directors of the Company constituted under provisions of the Companies Act, 2013.

4.1.5 **"Company"** means Ummeed Housing Finance Private Limited.

4.1.6 **"Key Managerial Personnel"** means key managerial personnel as defined under the Companies Act, 2013 and includes

i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-Time Director;

ii) Chief Financial Officer; and

iii) Company Secretary.

4.1.7 **"Material Related Party Transaction**" means a transaction with a Related Party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the Company or such limits as may be prescribed either in the Companies Act, 2013 or other applicable regulatory directions, from time to time. Provided that in case of any amendment to the Act or applicable directions, rules and regulations, definition of Material transactions will be deemed to be changed without any further approval of Audit Committee or Board.

4.1.8 "**Related Party**": An entity shall be considered as related to the Company if:

i) Such entity/ person is a related party as per Section 2(76) of the Companies Act, 2013, or

a) Director or a KMP or their relatives, or

b) a Firm, in which a director, manager or his relative is a partner,

c) a Private Company in which a director or manager or his relative is a member or director,

d) a Public Company in which a director or manager is a director and holds along with his relatives, more than 2% of its paid-up share capital,

e) any Body Corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager and

f) any Person on whose advice, directions or instructions a director or manager is accustomed to act as related party transactions.

g) any Body Corporate which is:

- holding, subsidiary or an associate company of such company

- a subsidiary of a holding company to which it is also a subsidiary
- an investing company or the venture of the company

h) a Director (other than an independent director) or KMP of the holding company or his relative
ii) Such entity is a related party under the IND AS 24 or applicable Accounting Standards issued by the ICAI

4.1.9 "**Related Party Transaction**" shall mean all transactions between the Company on one hand and one or more related party on the other hand including contracts, arrangements and transactions as envisaged in Section 188(1) of the Companies Act, 2013 and/ or IND AS 24 or applicable Accounting Standards issued by the ICAI

4.1.10 **"Relative"** as per section 2 (77) of the Companies Act, 2013, with reference to any person, shall be deemed to be relative of another, if he or she is related to another in the following manner, namely: -

i) Father, including step-father;
ii) Mother, including step-mother;
iii) Son, including step-son;
iv) Son's wife;
v) Daughter;
vi) Daughter's husband;
vii) Brother, including step-brother;
viii) Sister, including step-sister;
ix) are members of a Hindu Undivided Family;
x) they are Husband and wife.

5. IDENTIFICATION OF POTENTIAL RELATED PARTY TRANSACTIONS

5.1 Every Director and Key Managerial Personnel (KMP) shall, at the time of appointment, annually and whenever there is any change in the information already submitted, provide requisite information (Form MBP-1) about all persons, firms, entities in which he is interested whether directly or indirectly, to the Company Secretary.

5.2 For identification of the Related Parties, a Related Parties ("RP") list will be prepared basis intimations received from the Directors/ KMPs or changes in management or shareholding structure from time to time. The updated RP List will be shared with all relevant functions and shall be referred for monitoring of the transactions and ensuring compliance at their end.

5.3 Each director and Key Managerial Personnel shall be responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request. The Board/Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

5.4 Identify the Ordinary Course of Business in relation to company.

5.5 The Company's directors and KMP shall endeavor to intimate such notice of any potential Related Party Transaction well in advance so that the Audit Committee/ the Board has adequate time to obtain and review information about the proposed transaction. All Related Party Transactions for the period will be placed for approval / noting / ratification by the Board of Directors/ Audit Committee, in accordance with this Policy. To review a Related Party Transaction, the Board / Audit Committee will be provided with all the relevant information as mentioned in the Act pertaining to the Related Party Transaction, including the name of the related party, the nature of the relationship, nature of the transaction, whether the transaction is in the 'Ordinary Course of Business', whether the transaction is at 'Arm's Length' and any other matter, as may be required.

6. APPROVING AUTHORITIES

6.1 **Audit Committee:** Any transaction or any subsequent modification of transactions of the company with related parties shall require the approval of the Audit Committee at a Meeting of the Audit Committee or by Circulation.

6.2 **Board of Directors:** All "Related Party Transactions which are not in OCB or not at an Arm's Length" shall require the prior approval of the Board of Directors at a Meeting of the Board and cannot be passed by Circulation.

6.3 **Shareholders:** All "Related Party Transactions which are not in OCB or not at an Arms' Length" and exceeding the prescribed criteria under Section 188 of the Act, shall require prior approval of the Shareholders' by means of an Ordinary Resolution passed at a General Meeting.

7. PRIOR APPROVAL REQUIRED FOR RELATED PARTY TRANSACTIONS AND OMNIBUS APPROVAL

All Related Party Transactions defined/ stipulated under the Companies Act, 2013 shall require prior approval from the Audit Committee. For any ratification or exception, parameters mentioned in this Policy shall be followed.

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

a) The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature;

b) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;

c) Such omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price / current contracted price and the formula for variation in the price if any and (iii) such other conditions as the Audit Committee may deem fit;

d) The omnibus approval shall be valid for one year as per rule 6A of the Companies (Meeting of Board and its Power) Rules, 2014.

Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 crore per transaction.

Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the company and/or any other transaction the Audit Committee may deem not fit for omnibus approval.

Additionally, other related party transactions prescribed under the IND AS 24 or applicable Accounting Standards issued by the ICAI shall be presented to the Audit Committee for its review and noting.

8. ORDINARY COURSE OF BUSINESS

The phrase "Ordinary Course of Business" has not been defined under the Act or Rules made thereunder. However, the Company will adopt a reasonable approach/ methodology to demonstrate 'Ordinary Course of Business' which shall, *inter alia,* include the Nature of the transaction, the frequency / regularity / length of time the company is engaged such transaction, or transactions permitted by the Object Clause in the Memorandum of Association of the Company or such transaction/ action is consistent with the past practices and was taken in the ordinary course of the normal day-to-day operations of such company, common commercial practice i.e. customarily taken, in the ordinary course of the normal day-to-day operations of other companies that is in the same / similar line of business.

9. ARM'S LENGTH PRICING

For transactions between two related parties to be considered to be at Arm's Length Pricing, the transaction should be conducted between the two parties as if the parties were unrelated, so that there is no conflict of interest i.e. Arm's Length Pricing is the condition or the fact that the two related parties transact as independent (un-related) parties and on an equal footing from one or more of the following aspects viz. nature of goods/ services, risk assumed, assets/ resources employed, key terms/ covenants.

10. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

Related Party Transactions will be referred to the next regularly scheduled meeting of the Audit Committee for review /noting and/ or approval as above. Any member of the Committee who has a potential interest in any Related Party Transaction will recuse himself or herself and abstain from discussion and/ or voting on the approval of the Related Party Transaction. In the event the management determines that it is impractical or undesirable to wait until a meeting of the Committee for the approval of a Related Party Transaction, due to business exigency or otherwise, such transaction may be approved by the Committee by way of circular resolution in accordance with this Policy subject to applicable statutory provisions of the Act for the time being in force and as amended from time to time. Every such transaction as approved through resolution passed by circulation shall be placed within three months from the date of transaction at the Audit Committee meeting for ratification.

To review a Related Party Transaction, the Committee will be provided with all relevant material information of the Related Party Transaction as required under the Act, including the terms of the transaction, business purpose of the transaction, benefits to the Company and to the Related Party, and any other relevant matters. In determining whether to approve a Related Party Transaction, the Committee may consider the following factors, among others, to the extent relevant to the Related Party Transaction:

a) Whether the terms of the Related Party Transaction are fair and on arm's length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;

b) Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;

c) Whether the Related Party Transaction would affect the independence of an independent director;

d) Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;

e) Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification is allowed and would be detrimental to the Company; and

f) Whether the Related Party Transaction would present an improper conflict of interest for any director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the director, Executive Officer or other Related Party, the direct or indirect nature of the director's, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/ Committee deems relevant.

If the Audit Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case decides to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary. Further, the Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered by the Company pursuant to each of the omnibus approval given.

11. NOTWITHSTANDING THE FOREGOING, THE FOLLOWING RELATED PARTY TRANSACTIONS SHALL NOT REQUIRE APPROVAL OF THE AUDIT COMMITTEE:

i) Any transaction that involves the providing of compensation to a director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.

ii) Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.

12. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

In the event the Company becomes aware of a transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider the relevant facts and circumstances regarding the Related Party Transaction and failure to report RP Transaction. The Committee, while deciding on the matter, shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction and shall take any such action it deems appropriate including immediate discontinuation or rescission of the transaction. The Audit Committee, while considering a Related Party Transaction, will have authority to modify or waive any procedural requirements of this Policy subject to compliance of applicable statutory provisions for the time being in force.

13. INTERNAL PROCESS FRAMEWORK

The Company shall institute an appropriate internal process framework to ensure requisite approvals/ noting of all Related Party Transactions to comply with this Policy.

14. COMMUNICATION TO ALL THE DIRECTORS AND CONCERNED EMPLOYEES

The relevant aspects of this Policy will be communicated to all the directors and concerned employees/ officials of the Company.

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Annexure-VI

RISK MANAGEMENT POLICY

1. Introduction and Background

Risk in the context of business is defined as probability of liability, loss or any other negative occurrence that is caused by external or internal vulnerabilities. Generally, various risks can be managed through preemptive action and, accordingly, the risks need to be identified and proper mitigation mechanisms need to put in place.

Ummeed Housing Finance Pvt. Ltd. ("the Company"), being a financial company, is exposed to various types of risks.

The objective of the Risk Management Policy is to ensure that such risks are understood, monitored and managed appropriately.

Key principles underlying the risk management framework at the Company are as under:

1.1 The Board of Directors will have oversight on all the risks assumed by the Company. Specific Committees of the Board will be constituted to facilitate focused oversight of various risks and proper management of the same.

1.2 Various committees/ authorities will be constituted/ designated across the Company to facilitate independent evaluation, monitoring and reporting of various risks.

1.3 The policies approved by the Board of Directors/ or the Committees constituted by it, from time to time, will form the governing framework for each type of risk. The business activities will be undertaken within such policy framework.

2. Types of risk- Approach to management of various risks are outlined below:

2.1 Credit Risk

Credit Risk may be defined as the risk of default that may arise in event of the Company's borrower, or counter party, failing to meet its payment obligations regarding the terms agreed with the Company. It includes both uncertainties involved in repayment of the Company's dues and repayment of dues on time.

The Credit Risk can result from:

a) Default due to over-indebtedness or business failure;
b) Deficiencies in credit appraisal and underwriting mechanism;
c) Absence of defined policy parameters;
d) Exposure to activities with a high probability of variation in earnings;
e) Credit Concentration Risk, arising out of concentrated exposure to a particular geographical location/territory or to an activity in which a large group of borrowers are engaged in, vulnerable to external events;

All credit risk related aspects shall be governed by the Credit Policies (Credit Policy). The Credit Policy will outline types of products, customer categories, target customer profile, credit approval process, exposure limits etc. The Credit Policy shall be approved by the Board of Directors or by the official(s)/ group of officials authorized by the Board of Directors.

The authority matrix for approval of credit limits shall be approved by the Board of Directors or by the official(s)/ group of officials authorized by the Board of Directors.

The Company, through its Operations team, will manage operating risks in various back-office processes of the Company's business. The Operations Team will follow standardized processes and checklists backed by the robust IT systems.

The Company, with the assistance of various external agencies, will manage fraud-related risks.

The Company will follow standardized recovery process.

2.2 Market and Liquidity Risk

Liquidity Risk may arise largely due to maturity mismatch associated with assets and liabilities of the Company. Liquidity risk stems from the inability of the company to fund increase in assets, manage unplanned changes in funding sources and meet financial commitments when required.

Due to the high reliance on external sources of funds, the Company is exposed to various funding and liquidity risks comprising:

- **Funding Concentration Risk-** Concentration of a single source of funds exposes the Company to an inability to raise funds in a planned and timely manner and resort to high cost emergency sources of funds. Further, concentration of funding sources can also result in a skewed maturity profile of liabilities and resultant Asset-Liability mismatch.

- **Asset-Liability Mismatch-** A skewed asset-liability profile can lead to severe liquidity shortfall and result in significantly higher costs of funds; especially so during times of crises.

- **Interest Rate risk-** Interest Rate risk comprises the risk of increase in cost of funds due to an overall increase in the interest rates economy as well as sharp movements in interest rates across maturity profiles of the liabilities. It refers to loss in earnings, due to movement in interest rates. Interest rate risk is largely in the form of Re-Pricing Risk, arising from timing differences in the maturity and repricing of its assets and liabilities.

- **Leverage Risk-** A high degree of leverage can severely impact the liquidity profile of the Company and lead to stress while servicing its liabilities.

The management of interest rate and liquidity risks will be defined in the Asset Liability Management (ALM) Policy. The ALM policy will covers the functioning of Asset Liability Management Committee (ALCO), ALM process and the limits pertaining to interest rate and liquidity risks. The ALM Policy will be approved by the Board of Directors.

Similarly, the Investment Policy will address issues related to treasury investments as well as long-term investments. The Investment Policy will cover the authorization, product guidelines, limits, classification, valuation norms, audit control and reporting.

2.3 Operational Risk

Operational risk arises due to Errors in processes, Frauds & unforeseen Natural calamities/ events. Though the occurrence of such instances could be less, the impact in value terms could be significant.

Operational risk will be managed through standardized & efficient operational processes, robust IT systems and back-up plans that help minimize errors & fraud occurrence.

The fraud-related risks will be managed through proper field verifications, profile checks etc.

2.4 Money Laundering Risk

As per the Prevention of Money Laundering Act 2002 (PMLA), "Offence of Money Laundering" is defined as "Whosoever directly or indirectly attempts to indulge or knowingly assists or knowingly is a party or is actually involved in any process or activity connected with the proceeds of crime and projecting it as untainted property shall be guilty of offence of money-laundering.

The Audit Committee or any other committee as delegated by the Board will have oversight on the Know Your Customer (KYC) and Anti-Money Laundering (AML) initiatives of the Company. The KYC and AML Policy and framework shall be put in place, in line with the statutory/ regulatory requirements. Pursuant to such Pol icy, adequate Know Your Customer (KYC) procedures shall be framed for identification and verification of customers of different business groups and for monitoring/ reporting of suspicious transactions. The Company shall appoint one of its directors as the Designated Director to ensure overall compliance with the obligations prescribed by the PMLA and the Rules thereunder.

Further, a senior level officer as the Principal Officer (PO) will be appointed by the Board of Directors of the Company for overseeing and managing the KYC & AML policies and processes. The PO will be responsible for ensuring compliance, monitoring transactions, and sharing and reporting information as required under the law/regulations.

2.5 Regulatory Compliance

The designated Compliance Officer shall ensure that all regulatory guidelines are disseminated across the Company and are adhered to. He shall also have the responsibility of coordinating the regulatory audits and correspondence with the regulatory authorities.

2.6 Credit Concentration Compliance

The Company shall endeavor to spread the business across different customer profiles, programmes and product segment. The business mix would be governed by stipulated distribution as provided in the Credit Policy which would be reviewed periodically.

The Company shall ensure adherence with the credit concentration norms prescribed by National Housing Bank.

2.7 Legal Risk

a) Legal risk is the risk of potential loss to an institution which is primarily caused by: a defective transaction; or

b) a claim (including a defense to a claim or a counterclaim) being made or some other event occurring which results in a liability for the institution or other loss (for example, as a result of the termination of a contract) or;

c) failing to take appropriate measures to protect assets (for example, intellectual property) owned by the institution; or

d) change in law.

To mitigate this risk, the Company shall have standardized agreement and documentation with its counterparties for various business purposes which shall be vetted by the internal or the external legal counsel.

2.8 Reputational Risk

Reputational risk could be defined as the risk of potential loss to the Company's brand, reputation, earnings, capital or liquidity from any association, action or inaction which could be perceived by stakeholders to be inappropriate, unethical or inconsistent with the Company's values and beliefs. This may also arise due to deterioration of its reputation and/or standing because of negative perceptions about it among its various stakeholders, viz., its customers, employees, shareholders, suppliers and regulatory authorities.

It may arise when some incident leads to reputation damage due to various factors including mis-selling, adverse media campaign, unfair trade practices, regulatory action, liquidity issue, etc.

To manage this risk, the Company shall, inter alia, ensure the following:

a) All media communications would be handled by the dedicated team/ authority.

b) Timely response to statutory/ regulatory queries/ requirements.

c) Regular training of the employees.

d) Response to the customers' queries and needs within committed turn-around time.

e) Quick remedial actions to customer's/ stakeholder's/ media feedback (including social media).

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Annexure-VII

Form No. MR-3
Secretarial Audit Report
[For the Financial Year ended on 31st March 2021]

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the

Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Ummeed Housing Finance Private Limited

Regd. Office: 318, DLF Magnolias, Sector -42.

Golf Course Road

Gurgaon –HR-122002

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by the **Ummeed Housing Finance Private Limited (CIN NO-U65922HR2016PTC057984)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our online verification of the books, papers, minute books, forms and returns filed and other records or registers maintained and as facilitated by the Company due to COVID 19 pandemic situation and subsequent lockdown and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March 2021,** complied with the statutory provisions listed hereunder and also that the Company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

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

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

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

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

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

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; ***Only Debt Securities were listed on the Stock Exchanges; hence, no such transaction was held during the financial year and accordingly the Regulations were not applicable to the Company during the audit period.***

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

c) The Securities and Exchange Board of India (Registrars to an Issue and Shares Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; ***The Company was not engaged in the activities relating to Registrar to an Issue and was also not acting as Share Transfer Agent, Hence the aforesaid Regulations were not applicable to the Company during the Audit period.***

d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

f) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

Since, the Equity Shares of the Company was not listed, therefore, regulations stated above at sub-clauses (d) to (h) of clause (v) of this Report, were not applicable on the Company during the audit period.

(vi) Other labour, environment and specific applicable Acts / Laws to the Company for which Secretarial Audit was conducted as an overview audit and was generally based/ relied upon the documents provided to us and Management Confirmation Certificate provided by the Management of the Company & other audit report and certificates given by other professionals, the company has complied with the following Acts / Laws applicable to the Company during the audit period:

a) Reserve Bank of India Act read with Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by Reserve Bank of India as amended till date;

b) National Housing Bank Act 1987 as amended till date and the NHB Directions and Guidelines as applicable to HFCs;

c) The Employees Provident Fund & Miscellaneous Provisions Act, 1952 & The Employees Deposit-Linked Insurance Scheme, 1976 and Employees Provident Fund Scheme, 1952;

d) The Contract Labour (Regulations and Abolition) Act, 1970;

e) Maternity Benefit Act, 1961;

f) Minimum Wages Act, 1948;

g) The Payment of Wages Act, 1936;

h) The Equal Remuneration Act, 1976;

i) The Shops and Commercial Establishments Act, 1958;

j) The Payment of Bonus Act, 1965;

k) The Child Labour (Prohibition & Regulation) Act, 1986;

l) The Payment of Gratuity Act, 1972;

m) Employment Exchanges (Compulsory Notification Of Vacancies) Act, 1959 and Rules made thereunder;

n) Labour Welfare Fund Act;

o) Indian Stamp Act, 1899;

p) Information Technology Act, 2000;

q) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 read with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules 2013;

r) IRDAI (Registration of Corporate Agents) Regulations, 2015.

s) Environment (Protection) Act 1986 read with The Environment (Protection) Rules 1986 and other Environment Laws.

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

(i) Secretarial Standards issued by the Institute of Company Secretaries of India;
(ii) Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, in respect of listing of non-convertible debentures with BSE Ltd.

We have not examined the applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

We report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that:

1) The Company has complied with Companies Act 2013 in respect of constitution of the board with proper balance of Executive, Non-Executive Directors & Independent Directors;

2) Adequate notice is given to all Directors to schedule the Board Meetings atleast seven days in advance and agenda and detailed notes on agenda were also sent in advance to all the Directors subsequently, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. In case of shorter notice, the Company has complied with the applicable provisions of Section 173 of the Companies Act, 2013 read with clause 1.3.7 of the Secretarial Standard -1 of ICSI;

3) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes;

4) The Company has obtained requisite approval, permission, confirmation from Registrar of Companies, NCT of Delhi & Haryana, Securities & Exchange Board of India, BSE Limited, Debenture Trustee and other regulated bodies in respect of various private placement of Secured Redeemable Non-Convertible in the nature of Debentures and has duly complied with the applicable provisions of the laws, rules and guidelines. Company has issued and allotted 100 Secured Non-Convertible Debenture of face value of Rs.10,00,000/- to Bandhan Bank Ltd on 16th June 2020,

and issued & allotted 380 Secured Non-Convertible Debenture of face value of Rs.10,00,000/- each to the InsuResilience Investment Fund-Debt Sub Fund on 01st July 2020. All the applicable provisions of the Companies Act, 2013 relating to allotment of Secured Non-Convertible Debenture have been duly complied with by the Company. Further Company has also paid stamp duty on issuance of Non-convertible Debentures as per applicable stamp duty provisions;

5) There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act 2013, Depositories Act and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers;

6) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with other applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no instances of:

a) Public / Preferential Issue of Shares / Sweat Equity except as stated above in point No. 4;
b) Buy-back of Securities;
c) Merger / Amalgamation / Reconstruction etc. and
d) Foreign Technical Collaborations.

For Navneet K Arora & Co LLP
Company Secretaries

Sd/-

CS Navneet Arora
Managing Partner
CS: 3214, COP: 3005
UDIN: F003214C000223236
Place: New Delhi
Date: 01st May 2021
[Note: This report is to be read with our letter of even date which is annexed as ***"Annexure-A"*** *and forms an integral part of this report].*

Annexure –"A"

To,

The Members,

Ummeed Housing Finance Private Limited

Regd. Office: 318, DLF Magnolias, Sector -42.

Golf Course Road

Gurgaon –HR-122002

Our report of even date is to be read along with this letter as under:

1) Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records on our audit.

2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

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

4) Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.

5) The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.

6) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the company.

For Navneet K Arora & Co LLP
Company Secretaries

Sd/-

CS Navneet Arora
Managing Partner
FCS: 3214, COP: 3005
UDIN: F003214C000223236
Place: New Delhi
Date: 01st May 2021

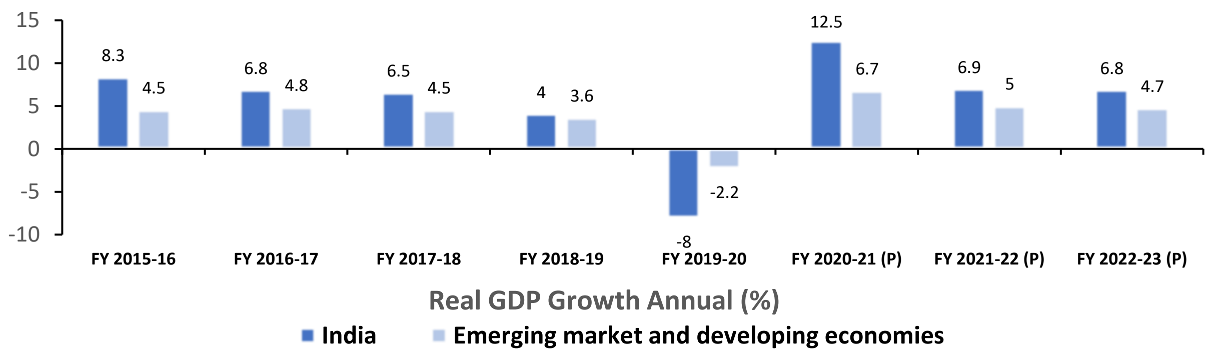
Annexure-VIII

MANAGEMENT DISCUSSION & ANALYSIS

INDUSTRY AND ECONOMIC REVIEW:

The Fiscal Year 2020-21 has witnessed an unprecedented time due to Covid19 Pandemic and volatility at macro and global level. The Indian economy contracted by 8.0% in FY 2020-21 as against 4.0% growth recorded in FY 2019-20. The economic activity recently had a setback with the resurgence in infections and new mutations of Covid19 in Q1 FY 2021-22. Due to the second wave of Covid19 followed by lockdowns and restricted activity affected the manufacturing and trading activities, which led the overall economic slowdown. Prolonged lockdown during the FY2021 worsened the existing financial vulnerabilities of large population in country.

International Monetary Fund (IMF) in its April 2021 release of World Economic Outlook (WEO) had projected a stronger recovery in 2021 and 2022 for global economy with projected growth of around 6% for the year 2021 and moderating to 4.4% in 2022. However, the Global growth is expected to moderate at 3.3% over the medium term considering the projected damage to supply potential and emerging market economies. India's Economy has gradually recovered from a deep contraction of 7.3% in FY2021. Most of the economic parameters reached closer to pre-covid levels and some indicators have recorded growth compared to the previous year in Q1 FY-2022. The outlook shows intimidating challenges in the path of recovery across and within countries and the potential for persistent economic damage from this unprecedented crisis.



Source: International Monetary Fund, P: Projected

HOUSING INDUSTRY REVIEW AND OUTLOOK:

The Housing and Real Estate Sector in India witnessed a moderate growth after the IL&FS crisis in September 2018. Post the support through various reforms and initiatives taken by the Government, RBI and NHB, the sector started to uplift and gained momentum. Housing Demand is likely to become stronger over the period as the Covid-19 Pandemic has changed the buyer's preferences for homeownership.

As per a report by Knight Frank, the Affordability Index for housing has been improved due to the combined impact of reduced-price growth and falling of home loan interest rates. The Knight Frank Affordability Index tracks the Equated Monthly Instalments to Income Ratio of all households across all cities which fell in 2020. Ahmedabad is India's most affordable market with improved the affordability to 24% in 2020 from 46% in 2010 followed by Pune and Chennai with affordability ratio of 26% for both cities. For NCR and Bengaluru, the affordability ratio is 38% and 28% in 2020.

Affordable HFCs have witnessed a continued slower growth in FY 2021. The total loan portfolio of the new AHFCs in the affordable housing space stood at Rs. 55,061 lakh crores as on September 2020 by registering a moderate Y-o-Y growth of 9 per cent. Based on the current size, the AHFCs accounted for around 5 per cent of the overall Indian Housing Market as of September 2020.

The Government and RBI are taking proactive measures to improve liquidity and orderly market conditions in the system. RBI introduced moratorium on long term loans and working capital borrowings gave a support to the industry to pass it to Customers.

Leading to the current scenario of second wave of pandemic, The Government and RBI has taken various steps to mitigate the liquidity crisis impacting NBFCs, HFCs, MSMEs. These initiatives are in form of stimulus packages which will help the financial sector to gain momentum. Further, NHB' Refinance is extended to primary lending institutions (PLIs) in respect of eligible housing loans extended by them to individual borrowers. Refinance is provided by NHB under its various schemes which cater to all segments of the population in both rural and urban areas. Extending the fresh support under the Special Liquidity Facility – 2 (SLF-2) of Rs. 10,000 crores to National Housing Bank under the new scheme of Special Refinance Facility – 2021 (SRF-2021).

Affordable Housing Sector have been giving positive impetus with continuous support from Government policies such as the PMAY to drive the demand and by Refinance Schemes to infuse liquidity among the sector to instil supply capabilities.

REGULATORY CHANGES

The Finance Act, 2019, made a shift the regulations of HFCs from NHB to RBI. Thereafter, in FY2021 RBI had taken various steps to harmonize the regulations of NBFCs and HFCs. Which finally came in place when RBI issued a new Master Direction for Housing Finance Companies on February 17, 2021 in line with earlier directions of NHB with a new set of regulations and compliances. RBI mandated various its directions and guidelines applicable to NBFCs earlier, to be applicable on HFCs and those are Liquidity Risk Management Framework, Liquidity Coverage Ratio, Guidelines on Securitization Transactions and reset of Credit Enhancement, KYC directions, Monitoring of fraud in NBFCs and IT framework for NBFCs in exclusion of all NHB' circulars.

Before this RBI took various steps to reach unto its goal, to start with RBI proposed changes in HFCs regulations on 17th June 2020, then on October 22, 2020 Reserve Bank issued the Regulatory Framework for HFCs and finally turns out with issuance of master direction of 2021.

Apart from that, RBI also took various supportive measures such as moratorium, resolution framework 1.0 and 2.0 to provide ease to customers under stress due to pandemic. Also, Government of India's ex-gratia scheme for the payment of the difference between compound interest and simple interest for six months to the borrowers on loan accounts with sanctioned limits and outstanding up to Rs. 2 crores (aggregate of all the borrowings / facilities from all the banks and financial Institutions) for the period from 1st March 2020 to 31st August 2020, followed by RBI's instruction to lending institutions to adopt a policy on interest on interest to provide benefit further to all other borrower for the said period of moratorium.

OPPORTUNITIES AND THREATS

Supportive measures taken by Government of India (GoI) and other Regulatory Bodies like RBI & NHB have aided the economic revival to some extent. Budget proposals announced by Government with various initiatives for sectors and RBI has cut policy interest rates, while announcing various other measures for liquidity infusion, loan restructuring and targeted supportive measures for NBFCs, MSMEs, real estate sector and other stressed sectors paving the way for growth of economy in Fiscal 2022.

RBI Monetary Policy 2021: For revival of the Indian economy in the times of pandemic, GoI and RBI has further proposed relaxations for BFSI Sector that includes second tranche of open market purchase of government securities of Rs 35,000 crore under the G-sec Acquisition Programme (G-SAP 1.0) on May 20, 2021, Special 3 year STLTRO of Rs 10,000 crore at repo rate for Small Finance Banks till October 2021, On-tap liquidity window of Rs 50,000 crore till March 2022, to lend vaccine manufacturers, suppliers of oxygen and others under priority sector, Resolution Framework 2.0 for individual, small businesses and MSMEs, Rationalization of KYC Compliance norms. RBI further announced that lending by Small Finance Banks to MFIs for on-lending to be classified as Priority Sector Lending.

The recent surge in Covid19 infections in certain parts of the country and localized lockdowns in states has a widespread impact on the economic activity. It will restrain the growth impulses and return to normalcy will be prolonged. In these unprecedented times, continued policy support is necessary thereby MPC decided to take the accommodative stance to sustain growth. It is expected that the impact of pandemic will gradually fall in the second half and economic activity will get normalize by the end of Q2 FY2022.

FY 2021 was unprecedented and had its highs and lows with due to pandemic. As we are beginning with Fiscal Year 2022 with the uncertainties around the pandemic. Based on the experiences of other countries, there is continuous threat of further waves of Covid Infections. However, the infection rate is increasing at a higher pace in India, also vaccinations round the corner have started for everyone. 2021 will be a year of cautious optimism and rebound in business and economic activities.

Target borrower profile in housing loan segment is self-employed and salaried class, the impact of Covid19 on the earnings and savings will be high which would lead to the deferment of home purchases considering the current and further waves of pandemic. Considering the long-term outlook for the sector to be positive, the expected growth in the housing finance segment projected to grow at better rates of 12% to 15% during the year 2022 with the proactive support of Government, RBI interventions or policies.

BUSINESS OVERVIEW AND PERFORMANCE REVIEW:

PRIMARY FOCUS – SELF EMPLOYED/ SALARIED SEGMENT

Ummeed's intent since the inception in 2016, is to is to bring forth the home loans to underserved low- and middle-income families, from rural/semi-urban areas largely in Tier II or Tier III locations. More than 70% of the sanctioned customers belongs to LMI /self-employed category and also customers belonging to salaried class in the informal segment. Its key product offerings include Housing Loan including, Loan against Property, Business Loan and Small Ticket Business Loan. The housing loan product is available for purchase, construction, plot purchase and construction of residential properties, home improvement and extension loans of existing residential properties. Housing Loans accounts for about 60% of the HFC's Portfolio.

The pandemic posed challenges to the economic growth is managed by Ummeed by engaging its employees to reach out to its customers to assess their liquidity position in this unprecedented time, working with them and support them to get back to normalcy at the earliest.

PRESENCE IN SEMI-URBAN/ RURAL

The Company has a Branch network of 28 locations spread across 4 States in North India. Continuing the focus on suburbs of metro and mini towns, underserved Tier II and III locations and rural areas, the Company foresights to extend its geographical footprints in Northern Parts of India to reach a target of 40 to 45 branches by FY 2022.

FINANCIAL AND OPERATION PERFORMANCE OF UMMEED

LOAN BOOK SIZE AND DISTRIBUTION:

The Company's AUM grew by 28.60% Year-On-Year (YoY) at Rs. 580.01 Crores as on 31st March, 2021 as against Rs. 451.14 Crores as on 31st March 2020. It constitutes Rs. 362.75 Crores of Housing Loans (63% of the portfolio) and Rs. 115.01 Crores of LAP loans (20% of the portfolio), Rs. 79.83 Crores of Business Loans (14% of the portfolio) and Rs. 22.41 Crores of STBL loans (4% of the portfolio). The composition of Self- Employed and Salaried Segment in the total AUM stood at 68% and 32% respectively.

DISBURSEMENT:

In the year March 31, 2021, total disbursement stood at Rs 242.41 Crores as against 269.40 Crores. Our cumulative loan disbursements reached over Rs.893 crores as of March 2021.

PROFIT BEFORE TAX AND NET PROFIT

The profit before tax of the Company for the year ended March 31, 2021, was Rs. 14.57 crores in comparison to Rs.7.05 crores in the previous year, representing a growth of 107%. The reported profit after tax for the company for the year ended March 31, 2021, was Rs. 11.31 crores in comparison to Rs.5.40 crores in the previous year, representing a growth of 109%.

NON-PERFORMING ASSETS

The Company's strong approach to collections, risk and portfolio management led to have contributed better asset quality. The Company's posted a gross NPA of Rs. 3.42 Crore with 0.67% of loan assets and Net NPA stood at Rs.2.20 Crore with 0.43% in the year 2020-21.

FUNDING

During the year under your review, the Company maintained healthy liquidity and ensured the continuity of business growth by raising funds from various banks and NHB to the extent of Rs. 143.62 crores via long-term borrowings. The borrowings stood at Rs. 347.94 crores as of March 31, 2021 as against Rs. 281.51 crores as of March 31, 2020.

The Company has no exposure to Commercial Papers, the Company has diversified its funding mix by adding 9 new lenders and strengthened relationships with its existing lenders, not just in term of working capital or term loan facilities, but also deepened the lenders subscription to debentures.

The Company has prudent policy standards for efficient Asset Liability Management (ALM), The Company has a positive ALM and a strong cash liquidity of 140.02 Crore as of March 2021 to meet its cash flow requirement and any uncertainty, if caused by Covid19 pandemic.

BUSINESS PROCESSES, SYSTEMS, AND IT

Ummeed has brought forward a robust credit and underwriting culture and follow a detailed credit assessment process. The proofs of income are not easily available, and the repayment capacity are appraised based on a P&L statement cast by our credit officer's basis a detailed personal discussion with the client. We believe to use the credit scores from Bureaus which would act as an additional information to back our underwriting decisions.

This includes i) Income assessment by in-house team ii) personal discussion with customers to verify income levels iii) Credit history (CIBIL score / RTP) of the customers iv) Residence and Employment verification and v) Legal and Technical verification of property by External valuers. In order to ensure uniformity in credit approval of prospective borrowers, Company has centralized the credit approval and sanctioning functions at the head office.

The Company passionately believes that information technology is the core of operations and it plays an important role in scaling the business with increased productivity and reduced costs. IT Systems enables the data entered into the branches flows to HO seamlessly on real time basis which has resulted into the improved efficiency. The Company is largely investing on IT Infra at creating nimble and agile platforms for better productivity. The Company has invested in various tools to automate customer lifecycle from loan origination to disbursements.

HUMAN RESOURCE

We are aided by a strong team of around 384 people in different locations and multiple branches. At Ummeed, we place a lot of importance on our human capital, be it recruitment, learning & development and growth of employees. Further on job training and in company exposure is imparted to these employees to have better understanding of the company, its culture and the business. The Company strives to impart regular training, knowledge, building skills and supporting in areas of functional and technical development with the help of set skilled trainers. Finding in opportunity during the lockdowns and work from home mode of working, we focused on digital learning methods and deployed our trainings online. Various means of learning like e-learning modules, video-based modules were used to support the learning and development of employees.

In the wake of pandemic, employees were provided complete support and their health and well-being were on the highest priority. Workplaces were sanitized round the clock, strict social distancing norms were enforced. Thermal scanners at points of entry were used, while visitor's entry was restricted.

OUTLOOK

Given the current scenario of the economy and the pressure on the asset quality is expected to continue. The long-term growth outlook for the sector remains good and housing credit cost is expected to remain elevated in FY-22. Based on a report by CARE, the affordable segment is expected to grow at around 10% (CAGR of 30% over FY18-FY21E) resulting banks to become risk averse to lower ticket size borrowers. Consequently, the lower Gross NPA ratios could be partially attributed to lower seasoning of the loan portfolios. Delinquency rates will see a gradual uptick in the medium term.

RISKS AND CONCERNS

Risk management is integral to the Company's strategy of doing business. A strong risk culture is designed to help reinforce resilience by encouraging a holistic approach to the management of risk throughout the organization. The Board has deputed the responsibility for the overall process of risk management in the organization to the Risk Management Committee. Risk Management Committee brings harmony with the reporting procedure of the risk involved in any process and action taken by the management to eradicate those concerns. Housing finance sector is more prone to following risks associated with the segment:

(a) **Operational Risk:**

Losses due to hardware or network deficiencies failure in the infrastructure that could compromise the availability, integrity, accessibility, and security of the infrastructures and data. Operational risk can be managed by constantly monitor failure system processes as well as external forces that could endanger operations, to put systems for protection of corporate information, IT systems, services and equipment.

(b) **Liquidity Risk:**

Risk of Insufficient liquid assets or limited access to market financing to meet the contractual maturities of liabilities, regulatory requirements or the investment need of the company.

(c) **Credit Risk:**

Any lending activity is exposed to credit risk arising from the risk of default and non-payment by borrowers. As an HFC, we face the risk of default and non-payment by borrowers and other counterparties. Any such defaults and non-payments would result in write-offs and/or provisions in our financial statements which may have a material adverse effect on our profitability and asset quality. The Credit Risk can result from default due to over-indebtedness or business failure, insufficient data for credit appraisal and underwriting mechanism, absence of defined policy parameters and exposure to activities with a high probability of variation in earnings.

(d) **Interest Rate Risk:**

Our business is particularly vulnerable to volatility in interest rates. A substantial component of our income is the interest income that we receive from the loans we disburse. Our interest income is affected by any volatility in interest rates in our lending operations. Interest rates are highly volatile due to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, and domestic and international economic and political conditions. Fluctuations in interest rates may also adversely affect our treasury operations. If there is a sudden or sharp rise in interest rates, we could be adversely affected by the decline in the market value of our securities portfolio.

Also, when interest rates decline, we are subject to greater re-pricing and prepayment risks as borrowers take advantage of the attractive interest rate environment. In periods of low interest rates and high competition among lenders, borrowers may seek to reduce their borrowing cost by asking lenders to re-price loans.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal audit is conducted as per the Annual Audit Plan approved by the Audit Committee. The scope of internal audit covers all aspects of business, including regular front-end and back-end operations and internal compliances.

The internal control system is supplemented by concurrent and internal audits, as well as special audits and regular reviews by the management. The Board and Audit Committee review the overall risk management framework and the adequacy of internal controls instituted by the Company. Therefore, the Board of Directors of your Company has been cautiously monitoring and reviewing that the Company is following in letter and spirit all substances of Internal Financial Controls. The Company has in place adequate internal controls with reference to financial statements and operations and the same are operating effectively.

S. R. Batliboi & Associates LLP, the statutory auditors of the Company have audited the financial statements also attested the company’s internal control over financial reporting. They have verified the systems and processes and confirmed that the Internal Financial Controls system over financial reporting are adequate and such controls are operating effectively.

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Ummeed Housing Finance Private Limited

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 49 of the financial statements which describes the uncertainties relating to the impact of COVID-19 pandemic on the Company's operations and financial metrics, including the expected credit losses. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

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

Key audit matters	How our audit addressed the key audit matter
(a) Transition to Ind AS accounting framework *(as described in Note 48 of the Ind AS financial statements)*	
In accordance with the roadmap for implementation of Indian Accounting Standards (Ind AS) for non-banking financial companies, as announced by the Ministry of Corporate Affairs, the Company has adopted Ind AS from April 1, 2020 with an effective date of April 1, 2019 for such transition. For periods up to and including the year ended March 31, 2020, the Company had prepared and presented its financial statements in accordance with in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP" or "previous GAAP"). In order to give effect of the transition to Ind AS, these financial statements for the year ended March 31, 2021, together with the comparative financial information for the previous year ended March 31, 2020 and the transition date balance sheet as at April 1, 2019 have been prepared under Ind AS. The transition has involved significant changes in the Company's financial reporting policies and processes, including generation of reliable and supportable financial information. Further, the management has exercised significant judgement for giving an appropriate effect of the first-time adoption principles of Ind AS 101, as at transition date and to determine the impact of the new accounting framework on certain accounting and disclosure requirements prescribed under RBI Master Directions, to the extent applicable. In view of the material impact and complexities and significant judgement involved in implementing Ind AS, we have focused on this area in our audit.	Our audit procedures included among others the following: • Read the Ind AS impact assessment performed by the management and resultant changes made to the accounting policies considering requirements of the new framework. • Obtained an understanding of the financial statement closure process and the additional controls established by the Company for transition to Ind AS. • Assessed the judgement exercised by the management in applying the first-time adoption principles of Ind AS 101 especially in respect of fair valuation of assets and liabilities existing as at transition date. • Assessed the judgement applied by the Company in determining its business model for classification of financial assets. • Performed test of details on the accounting adjustments posted as at the transition date and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS. • Assessed the judgements applied by the Company in respect of areas where the accounting treatment adopted, or the disclosures made under the new accounting framework were inconsistent with the extant NHB Directions. • Assessed disclosures included in the Ind AS financial statements in accordance with the requirements of Ind AS 101, with respect to the previous periods presented.
(b) Impairment of loan (including expected credit losses)	

as described in note 8 of the Ind AS financial statements)	
Ind AS 109 requires the Company to provide for impairment of its financial assets using the expected credit loss ('ECL') approach involving an estimation of probability of loss on financial assets over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgement has been applied by the management including but not limited to the following matters: a) Grouping of loan portfolio under various categories on the basis of homogeneity and thereby expected to demonstrate similar credit characteristics. b) Estimation of losses in respect of groups of loans which had no/minimal defaults in the past. c) Staging of loans and estimation of behavioral life. d) Management overlay for macro-economic factors and estimation of their impact on the credit quality. The Company has developed models that derive key assumptions used within the provision calculation such as probability of default (PD) and loss given default (LGD). The output of these models is then applied to the provision calculation with other information including the exposure at default (EAD). **Additional considerations on account of Novel Coronavirus (CoVID-19)** Pursuant to the Reserve Bank of India ("RBI") circular dated March 27, 2020 ("RBI circular") allowing lending institutions to offer a moratorium to customers on payment of instalments falling due between March 01, 2020 and August 31, 2020, the Company has extended moratorium to its borrower in accordance with its Board approved policy as described in Note 49. In accordance with the guidance from Institute of Chartered Accountants of India (ICAI), extension of the moratorium to borrowers by itself is not considered to result in a SICR for a borrower. Further, Government of	Our audit procedures included among others the following: • Considered the Company's accounting policies for impairment of loan receivables and assessed compliance with the policies in terms of Ind AS 109. • Tested the assumptions used by the Company for grouping and staging of loan portfolio into various categories and default buckets for determining the probability of default ('PD') and loss given default ('LGD') rates. • Tested the operating effectiveness of the controls for staging of loans based on their day's past-due status. Tested samples of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3. • Tested the input data used for determining the PD and LGD rates and tested the data with the underlying books of accounts and records on sample basis. • Performed inquiries with the Company's management and its risk management function to assess the impact of Covid-19 including second wave on the business activities of the Company. • Assessed the Company's policy with respect to moratorium pursuant to the RBI circular and tested the implementation of such policy on a sample basis. • Assessed the additional considerations applied by the management for staging of loans as SICR/ default in view of Company's policy on moratorium and rescheduling/ restructuring of loans in accordance with the regulations issued in this respect. • Tested assumptions used by the management in determining the overlay for macro-economic factors (including CoVID-19 pandemic). • Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets.

India ("GOI") has announced various stimulus packages in order to grant relief to the borrowers. Considering the evolving nature of the COVID-19 pandemic, which has continued to impact the Company's business operations, resulting in higher loan losses, the Company has maintained a management overlay as part of its ECL, to reflect among other things the increased risk of deterioration in macro-economic factors. Given the unique nature of the pandemic and the extent of its economic impact which depends on future developments including governmental and regulatory measures and the Company's responses thereto, the actual credit loss can be different than that being estimated. Given the high degree of management's judgement involved in estimation of ECL, it is an area of material uncertainty and a key audit matter.	• Compared the disclosures included in the Ind AS financial statements in respect of expected credit losses with the requirements of Ind AS 107 and 109. Reviewed specific disclosures made in the Ind AS financial statements with regards to the impact of CoVID-19 on ECL estimation.

Other Information

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

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

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

Responsibilities of Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Matter

The Ind AS financial statements of the Company for the year ended March 31, 2020 included in these Ind AS financial statements were prepared in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act read with the Companies (Accounts) Rules, 2014, have been audited by us and we expressed an unmodified opinion on those statements on June 29, 2020, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

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

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

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

    (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

    (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

    (f) With respect to the adequacy of the internal financial controls with reference to financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid/ provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

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

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Sd/-

per Chirag Jain
Partner
Membership Number: 115385
UDIN: 21115385AAAABE5382
Place of Signature: Bengaluru
Date: June 16, 2021

Annexure 1 referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' of our report of even date

Re: Ummeed Housing Finance Private Limited

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

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

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

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

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

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

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

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

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

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

(c) According to the records of the Company, there are no dues of Income-tax, goods and services tax and cess which have not been deposited on account of any dispute.

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

(ix) According to the information and explanations given by the management, the Company has not raised money by way of initial public offer/further public offer and hence not commented upon.

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

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

(xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) is not applicable and hence not commented upon.

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

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

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

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

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

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Sd/-

per Chirag Jain
Partner
Membership Number: 115385
UDIN: 21115385AAAABE5382
Place of Signature: Bengaluru
Date: June 16, 2021

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

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

We have audited the internal financial controls over financial reporting of Ummeed Housing Finance Private Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

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

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

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

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Sd/-

per Chirag Jain
Partner
Membership Number: 115385
UDIN: 21115385AAAABE5382
Place of Signature: Bengaluru
Date: June 16, 2021

Balance Sheet

As at March 31, 2021

(Amount in Rs. lakhs unless stated otherwise)

Particulars	Note	March 31, 2021	March 31, 2020	April 1, 2019
ASSETS				
Financials assets				
Cash and cash equivalents	6A	2,923.42	5,070.80	3,046.52
Bank Balance other than cash and cash equivalents	6B	5,218.36	1,314.50	683.91
Derivative financial instruments	7	32.63	86.16	-
Loans	8	50,137.71	39,163.11	29,894.52
Investments	9	5,860.49	6,351.63	3,176.31
Other financials assets	10	2,036.76	2,949.45	86.42
		66,209.37	**54,935.65**	**36,887.68**
Non-financials assets				
Current tax assets (net)		15.21	5.63	-
Deffered tax assets (net)		250.09	220.44	231.92
Property, plant and equipment	11A	160.30	124.31	129.88
Intangible assets	11B	75.93	70.28	66.48
Right to use assets	11C	334.66	464.74	563.02
Other non-financial assets	12	66.61	33.64	17.15
		902.80	**919.04**	**1,008.45**
Total assets		**67,112.17**	**55,854.69**	**37,896.13**
LIABILITIES AND EQUITY				
Liabilities				
Financials liabilities				
Payables	13			
(I) Trade payables				
(i) total outstanding dues of micro enterprise and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprise and small enterprises		118.01	79.82	132.25
Debt securities	14	7,779.07	2,992.25	2,983.19
Borrowings (other than debt securities)	15	27,013.93	25,159.71	16,448.83
Lease liabilities		384.58	493.55	539.77
Other financials liabilities	16	4,949.16	1,472.99	4,414.54
		40,244.75	**30,198.32**	**24,518.58**
Non-financial liabilities				
Current tax liabilities (net)		-	-	85.59
Provisions	17	109.02	96.54	78.93
Other non-financial liabilities	18	97.11	81.07	72.21
		206.13	**177.61**	**236.73**
Equity				
Equity share capital	19	1,598.04	1,598.04	1,598.04
Instruments entirely equity in nature	20	5,415.39	5,415.39	3,554.00
Other equity	21	19,647.86	18,465.33	7,988.78
Total equity		**26,661.29**	**25,478.76**	**13,140.82**
Total liabilities and equity		**67,112.17**	**55,854.69**	**37,896.13**
Significant accounting policies	1-5			

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

As per our report of even date

For S. R. BATLIBOI & ASSOCIATES LLP
ICAI Firm registration number : 101049W/E300004
Chartered Accountants

Sd/-
per Chirag Jain
Partner
Membership number: 115385

Date: June 16, 2021
Place: Bengaluru

For and on behalf of the Board of Directors of
Ummeed Housing Finance Private Limited

Sd/-
Ashutosh Sharma
Managing Director
DIN: 02582205

Sd/-
Sachin Grover
Director
DIN: 07387359

Sd/-
Bikash Kumar Mishra
Chief Financial Officer

Sd/-
Nitin Kumar Agrahari
Company Secretary
M No.: A36376

Date: June 16, 2021
Place: Gurugram

Statement of Profit & Loss

for the year ended March 31, 2021

(Amount in Rs. lakhs unless stated otherwise)

Particulars	Note	March 31, 2021	March 31, 2020
REVENUE FROM OPERATIONS			
Interest income	22	7,906.18	6,067.01
Dividend income	23	-	8.74
Fees and commission Income	24	329.35	375.37
Net gain on fair value changes	25	420.33	198.56
Net gain on derecognition of financial instruments under amortised cost category	26	401.06	536.82
Total revenue from operations		**9,056.92**	**7,186.50**
Other income	27	39.88	145.89
Total income		**9,096.80**	**7,332.39**
EXPENSES			
Finance costs	28	3,898.40	3,339.01
Impairment on financial instruments	29	224.06	252.68
Employee benefits expenses	30	2,536.25	2,092.26
Depreciation, amortization and impairment	11	237.15	231.45
Other expenses	31	743.91	711.57
Total expenses		**7,639.77**	**6,626.97**
PROFIT BEFORE TAX		**1,457.03**	**705.42**
TAX EXPENSE	32		
Current tax			
Pertaining to profit for the current period		350.07	167.26
Adjustment of tax relating to earlier periods		0.76	(12.67)
Deferred tax		(24.78)	10.70
Total tax expense		**326.05**	**165.29**
PROFIT FOR THE YEAR		**1,130.98**	**540.13**
OTHER COMPREHENSIVE INCOME			
(A) (i) Items that will not be reclassified to profit or loss			
(a) Remeasurement gain of defined benefit plan		0.32	12.96
(ii) Income tax impact on above		(0.08)	(3.26)
(B) (i) Items that will be reclassified			
(a) Derivative instruments in Cash flow hedge relationship		(19.67)	(9.80)
(ii) Income tax impact on above		4.95	2.46
Other comprehensive income (net of tax) (A+B)		**(14.48)**	**2.36**
Total comprehensive income for the year		**1,116.50**	**542.49**
EARNINGS PER EQUITY SHARE	33		
Basic (Rs.)		2.62	1.56
Diluted (Rs.)		2.56	1.51
Nominal value per share		10.00	10.00
Significant accounting policies	1-5		

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

As per our report of even date

For S. R. BATLIBOI & ASSOCIATES LLP
ICAI Firm registration number : 101049W/E300004
Chartered Accountants

Sd/-
per Chirag Jain
Partner
Membership number: 115385

Date: June 16, 2021
Place: Bengaluru

For and on behalf of the Board of Directors of
Ummeed Housing Finance Private Limited

Sd/-
Ashutosh Sharma
Managing Director
DIN: 02582205

Sd/-
Sachin Grover
Director
DIN: 07387359

Sd/-
Bikash Kumar Mishra
Chief Financial Officer

Sd/-
Nitin Kumar Agrahari
Company Secretary
M No.: A36376

Date: June 16, 2021
Place: Gurugram

Cash Flow Statement

for the year ended March 31, 2021

(Amount in Rs. lakhs unless stated otherwise)

Particulars	March 31, 2021	March 31, 2020
Cash flow from operating activities		
Profit before tax	**1,457.03**	**705.42**
Adjustments to reconcile profit before tax to net cash flows:		
Expenses on employee stock option	81.04	102.76
Depreciation and amortization	237.15	231.45
Loss/(profit) on sale/discard of fixed assets	(4.00)	0.55
Interest income on fixed deposits	(640.03)	(319.37)
Gain on sale of mutual funds	(420.33)	(198.56)
Dividend income on mutual funds	-	(8.74)
Provision for expected credit loss	217.13	243.91
EIR & Hedging adjustment on borrowings	(2.38)	20.03
Loss assets written off	6.93	8.77
Other comprehensive income not part of profit & loss	(19.35)	3.16
Interest on borrowings	3,844.45	3,270.88
Interest on lease liabilities	53.95	68.13
Operating profit before working capital changes	**4,811.59**	**4,128.39**
Movements in working capital :		
Change in derivative financial assets	53.53	(86.16)
Change in loans	(11,198.66)	(9,521.27)
Change in other financial assets	912.69	(2863.03)
Change in other non financial assets	(32.97)	(16.66)
Change in trade payables	38.19	(52.43)
Change in lease liabilities	30.91	65.31
Change in other financial liabilities	3,405.65	(3,084.92)
Change in provisions	12.48	17.61
Change in other non-financial liabilities	16.05	8.85
Cash used in operations	**(1,950.54)**	**(11,404.31)**
Less: taxes paid (net of refunds)	360.42	245.63
Net cash flow used in operating activities (A)	**(2,310.96)**	**(11,649.94)**
Cash flows from investing activities		
Interest income from fixed deposits	476.77	340.16
Dividend income on mutual funds	-	8.74
Purchase of property, plant and equipment	(167.81)	(132.42)
Sale of property, plant and equipment	23.09	0.46
Purchase of current investments	(9,170.00)	(17,080.00)
Proceeds from sale/maturity of current investments	10,081.47	14,103.24
Bank balances not considered as cash and cash equivalents	(3740.60)	(651.38)
Net cash used in investing activities (B)	**(2,497.08)**	**(3,411.20)**
Cash flows from financing activities		
Proceeds from issuance of instrument entirely equity in nature (including securities premium) net of share issue expenses	(15.01)	11,692.69
Proceeds from borrowings	14,362.59	14,117.79
Repayment of borrowings	(7,719.16)	(5,417.89)
Interest paid on borrowings	(3,773.93)	(3,127.51)
Payment of lease liabilities	(139.88)	(111.53)
Payment of interest on lease liabilities	(53.95)	(68.13)
Net cash from financing activities (C)	**2,660.66**	**17,085.42**
Net increase in cash and cash equivalents (A+B+C)	(2,147.38)	2,024.28
Cash and cash equivalents at the beginning of the year	5,070.80	3,046.52
Cash and cash equivalents at the end of the year	**2,923.42**	**5,070.80**

Cash and bank balance include		
Cheques in hand	33.01	21.30
Balance with banks		
In current accounts	705.06	126.05
Deposits with maturity of less than three months	2,185.35	4,923.45
Cash and cash equivalents at the end of the year	**2,923.42**	**5,070.80**
Supplementary Information:		
Interest income received on loans	7,149.62	5,576.95

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

As per our report of even date

For S. R. BATLIBOI & ASSOCIATES LLP
ICAI Firm registration number : 101049W/E300004
Chartered Accountants

Sd/-
per Chirag Jain
Partner
Membership number: 115385

Date: June 16, 2021
Place: Bengaluru

For and on behalf of the Board of Directors of
Ummeed Housing Finance Private Limited

Sd/-
Ashutosh Sharma
Managing Director
DIN: 02582205

Sd/-
Sachin Grover
Director
DIN: 07387359

Sd/-
Bikash Kumar Mishra
Chief Financial Officer

Sd/-
Nitin Kumar Agrahari
Company Secretary
M No.: A36376

Date: June 16, 2021
Place: Gurugram

Statement of Changes in Equity

for the year ended March 31, 2021

(Amount in Rs. lakhs unless stated otherwise)

A. Equity Share Capital

Equity Share Capital of Rs. 10 each issued, subscribed and paid up	No.	Amount
At April 1, 2019	1,59,80,416	1,598.04
At March 31, 2020	1,59,80,416	1,598.04
At March 31, 2021	1,59,80,416	1,598.04

B. Instrument entirely equity in nature

CCPS of Rs. 20 each issued, subscribed and paid up

CCPS of Rs. 20 each issued, subscribed and paid up	No.	Amount
At April 1, 2019	1,77,41,366	3,548.27
Issued during the year	92,70,567	1,854.11
At March 31, 2020	**2,70,11,933**	**5,402.38**
Issued during the year	-	-
At March 31, 2021	**2,70,11,933**	**5,402.38**

Optionally Convertible Non-Cumulative Redeemable Preference shares ('OCNCRPS')

OCNCRPS of Rs. 20 each issued, subscribed and paid up	No.	Amount
At April 1, 2019	5,73,399	57.34
Issued during the year	7,27,117	72.71
Less: not called up of ₹ 9 per share	-	(117.05)
At March 31, 2020	**13,00,516**	**13.00**
Issued during the year	-	-
At March 31, 2021	**13,00,516**	**13.00**

C. Other Equity

Particulars	Reserve and Surplus				Other Comprehensive Income	Total
	Securities premium	Statutory Reserve	Share based payment reserve	Retained earnings	Cash flow hedge reserve	
Balance as at April 1, 2019	8,115.48	80.77	171.43	(378.90)	-	7,988.78
Profit for the year	-	-	-	540.13	-	540.13
Other comprehensive income for the year	-	-	-	9.70	(7.34)	2.36
Total comprehensive income for the year	**-**	**-**	**-**	**549.83**	**(7.34)**	**542.49**
Premium on issue of preference shares (CCPS)	10,145.71	-	-	-	-	10,145.71
Share issue expenses	(314.41)	-	-	-	-	(314.41)

Share based payments	-	-	102.76	-	-	102.76
Transfer to statutory reserve*	-	93.33	-	(93.33)	-	-
Balance as at March 31, 2020	**17,946.78**	**174.10**	**274.19**	**77.60**	**(7.34)**	**18,465.33**
Profit for the year	-	-	-	1,130.98	-	1,130.98
Other comprehensive income for the year	-	-	-	0.24	(14.72)	(14.48)
Total comprehensive income for the year	**-**	**-**	**-**	**1,131.22**	**(14.72)**	**1,116.50**
Share issue expenses	(15.01)	-	-	-	-	(15.01)
Share based payments	-	-	81.04	-	-	81.04
Transfer to statutory reserve*	-	226.20	-	(226.20)	-	-
Balance as at March 31, 2021	**17,931.77**	**400.30**	**355.23**	**982.62**	**(22.06)**	**19,647.86**

*under Section 29C of the NHB Act, 1987 read with 36(1)(viii) of Income tax act, 1961

For S. R. BATLIBOI & ASSOCIATES LLP
ICAI Firm registration number : 101049W/E300004
Chartered Accountants

Sd/-
per Chirag Jain
Partner
Membership number: 115385

Date: June 16, 2021
Place: Bengaluru

For and on behalf of the Board of Directors of
Ummeed Housing Finance Private Limited

Sd/-
Ashutosh Sharma
Managing Director
DIN: 02582205

Sd/-
Sachin Grover
Director
DIN: 07387359

Sd/-
Bikash Kumar Mishra
Chief Financial Officer

Sd/-
Nitin Kumar Agrahari
Company Secretary
M No.: A36376

Date: June 16, 2021
Place: Gurugram

Significant Accounting Policies and Notes to the Accounts

for the year ended March 31, 2020

1. Corporate information

Ummeed Housing Finance Private Limited ('the Company') is a Company domiciled in India as a private limited company having CIN U65922HR2016PTC057984. The Company was incorporated on January 27, 2016 under the provisions of the Companies Act, 1956. The Company is registered as a housing finance company with National Housing Bank (NHB) vide Registration No. 07.137.16 and is engaged in the long-term financing activity in the domestic markets to provide housing finance.

The Company is engaged in the business of providing housing and Non-Housing loans. The Company is having registered office at 318, DLF Magnolias, Sector-42, Golf Course Road, Gurugram Haryana – 122002 and maintain books of accounts at Corporate office at Unit 809-815,8th floor, Tower A, Emaar Digital Greens Golf Course Extension Road, Sector-61 Gurugram - 122102. The Company's redeemable non-convertible debentures are listed on Bombay Stock Exchange in India.

2. Basis of preparation

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

For all periods up to and including the year ended March 31, 2020, the Company prepared its (Financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These Financial statements for the year ended March 31, 2021 are the first which has prepared in accordance with Ind AS.

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

3. Presentation of financial statement

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

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

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

Note 4: Significant accounting policies

4.1. Recognition of income and expense

4.1.1 Interest income

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

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

4.1.2 Interest expense

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

4.1.3 Other fees

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

4.1.4 Dividend income

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

4.2. Financial Instruments

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

4.2.1 Financial Assets

4.2.1.1 Initial recognition and measurement

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

4.2.1.2 Classification and Subsequent measurement

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

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

4.2.1.3. Debt instruments at amortised costs

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

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

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

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

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

4.2.1.4. Debt Instruments at FVTOCI

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

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

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

4.2.1.5. Debt instruments at FVTPL

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

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

4.2.1.6. Equity Investments at FVTPL and FVOCI

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

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

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

4.2.2. Financial liabilities

4.2.2.1. Initial recognition and measurement

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

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

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

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

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

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

4.2.2.3. Financial Liabilities held at amortised cost

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

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

4.2.2.4. Financial guarantees and undrawn loan commitments

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

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

4.2.2.4. Financial guarantees and undrawn loan commitments (continued)

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

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

4.2.3. Reclassification of financial assets and liabilities

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

4.2.4. Derivative financial instruments

The Company holds derivative to mitigate the risk of changes in exchange rates on foreign currency exposures as well as interest fluctuations. The counterparty for these contracts is generally a bank. This category has derivative financial assets or liabilities which are not designated as hedges. Any derivative that is not designated a hedge is categorized as a financial asset or financial liability, at fair value through profit or loss.

Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in Statement of Profit and Loss.

4.2.5. De-recognition of financial assets and liabilities

4.2.5.1. Financial Assets

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

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

- It has transferred its contractual rights to receive cash flows from the financial asset or

- It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

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

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

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

A transfer only qualifies for derecognition If either:

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

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

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

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

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

Derecognition due of modification of terms and conditions

The Company de-recognizes a financial asset, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes unless the new loan is deemed to be Purchase Oriented Credit Impaired (“POCI”). If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

4.2.5.2. Financial liabilities

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

4.3. Impairment of financial assets

4.3.1. Overview of the ECL principles

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

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

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

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

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

Based on the above process, the Company group its loans into Stage 1, Stage 2, Stage3 as described below:

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

Stage 1 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2 or Stage3.

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

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

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

4.3.2 The calculation of ECLs

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

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

• PD - The Probability of Default is an estimate of the Likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed year, if the facility has not been previously derecognised and is still in the portfolio.

• EAD- The Exposure at Default is an exposure at a reporting date.

• LGD - The loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

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

The mechanics of the ECL method are summarised below:

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

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

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

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

For loan commitments, the ECL is recognised within Provisions.

4.3.3. Forward looking information

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

4.4. Collateral valuation

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

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

4.5. Collateral repossessed

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

4.6. Write-offs

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

4.7. Determination of fair value

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

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

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

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

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

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

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

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

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

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

4.8 Leases

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

Company as a lessee

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

I) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depredated on a straight-line basis over the lease term.

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

II) Lease liabilities

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

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

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

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

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

lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

4.9. Cash and cash equivalents

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

4.10. Property, plant and equipment

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

Assets costing INR 5,000 or less are fully depreciated in the year of purchase. Depreciation is charged on a proportionate basis for all assets purchased and sold during the year.

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

The Company depreciates its Property, plant and equipment ('Assets') on Straight Line Method (SLM) over the useful lives of assets estimated by management. Depreciation on assets purchased during the year is charged from date of acquisition and for assets sold/disposed off, it is charged upto the date of sale/disposal. Modification or extension to an existing asset, which is of capital nature and which becomes an internal part thereof is depreciated prospectively from date of capitalisation upto remaining useful life of that asset. Management estimates for useful lives of assets are set out below:

Particulars	Useful lives (years)
Computers	3
Computer servers and networks	6
Office equipment	5
Furniture and Fixture	10
Motor Vehicle	5

4.11. Intangible assets

Intangible assets are acquired by the company are measured initially at cost. Cost comprises the purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebate are deducted in arriving the cost of asset.

All such expenditure that increases the future benefits from the existing asset beyond its previously assessed standard of performance is included in the gross book value.

After Initial Recognition, Intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss.

Intangible assets are amortized on a straight-line basis over the estimated useful economic life. The Company uses a presumption that the useful life of an intangible asset will not exceed six years from the date when the asset is available for use. If persuasive evidence exists to the affect that useful life of an intangible asset exceeds six years, the Company amortizes the intangible asset over the best estimate of its useful life.

4.12. Impairment of non-financial assets

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

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. An Impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount.

4.13. Retirement and other employee benefits

Short term employee benefits

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

Post-employment benefits

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

The Company provides gratuity benefits which is a defined benefit scheme. The cost of providing gratuity benefits is determined on the basis of actuarial valuation at each year end. Separate actuarial valuation is carried out for each plan using the projected unit credit method.

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

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

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

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

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes.

4.14. Provisions

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

4.15. Taxes

Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities in accordance with Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted. or substantively enacted, at the reporting date. Current Income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax

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

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

- Where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:
- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

4.16. Earnings per share

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

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

4.17. Foreign currency

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

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

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

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

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

4.18. Share-based payments

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

4.19. Contingent liabilities and assets

The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent liability is disclosed in the case of:

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

Contingent liabilities are reviewed at each balance sheet date.

Contingent assets are not recognised. A contingent asset is disclosed, as required by Ind AS 37, where an inflow of economic benefits is probable.

5. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

5.1. Business model assessment

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

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

5.2. Fair value of financial instruments

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

5.3. Effective Interest Rate (EIR) method

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

5.4. Impairment of financial asset

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

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

- The Company's model, which assigns Probability of default (PD)s.
- 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 Lifetime expected credit loss (LTECL) basis and the qualitative assessment.
- The segmentation of financial assets when their ECL is assessed on a collective basis.
- Development of ECL models, including the various formulas and the choice of inputs.
- Determination of associations between macroeconomic scenarios and, economic inputs, and the effect on PDs, Exposure at default (EADs) and Loss given default (LGDs).
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

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

5.5 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future.

These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

5.6 Share based payments

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

5.7 Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Company's business. When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

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

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

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

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

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

6. Cash & Cash Equivalents

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
6A. Cash and cash equivalents			
Cheques in hand	33.01	21.30	3.96
Balance with banks			
In current accounts	705.06	126.05	823.24
Deposits with maturity of less than three months	2,185.35	4,923.45	2,219.32
Total	**2,923.42**	**5,070.80**	**3,046.52**
*The above bank deposit include deposits under lien as per following details:			
Pledge with bank for obtaining bank overdraft facilities	1,142.87	1,113.06	500.48

6B. Bank Balance other than above

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Bank deposits upto 12 months	4,591.68	1,108.65	607.14
Bank deposits with maturity of more than 12 months	626.68	205.85	76.77
Total	**5,218.36**	**1,314.50**	683.91
The above bank deposits include deposits under lien as per following details:			
Pledge with bank for term loan facilities	178.59	167.40	156.63
Pledge with bank as cash collateral for securitization transactions	141.15	141.12	-
For bank guarantee to National Housing Bank for refinance	409.86	-	-

7. Derivative Financial Instrument

Particulars	As at March 31, 2021			As at March 31, 2020			As at April 1, 2019		
	Notional amounts	Fair value assets	Fair value liabilities	Notional amounts	Fair value assets	Fair value liabilities	Notional amounts	Fair value assets	Fair value liabilities
Part I									
Currency Derivatives:									
-Currency swaps	1,260.99	32.63	-	1,260.99	86.16	-	-	-	-
Part II									
Included in above are derivatives held for hedging and risk management purposes as follows:									
Cash flow hedging:									
- Currency swaps	1,260.99	32.63	-	1,260.99	86.16	-	-	-	-
Undesignated derivatives									
Total derivative financial instruments	**1,260.99**	**32.63**	**-**	1,260.99	86.16	**-**	**-**	**-**	**-**

The Company is exposed to certain risks relating to its ongoing business operations. The primary riskmanaged using derivative instruments are interest rate risk and foreign currency risk.

Derivatives designated as hedging instruments

The foreign currency and interest rate risk on borrowings have been actively hedged through a combination of forward contracts, principal only and interest rate swa ps.

The company is exposed to interest rate risk arising from its foreign currency borrowings amounting to $18,00,000 (Previous Year $18,00,000). Interest on the borrowing is payable at a floating rate linked to USD LIBOR. The company economically hedged the interest rate risk arising from the debt with a ‘receive floating pay fixed’ interest rate swap (‘swap’).

The Company uses currency Swaps Contracts (Fixed to Floating) to hedge its risks associated with currency rate fluctuations arising from foreign currency loans/external commercial borrowings. The Company designates such swaps contracts in a cash flow hedging relationship by applying the hedge accounting principles as per IND AS 109. These swap contracts are stated at fair value at each reporting date. Changes in the fair value of these swap contracts that are designated and effective as hedges of future cash flows are recognised directly in "Cash Flow Hedge Reserve" under Reserves and surplus and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

The Company also hedges foreign currency risk arising from its fixed rate foreign currency borrowing by entering into the currency Swaps. There is an economic relationship between the hedged item and the hedging instrument as the terms of the contract match that of the foreign currency borrowing (notional amount, interest payment dates, principal repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the Cross currency swap are identical to the hedged risk components.

	Notional Amount	Carrying Amount	Line Item in statement of Financial position	Change in Fair value
The impact of hedging instruments (Net)	1,260.99	32.63	Derivative Financial Asset	(19.67)

As of March 31, 2020

	Notional Amount	Carrying Amount	Line Item in statement of Financial position	Change in Fair value
The impact of hedging instruments (Net)	1,260.99	86.16	Derivative Financial Asset	(9.80)

	Change in fair value	Cash flow hedge reserve as at March 31 , 2021	Cost of hedging as at March 31, 2021	Cash flow hedge reserve as at March 31 , 2021	Cost of hedging as at March 31, 2021
The impact of hedged item	(19.67)	(29.47)	-	(9.80)	-

March, 31, 2021	Total hedging gain / (loss) recognised in OCI	Ineffective-ness recognised in profit or (loss)	Line item in the statement of profit or loss
Effect of Cash flow hedge	(19.67)	-	Finance Cost

March, 31, 2020	Total hedging gain / (loss) recognised in OCI	Ineffective-ness recognised in profit or (loss)	Line item in the statement of profit or loss
Effect of Cash flow hedge	(9.80)	-	Finance Cost

8. Loans

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
At amortised cost:			
Loans assets	50,716.28	39,530.92	30,019.24
Staff loans	-	-	-
Total Gross	**50,716.28**	**39,530.92**	**30,019.24**
Less: Impairment loss allowance	(578.57)	(367.81)	(124.72)
Total Net	**50,137.71**	**39,163.11**	**29,894.52**
Secured by tangible assets			
(hypothecation of equitable mortgage of immovable property etc.)	50,716.28	39,530.92	30,019.24
Covered by bank/government guarantees	-	-	-
Unsecured	-	-	-
Total Gross	**50,716.28**	**39,530.92**	**30,019.24**
Less: Impairment loss allowance	(578.57)	(367.81)	(124.72)
Total Net	**50,137.71**	**39,163.11**	**29,894.52**
Loans in India			
Public sector	-	-	-
Others	50,716.28	39,530.92	30,019.24
Total Gross	**50,716.28**	**39,530.92**	**30,019.24**
Less: Impairment loss allowance	(578.57)	(367.81)	(124.72)
Total Net	**50,137.71**	**39,163.11**	**29,894.52**

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

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

iii. The Company has assigned a pool of certain loans amounting to Rs. 2,633.90 lakh during the year ended March 31, 2021 (March 31, 2020 Rs. 6,100.34 lakh & April 1, 2019 : Nil) by way of a direct assignment transaction. These loan assets have been de-recognised from the loan portfolio of the Company as the sale of loan assets is an absolute assignment and transfer on a 'no-recourse' basis. The Company continues to act as a servicer to the assignment transaction on behalf of assignee. In terms of the assignment agreement, the Company pays to assignee, on a monthly basis, the pro-rata collection amounts.

iv. Loan commitment amount is Rs.1,795.74 as on March 31, 2021 (Rs.1,715.02 as on March 31, 2020, Rs. 2,756.10 as on April 1, 2019) (Refer note 17.1)

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

vi. The Company is not granting any loans against security of shares as collateral.

vii. Breakup of loan assets

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Term loans	49,393.96	38,517.38	30,019.24
Minimum retention requirement ("MRR") of securitised loans	307.90	307.90	-
Minimum retention requirement ("MRR") of assigned loans	1,014.42	705.64	-
Total	**50,716.28**	**39,530.92**	**30,019.24**

viii. **Breakup of impairment loss allowance**

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Impairment loss allowance			
On Term loans	562.47	359.44	124.72
On MRR of securitised loans	4.68	3.74	-
On MRR of assigned loans	11.42	4.63	-
Total Impairment loss allowance	**578.57**	**367.81**	**124.72**

8.1 Credit Quality of assets

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

Loan to customers as of March 31, 2021:

Risk categorisation	Housing Loan	Loan against property	Business Loans	Small ticket business loan	Total
Stage 1	31,635.47	8,927.09	6,491.62	2,037.63	**4,9091.81**
Stage 2	707.12	338.80	178.60	57.59	**1,282.11**
Stage 3	226.02	74.98	41.36	-	**342.36**
Total	**32,568.61**	**9,340.87**	**6,711.58**	**2,095.22**	**50,716.28**

Loan to customers as of March 31, 2020:

Risk categorisation	Housing Loan	Loan against property	Business Loans	Small ticket business loan	Total
Stage 1	25,271.45	8,073.18	5,119.73	956.66	39,421.02
Stage 2	37.48	11.65	4.95	-	54.08
Stage 3	39.24	13.63	2.95	-	55.82
Total	**25,348.17**	**8,098.46**	**5,127.63**	**956.66**	**39,530.92**

Loan to customers as of April 1, 2019:

Risk categorisation	Housing Loan	Loan against property	Business Loans	Small ticket business loan	Total
Stage 1	20,367.69	5,735.83	3,794.80	106.45	30,004.77
Stage 2	14.47	-	-	-	14.47
Stage 3	-	-	-	-	-
Total	**20,382.16**	**5,735.83**	**3,794.80**	**106.45**	**30,019.24**

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

Risk categorisation	Housing Loan	Loan against property	Business Loans	Small ticket business loan	Total
Stage 1	140.23	61.65	50.35	15.66	267.89
Stage 2	101.34	56.30	23.46	7.93	189.03
Stage 3	80.31	26.64	14.70	-	121.65
Total	**321.88**	**144.59**	**88.51**	**23.59**	**578.57**

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

Risk categorisation	Housing Loan	Loan against property	Business Loans	Small ticket business loan	Total
Stage 1	168.92	86.10	65.25	12.07	332.34
Stage 2	8.26	2.10	1.25	-	11.61
Stage 3	16.77	5.83	1.26	-	23.86
Total	**193.95**	**94.03**	**67.76**	**12.07**	**367.81**

Impairment allowance for loans to customers as of April 1, 2019

Risk categorisation	Housing Loan	Loan against property	Business Loans	Small ticket business loan	Total
Stage 1	87.05	21.89	14.46	0.41	123.81
Stage 2	0.91	-	-	-	0.91
Stage 3	-	-	-	-	-
Total	**87.96**	**21.89**	**14.46**	**0.41**	**124.72**

8.1.1 Housing Loan

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

8.1.1.1 Analysis of risk categorisation

As at March 31, 2021

Risk categorisation	Stage 1	Stage 2	Stage 3	Total
Low Risk	19,251.96	456.94	118.44	19,827.34
Medium Risk	10,690.21	229.36	89.92	11,009.49
High Risk	1,693.30	20.82	17.66	1,731.78
Total	**31,635.47**	**707.12**	**226.02**	**32,568.61**

As at March 31, 2020

Risk categorisation	Stage 1	Stage 2	Stage 3	Total
Low Risk	15,076.59	25.45	31.20	15,133.24
Medium Risk	8,453.59	12.03	-	8,465.62
High Risk	1,741.27	-	8.04	1,749.31
Total	**25,271.45**	**37.48**	**39.24**	**25,348.17**

As at April 1, 2019

Risk categorisation	Stage 1	Stage 2	Stage 3	Total
Low Risk	12,503.79	5.94	-	12,509.73
Medium Risk	6,781.63	-	-	6,781.63
High Risk	1,082.27	8.53	-	1,090.80
Total	**20,367.69**	**14.47**	-	**20,382.16**

8.1.1.2 Reconciliation of gross carrying amount

As at March 31, 2021

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2020	25,271.45	37.48	39.24	25,348.17
New assets originated or purchased	13,557.17	3.10	-	13,560.27
Assets derecognised or repaid (excluding write offs)	(6,337.71)	14.07	(10.89)	(6,334.53)
Transfers from stage 1	(860.43)	667.90	192.53	-
Transfers from stage 2	8.44	(15.43)	6.99	-
Transfers from stage 3	-	-	-	-
Amounts written off	(3.45)	-	(1.85)	(5.30)
Gross carrying amount as at March 31, 2021	**31,635.47**	**707.12**	**226.02**	**32,568.61**

As at March 31, 2020

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2019	**20,367.69**	**14.47**	**-**	**20,382.16**
New assets originated or purchased	16,314.92	-	-	16,314.92
Assets derecognised or repaid (excluding write offs)	(11,339.47)	(0.21)	(0.46)	(11,340.14)
Transfers from stage 1	(62.92)	37.01	25.91	-
Transfers from stage 2	-	(13.79)	13.79	-
Transfers from stage 3	-	-	-	-
Amounts written off	(8.77)	-	-	(8.77)
Gross carrying amount as at March 31, 2020	**25,271.45**	**37.48**	**39.24**	**25,348.17**

8.1.1.3 Impairment allowance for loans to customers

As at March 31, 2021

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 1, 2020	**168.92**	**8.26**	**16.77**	**193.95**
Assets derecognised or repaid	(14.45)	(1.77)	(3.44)	(19.66)
New assets originated	44.97	2.75	-	47.72
Impact on year end ECL of Exposures transferred between stages during the year	(49.90)	87.74	62.03	99.87
Transfers from Stage 1	(11.52)	7.55	3.97	-
Transfers from Stage 2	2.21	(3.19)	0.98	-
Transfers from Stage 3	-	-	-	-
Impairment allowance for loans to customers as at March 31, 2021	**140.23**	**101.34**	**80.31**	**321.88**

As at March 31, 2020

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 1, 2019	**86.77**	**0.91**	**-**	**87.68**
Assets derecognised or repaid	(9.02)	-	-	(9.02)
New assets originated	63.49	1.24	-	64.73
Impact on year end ECL of Exposures transferred between stages during the year	27.90	6.90	15.76	50.56
Transfers from Stage 1	(0.22)	0.12	0.10	-
Transfers from Stage 2	-	(0.91)	0.91	-
Transfers from Stage 3				
Impairment allowance for loans to customers as at March 31, 2020	**168.92**	**8.26**	**16.77**	**193.95**

8.1.2 Loan Against Property

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

8.1.2.1 Analysis of risk categorisation

As at March 31, 2021

Risk categorisation	Stage 1	Stage 2	Stage 3	Total
Low Risk	5,103.83	184.69	46.05	5,334.57
Medium Risk	3,335.48	119.90	28.93	3,484.31
High Risk	487.78	34.21	-	521.99
Total	**8,927.09**	**338.80**	**74.98**	**9,340.87**

As at March 31, 2020

Risk categorisation	Stage 1	Stage 2	Stage 3	Total
Low Risk	4,623.32	11.65	9.45	4,644.42
Medium Risk	3,080.47	-	4.18	3,084.65
High Risk	369.39	-	-	369.39
Total	**8,073.18**	**11.65**	**13.63**	**8,098.46**

As at April 1, 2019

Risk categorisation	Stage 1	Stage 2	Stage 3	Total
Low Risk	3,436.68	-	-	3,436.68
Medium Risk	2,064.54	-	-	2,064.54
High Risk	234.61	-	-	234.61
Total	**5,735.83**	**-**	**-**	**5,735.83**

8.1.2.2 Reconciliation of gross carrying amount

As at March 31, 2021

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2020	8,073.18	11.65	13.63	8,098.46
New assets originated or purchased	5,615.71	0.94	-	5,616.65
Assets derecognised or repaid (excluding write offs)	(4,379.00)	9.21	(2.82)	(4,372.61)
Transfers from stage 1	(381.93)	329.29	52.64	-
Transfers from stage 2	-	(12.29)	12.29	-
Transfers from stage 3	-	-	-	-
Amounts written off	(0.87)	-	(0.76)	(1.63)
Gross carrying amount as at March 31, 2021	**8,927.09**	**338.80**	**74.98**	**9,340.87**

As at March 31, 2020

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2019	5,735.83	-	-	5,735.83
New assets originated or purchased	5,810.76	-	-	5,810.76
Assets derecognised or repaid (excluding write offs)	(3,448.11)	0.15	(0.17)	(3,448.13)
Transfers from stage 1	(25.30)	11.50	13.80	-
Transfers from stage 2	-	-	-	-
Transfers from stage 3	-	-	-	-
Amounts written off	-	-	-	-
Gross carrying amount as at March 31, 2020	**8,073.18**	**11.65**	**13.63**	**8,098.46**

8.1.2.3 Impairment allowance for loans to customers

As at March 31, 2021

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 1, 2020	86.1	2.10	5.83	94.03
Assets derecognised or repaid	(11.03)	-	(1.79)	(12.82)
New assets originated	28.45	11.47	-	39.92
Impact on year end ECL of Exposures transferred between stages during the year	(35.82)	39.89	19.39	23.46
Transfers from Stage 1	(6.05)	4.94	1.11	-
Transfers from Stage 2	-	(2.10)	2.10	-
Transfers from Stage 3	-	-	-	-
Impairment allowance for loans to customers as at March 31, 2021	**61.65**	**56.30**	**26.64**	**144.59**

As at March 31, 2020

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 1, 2019	22.18	-	-	22.18
Assets derecognised or repaid	(3.49)	-	-	(3.49)
New assets originated	42.54	-	-	42.54
Impact on year end ECL of Exposures transferred between stages during the year	24.97	2.05	5.78	32.80
Transfers from Stage 1	(0.10)	0.05	0.05	-
Transfers from Stage 2	-	-	-	-
Transfers from Stage 3	-	-	-	-
Impairment allowance for loans to customers as at March 31, 2020	**86.10**	**2.10**	**5.83**	**94.03**

8.1.3 Business Laon

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

8.1.3.1 Analysis of risk categorisation

As at March 31, 2021

Risk categorisation	Stage 1	Stage 2	Stage 3	Total
Low Risk	4,253.53	84.03	33.71	4,371.27
Medium Risk	1,948.58	53.48	2.96	2,005.02
High Risk	289.51	41.09	4.69	335.29
Total	**6,491.62**	**178.60**	**41.36**	**6,711.58**

As at March 31, 2020

Risk categorisation	Stage 1	Stage 2	Stage 3	Total
Low Risk	2,976.31	4.95	-	2,981.26
Medium Risk	1,855.04	-	2.95	1,857.99
High Risk	288.38	-	-	288.38
Total	5,119.73	4.95	2.95	5,127.63

As at April 1, 2019

Risk categorisation	Stage 1	Stage 2	Stage 3	Total
Low Risk	2,268.29	-	-	2,268.29
Medium Risk	1,327.33	-	-	1,327.33
High Risk	199.18	-	-	199.18
Total	**3,794.80**	**-**	**-**	**3,794.80**

8.1.3.2 Reconciliation of gross carrying amount

As at March 31, 2021

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2020	5,119.73	4.95	2.95	5,127.63
New assets originated or purchased	4,512.77	0.54	-	4,513.31
Assets derecognised or repaid (excluding write offs)	(2,939.16)	8.62	1.18	(2,929.36)
Transfers from stage 1	(201.72)	169.82	31.90	-
Transfers from stage 2	-	(5.33)	5.33	-
Transfers from stage 3	-	-	-	-
Amounts written off	-	-	-	-
Gross carrying amount as at March 31, 2021	**6,491.62**	**178.60**	**41.36**	**6,711.58**

As at March 31, 2020

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2019	3,794.80	-	-	3,794.80
New assets originated or purchased	3,694.89	-	-	3,694.89
Assets derecognised or repaid (excluding write offs)	(2,362.10)	0.08	(0.04)	(2,362.06)
Transfers from stage 1	(7.86)	4.87	2.99	-
Transfers from stage 2	-	-	-	-
Transfers from stage 3	-	-	-	-
Amounts written off	-	-	-	-
Gross carrying amount as at March 31, 2020	**5,119.73**	**4.95**	**2.95**	**5,127.63**

8.1.3.3 Impairment allowance for loans to customers

As at March 31, 2021

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 1, 2020	65.25	1.26	1.26	67.77
Assets derecognised or repaid	(9.83)	-	-	(9.83)
New assets originated	25.31	1.71	2.49	29.51
Impact on year end ECL of Exposures transferred between stages during the year	(26.77)	18.80	9.03	1.06
Transfers from Stage 1	(3.61)	2.94	0.67	-
Transfers from Stage 2	-	(1.25)	1.25	-
Transfers from Stage 3	-	-	-	-
Impairment allowance for loans to customers as at March 31, 2021	**50.35**	**23.46**	**14.70**	**88.51**

As at March 31, 2020

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 1, 2019	14.46	-	-	14.46
Assets derecognised or repaid	(2.17)	-	-	(2.17)
New assets originated	32.04	-	-	32.04
Impact on year end ECL of Exposures transferred between stages during the year	20.95	1.24	1.25	23.44
Transfers from Stage 1	(0.03)	0.02	0.01	-
Transfers from Stage 2	-	-	-	-
Transfers from Stage 3	-	-	-	-
Impairment allowance for loans to customers as at March 31, 2020	**65.25**	**1.26**	**1.26**	**67.77**

8.1.4 Small Ticket Business Loan

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

8.1.4.1 Analysis of risk categorisation

As at March 31, 2021

Risk categorisation	Stage 1	Stage 2	Stage 3	Total
Low Risk	1,442.92	37.74	-	1,480.66
Medium Risk	531.80	19.85	-	551.65
High Risk	62.91	-	-	62.91
Total	**2,037.63**	**57.59**	**-**	**2,095.22**

As at March 31, 2020

Risk categorisation	Stage 1	Stage 2	Stage 3	Total
Low Risk	562.98	-	-	562.98
Medium Risk	323.51	-	-	323.51
High Risk	70.17	-	-	70.17
Total	**956.66**	**-**	**-**	**956.66**

As at April 1, 2019

Risk categorisation	Stage 1	Stage 2	Stage 3	Total
Low Risk	101.02	-	-	101.02
Medium Risk	5.43	-	-	5.43
High Risk	-	-	-	-
Total	**106.45**	**-**	**-**	**106.45**

8.1.4.2 Reconciliation of gross carrying amount

As at March 31, 2021

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2020	956.66	-	-	956.66
New assets originated or purchased	1,805.13	-	-	1,805.13
Assets derecognised or repaid (excluding write offs)	(669.87)	3.30	-	(666.57)
Transfers from stage 1	(54.29)	54.29	-	-
Transfers from stage 2	-	-	-	-
Transfers from stage 3	-	-	-	-
Amounts written off	-	-	-	-
Gross carrying amount as at March 31, 2021	**2,037.63**	**57.59**	-	**2,095.22**

As at March 31, 2020

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2019	106.46	-	-	106.46
New assets originated or purchased	1,106.88	-	-	1,106.88
Assets derecognised or repaid (excluding write offs)	(256.68)	-	-	(256.68)
Transfers from stage 1	-	-	-	-
Transfers from stage 2	-	-	-	-
Transfers from stage 3	-	-	-	-
Amounts written off	-	-	-	-
Gross carrying amount as at March 31, 2020	**956.66**	-	-	**956.66**

8.1.4.3 Impairment allowance for loans to customers

As at March 31, 2021

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 1, 2020	12.07	-	-	12.07
Assets derecognised or repaid	(1.50)	-	-	(1.50)
New assets originated	10.99	-	-	10.99
Impact on year end ECL of Exposures transferred between stages during the year	(5.03)	7.06	-	2.03
Transfers from Stage 1	(0.87)	0.87	-	-
Transfers from Stage 2	-	-	-	-
Transfers from Stage 3	-	-	-	-
Impairment allowance for loans to customers as at March 31, 2021	**15.66**	**7.93**	**-**	**23.59**

As at March 31, 2020

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 1, 2019	0.41	-	-	0.41
Assets derecognised or repaid	-	-	-	-
New assets originated	10.98	-	-	10.98
Impact on year end ECL of Exposures transferred between stages during the year	0.68	-	-	0.68
Transfers from Stage 1	-	-	-	-
Transfers from Stage 2	-	-	-	-
Transfers from Stage 3	-	-	-	-
Impairment allowance for loans to customers as at March 31, 2020	**12.07**	**-**	**-**	**12.07**

8.2 Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in these notes. It should be read in conjunction with the Summary of significant accounting policies

- **Definition of default and cure**

The Company considers a financial instrument as defaulted and classifies it as Stage 3 (credit-impaired) for ECL calculations typically when the borrower becomes 90 days past due on contractual payments. The Company may also classify a loan in Stage 3 if there is significant deterioration in the loan collateral, deterioration in the financial condition of the borrower or an assessment that adverse market conditions may have a disproportionately detrimental effect on the loan repayment.

- **Probability of default ("PD")**

The account level delinquency has been considered while assigning Probability of Default (PD) at a portfolio level. The PDs are computed for homogenous portfolio segments.

- **Exposure at default ("EAD")**

The outstanding balance as at the reporting date is considered as EAD by the Company. Considering that PD determined above factors in amount at default, there is no separate requirement to estimate EAD.

- **Loss given default ("LGD")**

The Company uses historical loss data/external agency LGD for identified homogenous pools for the purpose of calculating LGO. The estimated recovery cash flows are discounted such that the LGD calculation factors in the NPV of the recoveries.

- **Significant increase in credit risk**

The Company evaluates the loans on an ongoing basis. The Company also assesses if there has been a significant increase in credit risk since The previously risk taking into consideration both qualitative and quantitative information One key factor that indicates significant increase in credit risk is when contractual payments are more than 30 days past due.

- **Grouping financial assets measured on a collective basis**

The Company calculates ECL on a collective basis on the following asset classes:

  - Home loans

- Loan against property
- Business loan
- Small ticket business loan

The Company has designed and operates its risk assessment model that factors in both quantitative as well as qualitative information on the loans and the borrowers. The model uses historical empirical data to arrive at factors that are indicative of future credit risk and segments the portfolio on the basis of combinations of these parameters into smaller homogenous portfolios from the perspective of credit behaviour.

The Company groups these exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans. Asset class such as Home Loans, Loan against property, Business loan and Small ticket business loan are mix of Housing and Non Housing loans and based on customer profiling and associated risk attached.

8.3 Collateral

The Company is in business of secured lending and all loans are adequately covered by either residential collateral or commercial collateral. The collaterals are assessed at the time of origination and are being reassessed as and when required. The illustrative factors considered while evaluation of collateral are liquidity, enforceability, marketability, ease and efficiency in custody & settlement and free from all encumbrances in the relevant jurisdictions and complied with local by laws. The assessment of collateral is undertaken by empanelled team of independent and qualified technical/legal agencies. The company has specified the maximum loan-to value ratio for various types of asset to be accepted as collateral. Such ratios commensurate with the relative risk of the assets as prescribed by NHB and provides an adequate buffer against potential losses

The Company did not hold any financial instrument for which no loss allowance is recognised because of collateral as at March 31, 2021 and March 31, 2020. There was no change in the Company's collateral policy during the year.

9. Investments

Risk categorisation	March 31, 2021	March 31, 2020	April 1, 2019
Investments carried at fair value through profit or loss			
Mutual Funds	-	960.10	815.76
Liquid debt Funds	929.48	1,408.05	-
Banking & PSU debts funds	4,931.01	1,467.83	-
Ultra-Short term debt funds	-	2,515.65	2,360.55
Total	**5,860.49**	**6,351.63**	**3,176.31**
Investments outside India	-	-	-
Investments in India	5,860.49	6,351.63	3,176.31
Total	**5,860.49**	**6,351.63**	**3,176.31**

10. Other Financial Assets

Risk categorisation	March 31, 2021	March 31, 2020	April 1, 2019
Balances with other financial institutions (refer note 10.1)	1,132.35	2,144.65	5.99
Excess Interest Spread (EIS) receivable*	751.51	468.12	-
Security deposits	65.65	58.07	47.57

Other receivables	46.48	23.44	-
Balance with Govt. authorities	23.93	-	-
Amount receivable from insurance companies	21.71	259.70	32.86
Gross	**2,041.63**	**2,953.98**	**86.42**
Less: impairment loss allowance on EIS Receivable	(4.87)	(4.53)	-
Net	**2,036.76**	**2,949.45**	**86.42**

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

10.1 Balance with financials institutions include balance with Mutual fund of Rs. 1,000 Lakhs (March 31, 2020: Nil, April 1, 2019 : Nil) and Fixed deposit with NBFC of Rs. 132.35 Lakhs (March 31, 2020: 2,144.65 Lakhs April 1, 2019: 5.99 Lakhs) which has been pledged for term loan facilities.

11.A. Property, plant and equipment

Particulars	Office Equipment	Computers	IT Networks Equipment's	Furniture Fixtures & Fittings	Vehicles	Total
Cost:						
At April 1, 2019	**26.27**	**77.02**	**5.95**	**7.03**	**67.54**	**183.81**
Additions	6.24	39.81	0.07	1.83	-	47.95
Disposals	(1.62)	-	-	-	-	(1.62)
At March 31, 2020	**30.89**	**116.83**	**6.02**	**8.86**	**67.54**	**230.14**
Additions	1.45	31.74	-	0.54	79.80	113.53
Disposals	(1.30)	(2.76)	-	-	(49.59)	(53.65)
At March 31, 2021	**31.04**	**145.81**	**6.02**	**9.40**	**97.75**	**290.02**
Depreciation						
At April 1, 2019	**4.49**	**28.13**	**0.53**	**0.53**	**20.25**	**53.93**
Charge for the year	5.61	30.33	0.95	0.80	14.81	52.50
Disposals	(0.60)	-	-	-	-	(0.60)
At March 31, 2020	**9.50**	**58.46**	**1.48**	**1.33**	**35.06**	**105.83**
Charge for the year	5.99	33.98	0.95	0.85	16.67	58.44
Disposals	(0.77)	(2.61)	-	-	(31.17)	(34.55)
At March 31, 2021	**14.72**	**89.83**	**2.43**	**2.18**	**20.56**	**129.72**
Net book value:						
At April 1, 2019	**21.78**	**48.89**	**5.42**	**6.50**	**47.29**	**129.88**
At March 31, 2020	**21.39**	**58.37**	**4.54**	**7.53**	**32.48**	**124.31**
At March 31, 2021	**16.32**	**55.98**	**3.59**	**7.22**	**77.19**	**160.30**

11 B. Intangibles

Particulars	Software	Total
Cost:		
At April 1, 2019	**78.67**	**78.67**
Additions	17.31	17.31
At March 31, 2020	**95.98**	**95.98**
Additions	22.58	22.58
At March 31, 2021	**118.56**	**118.56**
Accumulative amortisation:		
At April 1, 2019	**12.19**	**12.19**
Charge for the year	13.51	13.51
At March 31, 2020	**25.7**	**25.7**
Charge for the year	16.93	16.93
At March 31, 2021	**42.63**	**42.63**
Net book value		
At April 1, 2019	**66.48**	**66.48**
At March 31, 2020	**70.28**	**70.28**
At March 31, 2021	**75.93**	**75.93**

11 C. Right to Use Asset

Particulars	Building and Office Premises	Total
Gross Block		
At April 1, 2019	**563.02**	**563.02**
Additions	67.16	67.16
Write offs	-	-
At March 31, 2020	**630.18**	**630.18**
Additions	31.70	31.70
At March 31, 2021	**661.88**	**661.88**
Depreciation		
At April 1, 2019	**-**	**-**
Charge for the year	165.44	165.44
Reversal for the year	-	-
At March 31, 2020	**165.44**	**165.44**
Charge for the year	161.78	161.78
At March 31, 2021	**327.22**	**327.22**
Net book value		
At April 1, 2019	**563.02**	**563.02**
At March 31, 2020	**464.74**	**464.74**
At March 31, 2021	**334.66**	**334.66**

12. Other Non-Financial Assets

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
GST Input	26.29	9.49	8.03
Prepaid expenses	29.01	17.08	6.97
Other advances	11.31	7.07	2.15
Total	**66.61**	**33.64**	**17.15**

13. Payables

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Trade Payables			
Total outstanding dues of Micro Enterprises and Small Enterprises*	-	-	-
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	118.01	79.82	132.25
Total	**118.01**	**79.82**	**132.25**

*There are no amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED') pertaining to micro or small enterprises. For the year ended March 31, 2021, March 31, 2020 and April 1, 2019, no supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED.

14. Debt Securities

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
At amortised cost:			
Secured			
Redeemable non-convertible debentures	7,779.07	2,992.25	2,983.19
Total	**7,779.07**	**2,992.25**	**2,983.19**
Debt securities in India	3,197.18	2,191.92	2,185.87
Debt securities outside India	4,581.89	800.33	797.32
Total	**7,779.07**	**2,992.25**	**2,983.19**

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

Particulars/ISIN No.	INE870W07019	INE870W07019	INE870W07027	INE870W07035	INE870W07043
No. of Debentures	8,094	8,094	14,000	100	380
Call/Put Option	Yes	Yes	Yes	N.A.	N.A.
Date of Redemption					
If Call/Put is exercised	20-11-2021	22-11-2021	28-12-2021	21-04-2023	01-07-2023
If Call/Put is not exercised	06-01-2025	06-01-2025	20-02-2025		
Rate of Interest	12.22%	12.22%	13.00%	11.90%	11.72%
Interest Type	Fixed	Fixed	Fixed	Fixed	Fixed
Listed/unlisted	Unlisted	Unlisted	Unlisted	Listed	Listed
Face value	10,000	10,000	10,000	10,00,000	10,00,000
Balance outstanding as at March 31, 2021	857.58	857.31	1,453.33	1,005.22	3,916.00
Balance outstanding as at March 31, 2020	857.31	857.31	1,453.70	-	-
Balance outstanding as at April 1, 2019	844.91	843.02	1,446.37		

*Redeemable Non-Convertible Debentures are secured by hypothecation of specified Receivables under Financing Activities.
Redeemable Non-Convertible Debentures are repayable in bullet payments.
All Non-convertible debentures are redeemable at par. All the debentures are privately placed.

15. Borrowings (other than debt securities)

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
At amortised cost:			
Secured			
Term Loans			
-from National Housing Bank	7,594.72	-	-
-from Banks	10,077.46	12,445.19	11,296.98
-from Non-Banking Financial Institutions	4,838.66	8,198.68	5,017.57
-from Financial institutions	2,416.23	2,399.94	-
Term Loans in foreign currency (USD)			
-from Financial institutions (ECB)	1,313.93	1,342.75	-
Others			
-Cash credit facilities with scheduled banks	772.93	773.15	134.28
Total	**27,013.93**	**25,159.71**	**16,448.83**
Borrowings in India	23,283.77	21,417.02	16,448.83
Borrowings outside India	3,730.16	3,742.69	-
Total	**27,013.93**	**25,159.71**	**16,448.83**

Secured term loans from National Housing Bank carry rate of interest in the range of 5.40% to 7.35% p.a. The loans are having tenure of 1 to 7 years from the date of disbursement and are repayable in quarterly instalments. These loans are secured by hypothecation (exclusive charge) of the loans given by the Company. Loans from National Housing Bank to the extent of Rs. 3,851 lakhs (Previous year Rs Nil lakhs) have been guaranteed by Bank guarantee of Utkarsh Small Finance Bank limited (Rs.400.00 lakhs).

Cash credit borrowings from bank are secured against hypothecation of housing loans given by the Company or against Fixed deposits, are repayable on demand and carry interest rates ranging from 4.98% to 10.75%

Defaults

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

Terms of repayment of terms loans as at March 31, 2021

Repayments	Monthly repayment schedule		Quarterly/Half yearly/Bullet repayment schedule		Total	
	No of instalments	Amount	No of instalments	Amount	No of instalments	Amount
Due within one year	351	4,262.54	44	3,173.35	395	7,435.89
Due 1 to 3 years	381	4,282.38	59	9,129.03	440	13,411.42
Due 3 to 5 years	19	25.63	28	2,864.50	47	2,890.13
> 5 years	-	-	7	1,020.00	7	1,020.00
Total	**751**	**8,570.55**	**138**	**16,186.89**	**889**	**24,757.44**

Terms of repayment of terms loans as at March 31, 2020

Repayments	Monthly repayment schedule		Quarterly/Half yearly/Bullet repayment schedule		Total	
	No of instalments	Amount	No of instalments	Amount	No of instalments	Amount
Due within one year	436	4,799.20	39	1,333.02	475	6,132.22
Due 1 to 3 years	583	7,019.83	48	3,789.22	631	10,809.05
Due 3 to 5 years	97	1,170.35	15	4,230.00	112	5,400.35
> 5 years	-	-	-	-	-	-
Total	**1116**	**12,989.38**	**102**	**9,352.24**	**1218**	**22,341.62**

Terms of repayment of terms loans as at April 1, 2019

Repayments	Monthly repayment schedule		Quarterly/Half yearly/Bullet repayment schedule		Total	
	No of instalments	Amount	No of instalments	Amount	No of instalments	Amount
Due within one year	276	2,622.72	39	1,333.02	315	3,955.74
Due 1 to 3 years	453	4,760.31	66	2,122.71	519	6,883.02
Due 3 to 5 years	137	2,033.18	20	3,266.05	157	5,299.23
> 5 years	-	-	4	250.00	4	250.00
Total	**866**	**9,416.21**	**129**	**6,971.77**	**995**	**16,387.98**

16. Other Financial Liabilities

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Interest accrued but not due			
-Redeemable non-convertible debentures	253.55	140.74	120.55
-Term Loans			
-from banks	57.59	80.70	56.69
-from Non-Banking Financial Institutions	10.68	30.34	1.96
-from Financial institutions (ECB)	71.27	70.79	-
Loan pending disbursement	3,572.43	886.08	4037.03
Payable towards collections in derecognised assets	167.13	49.96	-
Payable/refundable to borrowers	228.27	14.00	-
Employee benefits payable	276.01	113.96	153.72
Advance from borrowers	94.25	37.43	-
Payable to Insurance companies	162.35	-	44.59
Others liabilities	55.63	48.99	-
Total	**4,949.16**	**1,472.99**	**4,414.54**

17. Provisions

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Provision for employee benefits			
-Leave encashment	24.79	43.88	34.99
-Gratuity	70.34	44.80	32.37
ECL on undisbursed loan commitment	13.89	7.86	11.57
Total	**109.02**	**96.54**	**78.93**

17. 1. Loan commitment

The table below shows the credit quality and the maximum exposure for credit risk based on the Company's internal credit rating system and year-end stage classification for loan commitments.

As at March 31, 2021

Risk categorisation	Stage 1	Stage 2	Stage 3	Total
Low Risk	1,103.61	18.90	6.45	1,128.96
Medium Risk	602.72	15.05	4.07	621.84
High Risk	44.94	-	-	44.94
Total	**1,751.27**	**33.95**	**10.52**	**1,795.74**

As at March 31, 2020

Risk categorisation	Stage 1	Stage 2	Stage 3	Total
Low Risk	972.61	-	-	972.61
Medium Risk	577.81	-	0.50	578.31
High Risk	164.10	-	-	164.10
Total	**1,714.52**	-	**0.50**	**1,715.02**

As at April 1, 2019

Risk categorisation	Stage 1	Stage 2	Stage 3	Total
Low Risk	1,880.27	-	-	1,880.27
Medium Risk	802.91	-	-	802.91
High Risk	72.92	-	-	72.92
Total	**2,756.10**	**-**	**-**	**2,756.10**

17.1.2: An analysis of changes in gross carrying amount and the corresponding ECLs in relation to other undrawn commitments is, as follows:

Reconciliation of gross carrying amount

As at March 31, 2021

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2020	**1,714.52**	**-**	**0.50**	**1,715.02**
New assets originated or purchased	1,414.22	-	**-**	1,414.22
Assets derecognised or repaid (excluding write offs)	(1,338.07)	(0.65)	5.22	(1,333.50)
Transfers from stage 1	(39.40)	34.60	4.80	-
Transfers from stage 2	-	-	-	-
Transfers from stage 3	-	-	-	-
Amounts written off	-	-	-	-
Gross carrying amount as at March 31, 2021	**1,751.27**	**33.95**	**10.52**	**1,795.74**

As at March 31, 2020

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2019	**2,756.10**	**-**	**-**	**2,756.10**
New assets originated or purchased	1254.92	-	**-**	1,254.92
Assets derecognised or repaid (excluding write offs)	(2294.48)	(0.17)	(1.35)	(2,296.00)
Transfers from stage 1	(2.02)	0.17	1.85	-
Transfers from stage 2	-	-	-	-
Transfers from stage 3	-	-	-	-
Amounts written off	-	-	-	-
Gross carrying amount as at March 31, 2020	**1,714.52**	**-**	**0.50**	**1,715.02**

Reconciliation of ECL Balance

As at March 31, 2021

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at March 31, 2020	**7.65**	**-**	**0.21**	**7.86**
Assets derecognised or repaid	(1.85)	-	-	(1.85)
New assets originated	6.37	-	-	6.37
Impact on year end ECL of exposures transferred between stages during the year	(4.11)	2.2	3.42	1.51
Transfers from Stage 1	(0.20)	0.15	0.05	-
Transfers from Stage 2	-	-	-	-
Transfers from Stage 3	-	-	-	-
ECL allowance as at March 31, 2021	**7.86**	**2.35**	**3.68**	**13.89**

As at March 31, 2020

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at April 1, 2019	**11.57**	**-**	**-**	**11.57**
Assets derecognised or repaid	-	-	-	-
New assets originated	5.33	-	-	5.33
Impact on year end ECL of exposures transferred between stages during the year	(9.24)	-	0.20	(9.04)
Transfers from Stage 1	(0.01)	-	0.01	-
Transfers from Stage 2	-	-	-	-
Transfers from Stage 3	-	-	-	-
ECL allowance as at March 31, 2020	**7.65**	**-**	**0.21**	**7.86**

18. Other Non-Financial Liabilities

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Statutory dues payable	97.11	81.07	72.21
Total	**97.11**	**81.07**	**72.21**

19. Equity Share Capital

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Authorized shares			
1,63,00,000 (March 31, 2020: 1,63,00,000, April 1, 2019: 1,63,00,000) equity shares of ₹ 10/- each	1,630.00	1,630.00	1,630.00
Total authorized shares capital	**1,630.00**	**1,630.00**	**1,630.00**
Issued, subscribed and fully paid-up shares			
1,59,80,416 (March 31, 2020: 1,59,80,416, April 1, 2019: 1,59,80,416) equity shares of ₹ 10/- each	1598.04	1598.04	1598.04
Total issued, subscribed and fully paid-up share capital	**1598.04**	**1598.04**	**1598.04**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year Equity Shares

Particulars	March 31, 2021		March 31, 2020		April 1, 2019	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	1,59,80,416	1598.04	1,59,80,416	1598.04	1,59,80,416	1598.04
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	**1,59,80,416**	**1598.04**	**1,59,80,416**	**1598.04**	**1,59,80,416**	**1598.04**

(b) Terms/ rights attached to equity shares

The Company has a single class of equity shares having a par value of ₹ 10 per share (previous year ₹ 10 per share). Each holder of equity share is entitled to one vote per share in proportion of the share of the paid-up capital of the Company held by the shareholder. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after discharging all liabilities of the Company, in proportion to their shareholdings.

(c) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the Shareholder	March 31, 2021		March 31, 2020		April 1, 2019	
	No. of	% of Share	No. of	% of Share	No. of	% of Share
Equity shares of ₹10 each fully paid						
Ashutosh Sharma	98,79,172	61.82%	98,79,172	61.82%	1,02,50,000	64.14%
Lok Capital Growth Fund	-	-	36,43,867	-	52,72,508	32.99%
Thyme Private Limited, Mauritius	31,40,927	19.65%	-	19.65%	-	-
NHPEA Kabru Holding B.V., Netherlands	21,08,005	13.19%	21,08,005	13.19%	-	0.00%

20. Instruments entirely equity in nature

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Authorized shares			
2,70,13,000 (March 31, 2020: 2,70,13,000, April 1, 2019: 1,77,42,000) 0.001% Compulsorily Convertible Preference shares (CCPS) of ₹ 20/- each	5,402.60	5,402.60	3,548.40
13,02,000 (March 31, 2020: 13,02,000, April 1, 2019: 5,74,000) Optionally Convertible Non Cumulative Redeemable Preference shares (OCNCRPS) of ₹ 10/- each	130.20	130.20	57.40
Total authorized shares capital	**5,532.80**	**5,532.80**	**3,605.80**
Issued, subscribed and paid-up shares			
CCPS:			
Cumulative:			
26,36,204 0.001%, Non-Participative CCPS of ₹ 20/- each-Series A	527.24	527.24	527.24
74,19,322 0.001%, Non-Participative CCPS of ₹ 20/- each-Series B	1,483.86	1,483.86	1,483.86
Non-Cumulative:			
76,85,840 0.001%, Non-Participative CCPS of ₹ 20/- each-Series C	1,537.17	1,537.17	1,537.17
92,70,567 0.001%, Non-Participative CCPS of ₹ 20/- each-Series D	1,854.11	1,854.11	-
OCNCRPS:			
13,00,516 (March 31, 2020: 13,00,516, March 31, 2019: 5,73,399) OCNCRPS of ₹ 10/- each (partly paid up ₹ 1)	13.01	13.01	5.73
Total issued, subscribed and paid-up share capital	**5,415.39**	**5,415.39**	**3,554.00**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Compulsorily Convertible Preference shares (CCPS)

Particulars	March 31, 2021		March 31, 2020		April 1, 2019	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Series A						
At the beginning of the year	26,36,204	527.24	26,36,204	527.24	26,36,204	527.24
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	**26,36,204**	**527.24**	**26,36,204**	**527.24**	**26,36,204**	**527.24**
Series B						
At the beginning of the year	74,19,322	1483.86	74,19,322	1483.86	74,19,322	1483.86
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	**74,19,322**	**1483.86**	**74,19,322**	**1483.86**	**74,19,322**	**1483.86**
Series C						
At the beginning of the year	76,85,840	1537.17	76,85,840	1537.17	76,85,840	1537.17
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	**76,85,840**	**1537.17**	**76,85,840**	**1537.17**	**76,85,840**	**1537.17**
Series D						
At the beginning of the year	92,70,567	1854.11	-	-	-	-
Issued during the year	-	-	92,70,567	1854.11	-	-
Outstanding at the end of the year	**92,70,567**	**1854.11**	**92,70,567**	**1854.11**	-	-

Optionally Convertible Non-cumulative Redeemable Preference shares (OCNCRPS)

Particulars	March 31, 2021		March 31, 2020		April 1, 2019	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	13,00,516	130.05	5,73,399	57.34	5,73,399	57.34
Issued during the year	-	-	7,27,117	72.71	-	-
Less: ₹ 9 per share not called up	-	(117.05)	-	(117.05)	-	(51.61)
Outstanding at the end of the year	**13,00,516**	**13.01**	**13,00,516**	**13.01**	**5,73,399**	**5.73**

(b) Terms / Rights attached to Compulsorily Convertible Preference shares (CCPS)

The Company has issued its Compulsorily Convertible Preference shares (CCPS) in series A, B, C and D having the par value of ₹ 20. The holders of the CCPS shall be entitled to receive notice of and vote on all matters that are submitted to the vote of the Shareholders (including the holders of Equity Shares). The shares are convertible in the ratio of 1 equity share for 1 CCPS. The shares carry a dividend right of 0.001% per annum of subscription amount.

For Series A, the preferential dividend is cumulative and shall accrue from year on year whether on not paid, and accrued dividends shall be paid in full (together with dividends accrued from prior years, provided that such dividends are due only when declared). Notwithstanding the above, the preferential dividend shall be due only when declared by Board. Series A CCPS may be converted into Equity Shares at any time at the option of the holder of Series A CCPS. However, the same shall be automatically converted into Equity shares of the Company upon the occurrence of earlier of (i) 1 (one) day prior to the expiry of 20 (twenty) years from the issuance of Series A CCPS or (ii) in connection with an IPO, prior to the filing of a prospectus (or equivalent document, by whatever name called) by the Company with the competent authority or such later date as may be permitted under Law; or (iii) upon occurrence of a Liquidation Event, if required.

For Series B, the preferential dividend is cumulative and shall accrue from year on year whether on not paid, and accrued dividends shall be paid in full (together with dividends accrued from prior years, provided that such dividends are due only when declared). Notwithstanding the above, the preferential dividend shall be due only when declared by Board. Series B CCPS may be converted into Equity Shares at any time at the option of the holder of Series B CCPS. However, the same shall be automatically converted into Equity shares of the Company upon the occurrence of earlier of (i) 1 (one) day prior to the expiry of 20 (twenty) years from the issuance Series B CCPS or (ii) in connection with an IPO, prior to the filing of a prospectus (or equivalent document, by whatever name called) by the Company with the competent authority or such later date as may be permitted under Law; or (iii) upon occurrence of a Liquidation Event, if required.
For Series C, the preferential dividend is non-cumulative and shall be payable, as and when declared. Series C CCPS may be converted into Equity Shares at any time at the option of the holder of that Series C CCPS. However, the same shall be automatically converted into Equity shares of the Company upon the occurrence of earlier of (i) 1 (one) day prior to the expiry of 20 (twenty) years from the issuance of Series C CCPS or (ii) in connection with an IPO, prior to the filing of a prospectus (or equivalent document, by whatever name called) by the Company with the competent authority or such later date as may be permitted under Law; or (iii) upon occurrence of a Liquidation Event, if required.

For Series D, the preferential dividend is non-cumulative and shall be payable, as and when declared. Series D CCPS may be converted into Equity Shares at any time at the option of the holder of that Series D CCPS. However, the same shall be automatically converted into Equity shares of the Company upon the occurrence of earlier of (i) 1 (one) day prior to the expiry of 20 (twenty) years from the Series D closing date or (ii) in connection with an IPO, prior to the filing of a prospectus (or equivalent document, by whatever name called) by the Company with the competent authority or such later date as may be permitted under Law; or (iii) upon occurrence of a Liquidation Event, if required.

In the event of liquidation of the Company the holders of preference shares will have priority over equity shares in the payment of dividend and repayment of capital.

(c) Terms / Rights attached to Optionally Convertible Non Cumulative Redeemable Preference Shares

The Company has a class of Optionally Convertible Non Cumulative Redeemable preference shares (OCNCRPS) having par value of ₹ 10 per share.

OCNCRPS shall be converted into Equity Shares subject to adjustment on account of any share splits, share consolidations, recapitalizations, or like events. The OCNCRPS which are fully paid and subject to conditions specified under the said Agreement, shall carry 1 (one) vote per share on and as if paid-up and converted basis. Further, each OCNCRPS shall be entitled to dividend at the rate of 0.001% per annum until they are converted into Equity Shares.
In any Liquidation Event, the Incentive Shares shall not be treated in preference or priority to the Equity Securities of the Investors, whether pending conversion or after conversion.

(d) Details of preference shares(CCPS) held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	March 31, 2021		March 31, 2020		April 1, 2019	
	No. of CCPS	% of Holding	No. of CCPS	% of Holding	No. of CCPS	% of Holding
Preference shares(CCPS) of ₹ 20 each fully paid						
Series A-Compulsorily convertible preference shares						
Thyme Private Limited	13,18,830	50.03%	-	-	-	-
Lightstone Global Fund	13,17,374	49.97%	13,17,374	49.97%	-	-
Duane Park Private Limited	-	-	13,18,830	50.03%	26,36,204	100.00%

Series B-Compulsorily convertible preference shares						
Thyme Private Limited	25,99,187	35.03%	-	-	-	-
Lok Capital Growth Fund	17,14,153	23.10%	43,28,013	58.33%	43,28,013	58.33%
Duane Park Private Limited	17,06,185	23.00%	30,91,309	41.67%	30,91,309	41.67%
Series C-Compulsorily convertible preference shares						
Lightstone Global Fund	70,94,614	92.31%	70,94,614	92.31%	70,94,614	92.31%
Lok Capital Growth Fund	5,91,126	7.69%	5,91,226	7.69%	5,91,226	7.69%
Series D-Compulsorily convertible preference shares						
NHPEA Kabru Holding B.V.	86,37,070	93.17%	86,37,070	93.17%	-	-
Lightstone Global Fund	6,33,497	6.83%	6,33,497	6.83%	-	-

(e) Details of preference shares(OCNCRPS) held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	March 31, 2021		March 31, 2020		April 1, 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Preference shares(OCNCRPS) of ₹ 10 each fully paid						
Ashutosh Sharma	10,65,148	81.90%	10,65,148	81.90%	5,19,810	90.65%
Sachin Grover	1,99,012	15.30%	1,99,012	15.30%	53,589	9.35%

21. Other Equity

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Share premium account	17,931.77	17,946.78	8,115.48
Statutory reserve under Section 29C of NHB Act, 1987	400.30	174.10	80.77
Share based payment reserve	355.23	274.19	171.43
Retained earnings (accumulated losses)	982.62	77.60	(378.90)
Other comprehensive income	(22.06)	(7.34)	-
Total	**19,647.86**	**18,465.33**	**7,988.78**

22. Interest Income

Particulars	March 31, 2021	March 31, 2020
On financial assets measured at amortised cost		
Interest on term loans	7,266.15	5,747.64
Interest Income on deposits with banks	640.03	319.37
Total	**7,906.18**	**6,067.01**

23. Dividend Income

Particulars	March 31, 2021	March 31, 2020
Dividend income on mutual funds	-	8.74
Total	**-**	**8.74**

24. Fee and commission Income

Particulars	March 31, 2021	March 31, 2020
Commitment fee	137.86	205.25
Other fee Income	161.62	103.01
Commission Income	29.87	67.11
Total	**329.35**	**375.37**
Credit compliance and debt advisory fees		
The performance obligation in regards of arrangements where fees is charged per transaction executed is recognised at point in time when the amount is realised.		
Geographical markets		
India	329.35	375.37
Outside India	-	-
Total revenue from contracts with customers	**329.35**	**375.37**
Timing of revenue recognition		
Services transferred at a point in time	329.35	375.37
Services transferred over time	-	-
Total revenue from contracts with customers	**329.35**	**375.37**

25. Net gain on derecognition of financial instruments at amortised cost

Particulars	March 31, 2021	March 31, 2020
Net gain on derecognition of financial instruments	401.06	536.82
Total	**401.06**	**536.82**

26. Net gain on fair value changes

Particulars	March 31, 2021	March 31, 2020
Net gain on instruments at fair value through profit or loss		
-Realised	315.21	204.85
-Unrealised	105.12	(6.29)
Total	**420.33**	**198.56**

27. Other Income

Particulars	March 31, 2021	March 31, 2020
Advertisement income	29.80	140.34
Other income	6.08	5.55
Gain on sale of fixed assets	4.00	-
Total	**39.88**	**145.89**

28. Finance Cost

Particulars	March 31, 2021	March 31, 2020
On financial liabilities measured at Amortised Cost:		
Interest on borrowings		
-Redeemable non-convertible debentures	841.66	391.48
-Term Loans		

-from National Housing Bank	312.39	-
-from banks*	1,218.27	1,538.51
-from Non-Banking Financial Institutions	791.44	954.02
-from Financial institutions	448.30	260.98
Interest expenses on lease liability	53.95	68.13
Unwinding of Interest expense on servicing liability	9.48	29.28
Interest on Securitised pool	222.91	65.12
Processing fee on borrowings	-	31.49
Total	**3,898.40**	**3,339.01**

**Interest on borrowing from banks includes interest paid on Cash credit limit.*

29. Impairment on financial instruments

Particulars	March 31, 2021	March 31, 2020
On financial assets measured at amortised cost:		
Loan assets and EIS receivable	211.10	247.62
Loans write off	6.93	8.77
Loan commitment (refer note 17.1.2)	6.03	(3.71)
Total	**224.06**	**252.68**

30. Employee benefits expenses

Particulars	March 31, 2021	March 31, 2020
Salaries and wages	2,299.06	1,856.10
Contribution to provident and other funds	73.96	65.73
Share based payments to employees	81.04	102.76
Gratuity expense (refer Note 34)	25.86	25.39
Staff welfare expenses	56.33	42.28
Total	**2,536.25**	**2,092.26**

31. Other Expenses

Particulars	March 31, 2021	March 31, 2020
Rent	4.79	16.45
Rates and taxes	3.88	7.12
Repairs and maintenance		
Computers	101.54	33.48
Others	81.59	76.57
Software charges	5.09	16.50
Electricity & Water charges	20.81	18.90
Travelling and conveyance	74.94	116.34
Communication expenses	51.78	62.77
Printing and stationery	37.72	23.36
Advertising and sales promotion	13.30	9.73
Legal and professional fee	125.06	112.49
Customer Acquisition Cost	149.01	182.13
Directors' sitting fee	8.72	4.91
Auditor's remuneration (refer note A below)	41.54	19.99
Bank charges	20.56	9.88
Donations	3.00	0.02
Miscellaneous expenses	0.58	0.93
Total	**743.91**	**711.57**

A. Payment to Auditors

Particulars	March 31, 2021	March 31, 2020
As auditor:		
Audit fee	25.32	14.04
Tax audit fee	1.64	1.64
In other capacity:		
Certification fee	13.58	2.66
Reimbursement of expenses	1.00	1.65
Total	**41.54**	**19.99**

32. Income Tax

The components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are:

Profit & Loss Section	March 31, 2021	March 31, 2020
Current income tax:	350.07	167.26
Current income tax charge	0.76	(12.67)
Adjustment in respect of current income tax of previous year		
Deferred tax:		
Relating to origination and reversal of temporary differences	(24.78)	10.70
Income tax expense reported in the statement of profit or loss	**326.05**	**165.29**
Other Comprehensive Income	**March 31, 2021**	**March 31, 2020**
Deferred tax:		
Relating to origination and reversal of temporary differences	4.87	(0.80)
Income tax expense reported in other comprehensive section	**4.87**	**(0.80)**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020

Profit & Loss Section	March 31, 2021	March 31, 2020
Accounting profit before tax from continuing operations	1,457.03	705.42
Tax at Statutory Income Tax rate of @25.17% (Previous year 25.17%)	366.71	177.54
Permanent differences	(25.70)	(0.61)
Impact of tax deduction u/s 36(1)(viii) of Income-tax Act 1961	(15.06)	(2.21)
Others (including rate change)	(0.66)	3.24
Tax on other comprehensive Income	4.87	(0.80)
Tax for earlier years	0.76	(12.67)
Tax at Effective Income Tax rate of@23.71% (Previous year 23.32%)	**330.92**	**164.49**
Income tax expense reported in the statement of profit and loss	330.92	164.49

Deferred Tax

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

Particulars	Deferred tax assets	Deferred tax liabilities	Net Deferred tax asset	Income Statement	OCI
	March 31, 2021	March 31, 2021	March 31, 2021	2020-21	2020-21
EIS receivables	-	(189.14)	(189.14)	71.32	-
EIR- borrowings	-	(38.63)	(38.63)	(7.92)	-
Interest on security deposit	-	(3.89)	(3.89)	1.53	-
Property, plant and equipment	-	(3.58)	(3.58)	(2.51)	-

Provision for compensated absences, and gratuity	23.94	-	23.94	(1.70)	0.08
Expected credit loss (ECL)	150.34	-	150.34	(54.65)	-
On carry forward of losses	-	-	-	16.07	-
EIR on processing fees of loans	193.26	-	193.26	(21.62)	-
Deferred lease exp	0.81	-	0.81	-	-
Dep. on ROU and Interest on lease	19.08	-	19.08	(5.51)	-
Accrued Interest on borrowings	1.08	-	1.08	0.61	-
Foreign exchange loss on derivative instrument	7.42	-	7.42	-	(4.95)
Employee stock compensation expenses	89.40	-	89.40	(20.40)	-
Gross deferred tax asset	**485.33**	**(235.24)**	**250.09**	**(24.78)**	**(4.87)**

Particulars	Deferred tax assets	Deferred tax liabilities	Net Deferred tax asset	Income Statement	OCI
	March 31, 2020	March 31, 2020	March 31, 2020	2019-20	2019-20
EIS receivables	-	(117.82)	(117.82)	117.82	-
EIR- borrowings	-	(46.55)	(46.55)	19.11	-
Property, plant and equipment	-	(6.40)	(6.40)	(0.24)	-
Interest on security deposit	-	(2.05)	(2.05)	1.40	-
Provision for compensated absences, and gratuity	22.32	-	22.32	24.35	3.26
Expected credit loss (ECL)	95.69	-	95.69	(60.63)	-
On carry forward of losses	16.07	-	16.07	(16.07)	-
EIR on processing fees of loans	171.64	-	171.64	(38.29)	-
Deferred lease exp	0.81	-	0.81	-	-
Dep. on ROU and Interest on lease	13.57	-	13.57	(13.57)	-
Accrued Interest on borrowings	1.69	-	1.69	(0.27)	-
Foreign exchange loss on derivative instrument	2.46	-	2.46	-	(2.46)
Employee stock compensation expenses	69.01	-	69.01	(22.91)	-
Total	**393.26**	**(172.82)**	**220.44**	**10.70**	**0.80**

Particulars	Deferred tax assets	Deferred tax liabilities	Net Deferred tax asset
	April 1, 2019	April 1, 2019	April 1, 2019
Interest on security deposit	-	(27.45)	(27.45)
EIR- borrowings	-	(6.64)	(6.64)
EIS receivable	-	(0.66)	(0.66)
Provision for compensated absences, and gratuity	49.93	-	49.93
Expected credit loss (ECL)	35.06	-	35.06
EIR on processing fees of loans	133.34	-	133.34
Deferred lease exp	0.81	-	0.81
Accrued Interest on borrowings	1.42	-	1.42
Employee stock compensation expenses	46.11	-	46.11
Total	**266.67**	**(34.75)**	**231.92**

33. Earnings Per Share

Basic earning per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year

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

Particulars	March 31, 2021	March 31, 2020
Following reflects the profit and share data used in EPS computation:		
Basic		
Weighted average number of equity shares of computation of Basic EPS (in Nos.)	4,31,22,401	3,46,73,797
Net profit for calculation of basic EPS	1,130.98	540.13
Basic earning per share (in Rs.)	**2.62**	**1.56**
Diluted		
Weighted average number of equity shares of computation of Diluted EPS (in Nos	4,41,29,999	3,56,54,004
Net profit for calculation of diluted EPS	1,130.98	540.13
Diluted earning per share (in Rs.)	**2.56**	**1.51**
Reconciliation of Weighted average number of shares outstanding		
Weighted average number of equity shares of computation of Basic EPS	4,31,22,401	3,46,73,797
Add: potential equity shares	10,07,598	9,80,207
Weighted average number of equity shares of computation of Diluted EPS	**4,41,29,999**	**3,56,54,004**
Nominal/Face value of equity share (in Rs.)	10	10

34. Retirement Benefit Plan

Defined benefit plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on cessation of employment and it is computed at 15 days salary (last drawn salary) for each completed year of service subject to such limit as prescribed by The Payment of Gratuity Act, 1972 as amended from time to time.

The following tables summarize the components of net benefits expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans:

Table showing change in present value of projected benefit obligation

Particulars	March 31, 2021	March 31, 2020
Change in benefit obligations		
Present value of benefit obligations at the beginning of the year	44.80	32.37
Interest cost	2.59	2.29
Current service cost	23.27	23.10
Actuarial gain on Obligations due to change in demographic assumptions	(3.09)	(6.81)
Actuarial loss on Obligations due to change in financial assumptions	1.39	2.13
Actuarial Losses on Obligations-Due to Experience	1.38	(8.28)
Liability at the end of the year	**70.34**	**44.80**

Amount recognized in the Balance Sheet

Particulars	March 31, 2021	March 31, 2020
Present value of benefit obligation at the end of the year	70.34	44.80
Net liability recognized in the Balance Sheet	**70.34**	**44.80**

Expenses recognized in the Statement of Profit and Loss

Particulars	March 31, 2021	March 31, 2020
Current service cost	23.27	23.10
Net Interest cost	2.59	2.29
Net liability recognized in the Balance Sheet	**25.86**	**25.39**

Expenses recognized in the Other comprehensive income (OCI)

Particulars	March 31, 2021	March 31, 2020
Actuarial (Gains) on obligation for the year	(0.32)	(12.96)
Net (Income) for the year recognized in OCI	**(0.32)**	**(12.96)**

The actuarial assumptions used to determine benefit obligations as at March 31, 2021, March 31, 2020 are as follows:

Particulars	March 31, 2021	March 31, 2020
Discount Rate	5.44%	5.80%
Salary escalation rate	5% for the first two years 8.5% thereafter	8.50%
Employee Turnover rate	20.00%	20.00%

Balance Sheet reconciliation

Particulars	March 31, 2021	March 31, 2020
Opening net liability	44.80	32.37
Expenses recognized in Statement of Profit and Loss	25.86	25.39
Expenses recognized in OCI	(0.32)	(12.96)
Net liability recognized in the Balance Sheet	**70.34**	**44.80**

Cash Flow Projection

Maturity analysis of the benefit payments: from the fund

Particulars	March 31, 2021	March 31, 2020
Projected benefits payable in future years from the date of reporting		
1st following year	5.49	0.13
2 to 5 years	35.45	23.49
6 to 10 years	34.32	25.81
More than 10 years	24.70	17.95

Sensitivity analysis

Particulars	March 31, 2021	March 31, 2020
Projected benefit obligation on current assumptions		
Delta effect of +1% change in rate of discounting	(3.81)	(2.66)
Delta effect of -1% change in rate of discounting	4.21	2.94
Delta effect of +1% change in rate of salary increase	3.76	2.78
Delta effect of -1% change in rate of salary increase	(3.70)	(2.62)
Delta effect of +25% change in rate of employee turnover	(7.18)	(6.25)
Delta effect of -25% change in rate of employee turnover	9.32	7.78

35. Segment Information

The Company's main business is financing by way of loans for purchase or construction of residential houses, commercial real estate and certain other purposes in India. All other activities of the Company revolve around the main business. Accordingly, there are no separate reportable segments as per IND-AS 108 dealing with Operating Segment.

36. Change in liabilities arising from financing activities

Particulars	April 1, 2020	Cash Flows (Net)	Other*	March 31, 2021
Debt securities	2,992.25	4,800.00	(13.17)	7,779.08
Borrowings other than debt securities	25,159.71	1,843.43	10.78	27,013.92
Total	**28,151.96**	**6,643.43**	**(2.39)**	**34,793.00**

Particulars	April 1, 2019	Cash Flows (Net)	Other*	March 31, 2020
Debt securities	2,983.19	-	9.06	2,992.25
Borrowings other than debt securities	16,448.83	8,699.91	10.97	25,159.71
Total	**19,432.02**	**8,699.91**	**20.03**	**28,151.96**

**Other column includes amortisation of transaction cost*

37. Contingent liabilities and commitments

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Undisbursed amount of loans sanctioned (refer note 17.1.1)	1,795.74	1,715.02	2,756.10
Bank Guarantees for refinance facilities from NHB	400.00	-	-

38. Related party disclosures

(A) Names of related parties identified in accordance with IND AS -24 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India:

1. **Entities where control exists:**
   None

2. **Shareholders having substantial interest**
   Ashutosh Sharma
   Thyme Private Limited, Mauritius
   NHPEA Kabru Holding B.V., Netherlands

3. **Key Management Personnel**

Mr. Ashutosh Sharma	Managing Director
Mr. Sachin Grover	Whole Time Director and Chief Operating Officer
Mr. Inderjit Walia	Independent Director
Mrs. Geeta Mathur	Independent Director
Mr. Kartik Srivatsa	Non-Executive Nominee Director
Mr. Rajeev Yashwant Inamdar	Non-Executive Nominee Director
Mr. Nirav Vinod Mehta	Non-Executive Nominee Director
Mr. Vinayak Prabhakar Shenvi	Non-Executive Nominee Director
Mr. Bikash Kumar Mishra	Chief Financial Officer
Mr. Nitin Agrahari	Company Secretary

4. **Enterprises under significant influence of the key management personnel**
None

5. **Relatives of key managerial personnel (with whom there were transactions during the year/previous year)**
None

(B) The nature and volume of transactions carried out with the above related parties in the ordinary course of business are as follows :

1. **Transactions during the year**

Particulars	March 31, 2021	March 31, 2020
Remuneration	267.44	255.26
Other KMP benefits	30.90	32.36
Share based Payment	54.88	77.46
Issue of Shares (OCNCRPS)	-	6.90
Sitting fee	10.50	3.50
Commission	3.00	1.00

2. **Balances receivable/(payable) at year end**

Particulars	March 31, 2021	March 21, 2020	April 1, 2019
Other KMP benefits	(0.96)	(10.47)	(0.94)
Sitting fee	-	-	(3.50)
Commission	-	-	(1.00)

Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

39. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is total debt divided by net worth. The Company's policy is to keep the gearing ratio at reasonable level of 2-4 times in imminent year while the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 currently permits HFCs to borrow up to 14 times of their net owned funds ("NOF"). The Company includes with in debt, its all interest bearing loans and borrowings.

Particulars	March 31, 2021	March 21, 2020	April 1, 2019
Debts	34,793.00	28,151.96	19,432.02
Net worth	26,661.29	25,478.76	13,140.82
Debt to Net worth (in times)	**1.31**	**1.10**	**1.48**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financials 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 financials covenants of any interest-bearing loans and borrowing in the current year.

40. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when are expected to recovered or settled. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations:

Assets	March 31, 2021			March 31, 2020			April 01, 2019		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Financials assets									
Cash and cash equivalents	2,923.42	-	2,923.42	5,070.80	-	5,070.80	3,046.52	-	3,046.52
Bank Balance other than cash and cash equivalents	4,591.68	626.68	5,218.36	1,108.65	205.85	1,314.50	607.14	76.77	683.91
Derivative financial instruments	-	32.63	32.63	-	86.16	86.16	-	-	-
Loans	3,589.96	46,547.75	50,137.71	2,418.18	36,744.93	39,163.11	1,533.95	28,360.57	29,894.52
Investments	5,860.49	-	5,860.49	6,351.63	-	6,351.63	3,176.31	-	3,176.31
Other financials assets	1,315.66	721.10	2,036.76	2,413.15	536.30	2,949.45	40.31	46.11	86.42
Non-financials assets									
Current tax assets (net)	15.21	-	15.21	5.63	-	5.63	-	-	-
Deffered tax assets (net)	-	250.09	250.09	-	220.44	220.44	-	231.92	231.92
Property, plant and equipment	-	160.30	160.30	-	124.31	124.31	-	129.88	129.88
Intangible assets	-	75.93	75.93	-	70.28	70.28	-	66.48	66.48
Right to use assets	-	334.66	334.66	-	464.74	464.74	-	563.02	563.02
Other non-financial assets	66.61	-	66.61	33.64	-	33.64	17.15	-	17.15
Total assets	**18,363.03**	**48,749.14**	**67,112.17**	**17,401.68**	**38,453.01**	**55,854.69**	**8,421.38**	**29,474.75**	**37,896.13**
Financials liabilities									
Payables									
(I) Trade payables									
(i) total outstanding dues of micro enterprise and small enterprises	-	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprise and small enterprises	118.01	-	118.01	79.82	-	79.82	132.25	-	132.25
(II) Other Payables	-	-	-	-	-	-	-	-	-

(i) total outstanding dues of micro enterprise and small enterprises	-	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprise and small enterprises	-	-	-	-	-	-	-	-	-
Debt securities	3,326.73	4,452.34	7,779.07	-	2,992.25	2,992.25	-	2,983.19	2,983.19
Borrowings (other than debt securities)	8,379.75	18,634.18	27,013.93	7,174.23	17,985.48	25,159.71	4,056.85	12,391.99	16,448.83
Lease liabilities	145.53	239.05	384.58	136.89	356.66	493.55	99.95	439.82	539.77
Other financials liabilities	4,949.16	-	4,949.16	1,472.99	-	1,472.99	4,414.54	-	4,414.54
Non-financial liabilities									
Current tax liabilities (net)	-	-	-	-	-	-	85.59	-	85.59
Provisions	25.77	83.25	109.02	18.98	77.56	96.54	19.03	59.90	78.93
Other non-financial liabilities	97.11	-	97.11	81.07	-	81.07	72.21	-	72.21
Total liabilities	**17,042.06**	**23,408.82**	**40,450.88**	**8,963.98**	**21,411.95**	**30,375.93**	**8,880.42**	**15,874.90**	**24,755.31**
Net	**1,320.97**	**25,340.32**	**26,661.29**	**8,437.70**	**17,041.06**	**25,478.76**	**(459.04)**	**13,599.85**	**13,140.82**

41. Financial Risk Management

41.1. Introduction and risk profile

Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk, interest rate risk and market risk. It is also subject to various operating and business risks. The Company also has a system of Internal controls to reduce the residual risk in each of these categories and effectiveness of these controls is assessed periodically.

41.1.1.1 Risk management structure and policies

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Risk Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk Management Committee is responsible for managing risk decisions and monitoring risk levels and reports to the Board.

The Risk Management Committee is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The unit works closely with and reports to the Risk Management Committee, to ensure that procedures are compliant with the overall framework.

The Unit is also responsible for monitoring compliance with risk principles, policies and limits across the Company, including monitoring the actual risk of exposures against authorised limits and the assessment of risks of new products and structured transactions. The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

41.2 Credit Risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. Credit risk in the Company is managed through a framework that sets out policies and procedures covering the measurement and management of credit risk. There is a clear segregation of duties between transaction originators in the business function and approvers in the credit risk function. Board approved credit policies and procedures mitigate the Company's prime risk which is the default risk. There is a robust Credit Risk Management set-up in the Company at various levels.

1. There are Credit teams to ensure implementation of various policies and processes through random customer visits and assessment, training of branch staff on application errors, liaison with other institutions to obtain necessary information/loan closure documents, as the case may be, and highlight early warning Signals and industry developments enabling pro-active field risk management.
2. The credit sanction is done through a delegation matrix where credit sanctioning powers are defined for respective levels.
3. Portfolio analysis and reporting is used to identify and manage credit quality and concentration risks.
4. Credit risk monitoring for the Company is broadly done at two levels: account level and portfolio level. Account monitoring aims to identify weak accounts at an incipient stage to facilitate corrective action. Portfolio monitoring aims towards managing risk concentration in the portfolio as well as identifying stress in certain occupations, markets and states.

41.2.1 Analysis of risk concentration

The Company's concentrations of risk are managed based on Loan to value (LTV) segregation, employment type and geographical spread. The following tables stratify credit exposures from housing and other loans to customers by these metrics. LTV is calculated as the ratio of Loan outstanding to the value of the collateral. The value of the collateral for housing and other loans is based on collateral value at origination.

Loans to Customers:

As at March 31, 2021

LTV Bucket	Stage 1	Stage 2	Stage 3	Total
<=40	16,836.57	370.61	45.82	17,253.00
40-60	18,730.32	428.50	135.93	19,294.75
60-70	6,975.94	215.93	11.39	7,203.26
70-80	6,324.73	180.57	23.10	6,528.40
>80	224.25	86.50	126.12	436.87
Total	**49,091.81**	**1282.11**	**342.36**	**50,716.28**

Sector/Employment	Stage 1	Stage 2	Stage 3	Total
Housing:				
Salaried	12,470.97	211.47	41.23	12,723.67
Self Employed	19,164.50	495.65	184.79	19,844.94
Non-Housing:				
Salaried	3,530.69	56.33	10.40	3,597.42
Self Employed	13925.65	518.66	105.94	14,550.25
Total	**49,091.81**	**1,282.11**	**342.36**	**50,716.28**

Geographical Concentration	Stage 1	Stage 2	Stage 3	Total
Rajasthan	20,395.91	532.44	49.87	20,978.22
Haryana	12,628.36	230.00	87.02	12,945.38
Delhi	6,659.69	309.96	85.90	7,055.55
Chandigarh	6,614.85	61.62	63.09	6,739.56
Uttar Pradesh	2,793.00	148.09	56.48	2,997.57
Total	**49,091.81**	**1,282.11**	**342.36**	**50,716.28**

As at March 31, 2020

LTV Bucket	Stage 1	Stage 2	Stage 3	Total
<=40	14,064.88	10.41	2.95	14,078.24
40-60	14,486.92	38.15	13.63	14,538.70
60-70	5,389.25	5.52	-	5,394.77
70-80	5,387.34	-	18.75	5,406.09
>80	92.63	-	20.49	113.12
Total	**39,421.02**	**54.08**	**55.82**	**39,530.92**

Sector/Employment	Stage 1	Stage 2	Stage 3	Total
Housing:				
Salaried	9,731.97	14.53	6.86	9,753.36
Self Employed	15,539.48	22.95	32.38	15,594.81
Non-Housing:				
Salaried	2,583.30	-	-	2,583.30
Self Employed	11,566.27	16.60	16.58	11,599.45
Total	**39,421.02**	**54.08**	**55.82**	**39,530.92**

Geographical Concentration	Stage 1	Stage 2	Stage 3	Total
Rajasthan	14,413.49	27.30	-	14,440.79
Haryana	9,485.17	6.51	32.38	9,524.06
Delhi	6,395.23	8.85	10.99	6,415.07
Chandigarh	5,958.44	-	-	5,958.44
Uttar Pradesh	3,168.69	11.42	12.45	3,192.56
Total	**39,421.02**	**54.08**	**55.82**	**39,530.92**

As at April 1, 2019

LTV Bucket	Stage 1	Stage 2	Stage 3	Total
<=40	10,469.91	-	-	10,469.91
40-60	11,320.13	5.94	-	11,326.07
60-70	4,255.78	-	-	4,255.78
70-80	3,833.79	8.53	-	3,842.32
>80	125.16	-	-	125.16
Total	**30,004.77**	**14.47**	**-**	**30,019.24**

Sector/Employment	Stage 1	Stage 2	Stage 3	Total
Housing:				
Salaried	8,422.68	-	-	8,422.68
Self Employed	11,945.01	14.47	-	11,959.48
Non-Housing:				
Salaried	1,965.23	-	-	1,965.23
Self Employed	7,671.85	-	-	7,671.85
Total	**30,004.77**	**14.47**	**-**	**30,019.24**

Geographical Concentration	Stage 1	Stage 2	Stage 3	Total
Rajasthan	9,796.26	-	-	9,796.26
Haryana	4,709.82	-	-	4,709.82
Delhi	6,980.36	8.53	-	6,988.89
Chandigarh	6,003.21	-	-	6,003.21
Uttar Pradesh	2,515.12	5.94	-	2,521.06
Total	**30,004.77**	**14.47**	**-**	**30,019.24**

41.3 Liquidity risk

Liquidity Risk refers to the risk that the company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirement. The unavailability of adequate amount of funds at optimum cost and co-terminus tenure to repay the financial liabilities and further growth of business may result in Asset liability Management (ALM) mismatch caused by a difference in the maturity profile of Company assets and liabilities This risk may arise from the unexpected Increase in the cost of funding an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price. The Company manages liquidity risk by maintaining adequate cash reserves and undrawn credit facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summaries the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities:

As at March 31, 2021

LTV Bucket	Up to 1 year	1-3 years	3-5 years	5 years and above	Total
Cash and bank balances	7,515.10	159.53	57.29	409.86	8,141.78
Loans	10,723.57	21,393.53	20,272.77	51,236.48	1,03,626.35
Other financial assets	1,315.77	550.42	173.39	12.06	2,051.64
Total	**19,554.44**	**22,103.48**	**20,503.45**	**51,658.40**	**1,13,819.77**
Lease Liability	184.41	218.59	36.54	22.08	461.62
Borrowings (including debt securities)	14,574.07	20,487.30	3,189.02	1,076.76	39,327.15
Trade payables	118.01	-	-	-	118.01
Other financials liabilities	4,949.16	-	-	-	4,949.16
Total	**19,825.65**	**20,705.89**	**3,225.56**	**1,098.84**	**44,855.94**

As at March 31, 2020

LTV Bucket	Up to 1 year	1-3 years	3-5 years	5 years and above	Total
Cash and bank balances	**6,179.45**	152.38	**53.47**	**-**	**6,385.30**
Loans	7,796.57	15,655.39	14,905.66	41,668.02	80,025.64
Other financial assets	2,413.41	330.48	132.13	93.60	2,969.82
Total	**16,389.43**	**16,138.25**	**15,091.26**	**41,761.62**	**89,380.56**
Lease Liability	189.57	334.14	58.28	36.89	618.88
Borrowings (including debt securities)	9,648.24	16,890.17	5,759.02	-	32,297.43
Trade payables	79.82	-	-	-	79.82
Other financials liabilities	1,472.99	-	-	-	1,472.99
Total	**11,390.62**	**17,224.31**	**5,817.30**	**36.89**	**34,469.12**

As at April 1, 2019

LTV Bucket	Up to 1 year	1-3 years	3-5 years	5 years and above	Total
Cash and bank balances	3,653.66	26.72	50.05	-	3730.43
Loans	5,789.94	11,646.41	11,322.20	33,274.26	62,032.81
Other financial assets	39.41	12.57	4.68	53.63	110.29
Total	**9,483.01**	**11,685.70**	**11,376.93**	**33,327.89**	**65,873.53**
Lease Liability	161.29	315.41	180.85	58.10	715.65
Borrowings (including debt securities)	6,200.66	12,676.17	5,984.13	266.44	25,127.4
Trade payables	132.25	-	-	-	132.25
Other financials liabilities	4,414.54	-	-	-	4,414.54
Total	**10,908.74**	**12,991.58**	**6,164.98**	**324.54**	**29,674.19**

42.4 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market factors. Such changes in the values of financial Instruments may result from changes in the interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of interest rate risk.

Interest rate risk

The company is subject to interest rate risk, primarily since it lends to customers at rates and for maturity periods that may differ from funding sources. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the company seek to optimize borrowing profile between short-term and long-term loans. The company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks.

The company mitigates its interest rate risk by keeping a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss:

(a) Loans (at floating rate)

Particulars	Year Ended March 31, 2021		Year Ended March 31, 2020	
	Base Point	Effect on Profit before Tax	Base Point	Effect on Profit before Tax
Increase in basis points	50	125.69	50	120.50
Decrease in basis points	-50	(125.69)	-50	(120.50)

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

Particulars	Year Ended March 31, 2021		Year Ended March 31, 2020	
	Base Point	Effect on Profit before Tax	Base Point	Effect on Profit before Tax
Increase in basis points	50	(53.53)	50	(62.20)
Decrease in basis points	-50	53.53	-50	62.20

42. Corporate social responsibility

Other expenses for the year ended March 31, 2021 include Rs. 6.26 lakhs (Previous year Rs. Nil lakhs) towards Corporate Social Responsibilities (CSR),in accordance with Companies Act, 2013. Gross Amount required to be spent by the Company during the year was Rs. 6.25 lakhs (Previous year Rs. Nil].

Particulars	Year Ended March 31, 2021			Year Ended March 31, 2020		
	Amount spent	Amount unpaid/Provision	Total	Amount spent	Amount unpaid/Provision	Total
CSR Activities	6.26	-	6.26	-	-	-
Total	**6.26**	**-**	**6.26**	**-**	**-**	**-**

43. Expenditure in foreign currency

Particulars	March 31, 2021	March 31, 2020
Processing fee	-	61.60
Interest payments	705.74	268.84
Legal and professional charges	2.49	-
Total	**708.23**	**330.44**

44. Employee stock Option Plan

(i) Details of the plan are given below:

The Company established the "Ummeed Employee Stock Option Scheme 2017" ("ESOP 2017") which was approved by the Shareholders on May 25, 2017 and the amendment made in Scheme in 2018 was approved by Shareholders in extra-ordinary general meeting held on May 22, 2018. Under the plan, the Company can issue up to 20,60,658 (Twenty Lac Sixty Thousand Six Hundred and Fifty Eight) Employee Stock Options to the Employees under ESOP 2017, exercisable into not more than 20,60,658 (Twenty Lac Sixty Thousand Six Hundred and Fifty Eight) fully paid-up equity Shares in the Company, with each such Option conferring a right upon the Employee to apply for one Share of the Company, in accordance with the terms and conditions of such issue and subject to the provisions of ESOP 2017.

During the year ended March 31, 2021, the following stock option grants were in operation:

Particulars	ESOP 2017 I	ESOP 2017 II	ESOP 2017 III	ESOP 2017 IV	ESOP 2017 V	ESOP 2017 VI	ESOP 2017 VII
1. Date of grant	25-05-2017	25-05-2017	25-05-2018	25-05-2019	24-08-2019	02-01-2020	25-05-2020
2. Number of Options granted	1,94,169	61,898	8,72,429	33,000	25,000	25,000	64,500
3. Method of settlement	Shares	Shares	Shares	Shares	Shares	Shares	Shares
4. Total vesting period	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years
5. Exercise price per option	10	28.50	10 - 28.50	28.50	28.50	28.50	28.50
6. Fair value of options	33.94	22.77	31.30 - 43.42	47.67 - 49.20	46.99 - 48.45	45.63 - 48.69	44.63 - 47.65
7. Stock price on the date of grant	40.64	40.64	50.26	69.53	69.53	69.53	69.53

***Exercise period:** Upon happening of any liquidity event or any other period as decided by board or NRC.

****Vesting conditions:** 60% of the options granted shall be time based (i.e. continued employment with the company) and 40% of the options shall be performance based.

(ii) The expense recognised for employee services received during the year is shown in the following table:

Particulars	March 31, 2021	March 31, 2020
Expense arising from equity-settled share-based payment transactions	81.04	102.76
Total	**81.04**	**102.76**

(iii) Reconciliation of options

As at March 31, 2021

Particulars	ESOP 2017 I	ESOP 2017 II	ESOP 2017 III	ESOP 2017 IV	ESOP 2017 V	ESOP 2017 VI	ESOP 2017 VII
1. Options outstanding at April 1, 2020	1,94,169	58,898	8,54,585	33,000	25,000	25,000	-
2. Granted during the year	-	-	-	-	-	-	64,500
3. Forfeited during the year	-	-	-	-	-	-	
4. Exercised during the year	-	-	-	-	-	-	
5. Expired during the year	-	-	-	-	25,000	-	
6. Outstanding at March 31, 2021	1,94,169	58,898	8,54,585	33,000	-	25,000	64,500
7. Exercisable at March 31, 2021	1,94,169	58,898	2,40,713	4,950	-	3,750	-

As at March 31, 2020

Particulars	ESOP 2017 I	ESOP 2017 II	ESOP 2017 III	ESOP 2017 IV	ESOP 2017 V	ESOP 2017 VI
1. Options outstanding at April 1, 2019	1,94,169	61,898	8,72,429	-	-	-
2. Granted during the year	-	-	-	33,000	25,000	25,000
3. Forfeited during the year	-	-	-	-	-	-
4. Exercised during the year	-	-	-	-	-	-
5. Expired during the year	-	3,000	17,844	-	-	-
6. Outstanding at March 31, 2021	1,94,169	58,898	8,54,585	33,000	25,000	25,000
7. Exercisable at March 31, 2021	1,94,169	58,898	74,557	-	-	-

1. Weighted average remaining contractual life for the share options outstanding as at March 31, 2021 was 5.99 (Previous year 6.53).
2. Weighted average fair value of options granted during the year was Rs. 45.96 (Previous year Rs. 47.56)
3. Exercise prices for options outstanding at the end of the year was Rs. 10 to Rs. 28.50 per option (Previous year Rs. 10 to Rs. 28.50 per option)

The following tables list the inputs to the Black-Scholes Model used for the options granted:

Particulars	ESOP 2017 I	ESOP 2017 II	ESOP 2017 III	ESOP 2017 IV	ESOP 2017 V	ESOP 2017 VI	ESOP 2017 VII
Date of grant	25-05-2017	25-05-2017	25-05-2018	25-05-2019	24-08-2019	02-01-2020	25-05-2020
Fair value of shares on grant date (Rs.)	33.94	22.77	31.30	47.67	46.99	45.63	44.63
Expected volatility (%)	28%	28%	28%	22%	22%	22%	22%
Risk free interest rate (%)	6.86%	7.89%	7.89%	6.82% to 6.95%	6% to 6.17%	6.03% to 6.42%	4.57% to 5.37%
Dividend yield (%)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Expected maturity from the date of vesting	Upto 5 Years	Upto 5 Years	Upto 5 Years	Upto 5 Years	Upto 5 Years	Upto 5 Years	Upto 5 Years

45. Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments other than those with carrying amounts that are approximates of fair value. This table does not Include the fail values of non-financial assets and non-financial liabilities.

As at March 31, 2021

Particulars	Carrying value	Fair value			
		Level I	Level II	Level III	Total
Financial liabilities					
Debt securities at fixed rate	7,779.07	-	8,058.06	-	**8,058.06**
Borrowings (Other than debt securities) at fixed rate	13,949.10	-	14,100.46	-	**14,100.46**

As at March 31, 2020

Particulars	Carrying value	Fair value			
		Level I	Level II	Level III	Total
Financial liabilities					
Debt securities at fixed rate	2,992.25	-	3,158.68	-	**3,158.68**
Borrowings (Other than debt securities) at fixed rate	9,777.49	-	9,924.69	-	**9,924.69**

As at April 1, 2019

Particulars	Carrying value	Fair value			
		Level I	Level II	Level III	Total
Financial liabilities					
Debt securities at fixed rate	2,983.19	-	3,124.40	-	**3,124.40**
Borrowings (Other than debt securities) at fixed rate	7,794.56	-	7,869.19	-	**7,869.19**

There have been no transfers between Level 1, Level 2 and Level 3 for the year ended March 31, 2021, March 31,2020 and April 1, 2019

Valuation techniques

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

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Debt securities and Borrowings - The fair value of certain fixed rate borrowings is determined by discounting expected future contractual cash flows using current market interest rates charged for similar new loans. The fair value of floating rate borrowings are deemed to be equivalent to the carrying value.

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 me at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodology and assumptions relate only to the instruments in the above tables.

46. Transfer of financial assets that are derecognised in their entirely

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS. Thus, Pre-transition securitisation deals continues to be de-recognised in their entirely. The table below outlines details for each type of continued involvement relating to transferred assets derecognised in their entirely.

Particulars	Carrying amount of continuing involvement in statement of financial position		Fair value of continuing involvement		Maximum exposure to loss
	Balance with banks	Loans	Balance with banks	Loans	
Type of continuing involvement : Securitisation					
March 31, 2021	141.12	307.90	141.12	307.90	449.02
March 31, 2020	141.12	307.90	141.12	307.90	449.02
April 1, 2019	-	-	-	-	-

47. Leases where the Company is a Lessee

The Company's lease asset class primarily consist of leases for buildings and office premises. Generally, the Company is restricted from assigning and subleasing the leased assets. The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Set out below are the carrying amounts of right-or-use assets recognised and the movements during the year:

Building and office premises	March 31, 2021	March 31, 2020
Opening net carrying balance	464.74	563.02
Additions	31.70	67.16
Deletion	-	-
Depreciation	161.78	165.44
Closing net carrying balance	**334.66**	**464.74**

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

Particulars	March 31, 2021	March 31, 2020
Opening Balance	493.55	539.77
Additions	30.91	65.31
Deletion	-	-
Accretion of interest	53.95	68.13
Payments	193.83	179.66
Closing Balance	**384.58**	**493.55**

Particulars	March 31, 2021	March 31, 2020
Depreciation expense	**161.78**	**165.44**
Depreciation on right of use assets		
Other expenses	**23.07**	**24.06**
Short-term lease rent expense	(161.78)	(165.44)
Depreciation of right of use lease asset		
Finance cost	**53.95**	**68.13**

Particulars	March 31, 2021	March 31, 2020
a) cash payments for the principal portion of the lease liability within financing activities;	139.88	111.53
b) cash payments for the interest portion of the lease liability within financing activities applying the requirements in Ind AS 7, Statement of Cash Flows, for interest paid; and	53.95	68.13
c) short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability within operating activities.	23.07	19.90

The Company had total cash outflows for leases of Rs. 193.83 (in lakhs) for the year ended March 31, 2021 (Rs. 179.65 (in lakhs) in March 31, 2020).
The lease liabilities as at April 1, 2019 can be reconciled to the operating lease commitments as of March 31,2019, as follows:

Particulars	Rs. In Lakhs
Operating lease commitments as at March 31, 2019	726.37
Less: Change in management estimates of existing lease term as at 31 March 2019	(10.72)
	715.65
Weighted average incremental borrowing rate as at April 1, 2019	12.25%
Discounted operating lease commitments as at April 1, 2019	**539.77**

The lease liabilities were discounted using the incremental borrowing rate of the Company as at 1st April, 2019.

i. Used a single discount rate to a portfolio of leases with reasonably similar characteristics
ii. Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
iii. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
iv. Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

48. First time adoption of Ind AS

These financial statements, for the year ended March 31, 2021, are the first financial statements the Company has prepared in accordance with Ind AS. For years up to and including the year ended March 31, 2020, the Company prepared Its financial statements in accordance will accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for years ending on March 31, 2021, together with the comparative year data as at and for the year ended March 31, 2020, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2019, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2019 and the financial statements as at and for the year ended March 31, 2020.

48.1 Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions/exceptions:

Mandatory exemptions

1. Estimates

The estimates at April 1, 2019 and at March 31, 2020 are consistent with those made for the same dates in accordance with Indian GAAP apart from the following items where application of Indian GAAP did not require estimation:

- Impairment of financial assets based on expected credit loss model
- Determination of discounted value

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2019, the date of transition to Ind AS and as of March 31, 2020

- Impairment of financial assets based on Expected Credit Loss (ECL) model
- Determination of discounted value for financial instruments carried at amortized cost

2. Classification and measurement of financial assets

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

3. Impairment of financial assets

The Company has applied the exception related impairment of financial assets given in Ind AS 101. It has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial assets were Initially recognized and compared that to the credit risk as at April 1, 2019.

4. Deemed cost-Previous GAAP carrying amount: (PPE and Intangible Assets)

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its PPE and Intangible assets as recognized in its Indian GAAP financial as deemed cost at the transition date.

5. De-recognition of financial assets and liabilities

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS

48.2 Effect of Ind AS adoption on the balance sheet as at April 1, 2019

Particulars	Indian GAAP	Ind AS Adjustments	Ind AS
ASSETS			
Financial Assets			
Cash and cash equivalents	3,046.52	-	3,046.52
Bank balance other than cash and cash equivalents	683.91	-	683.91
Loans	30,426.86	(532.34)	29,894.52
Investments	3,176.31	-	3,176.31
Other financial assets	110.29	(23.87)	86.42
Non-Financial assets			
Deferred tax assets (net)	98.37	133.55	231.92
Property, plant and equipment	129.88	-	129.88
Other Intangible assets	66.48	-	66.48
Right to use assets	-	563.02	563.02
Other non-financial assets	17.15	-	17.15
Total assets	**37,755.77**	**140.36**	**37,896.13**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises			
a) total outstanding dues of creditors other than micro enterprises and small enterprises	132.25	-	132.25
Debt Securities	3,018.80	(35.61)	2,983.19
Borrowings (other than debt securities)	16,522.27	(73.44)	16,448.83
Lease liabilities	-	539.77	539.77
Other financial liabilities	4,408.90	5.64	4,414.54
Non financial liabilities			

Current tax liabilities (Net)	85.59	-	85.59
Provisions	67.37	11.56	78.93
Other non-financial liabilities	72.21	-	72.21
Total liabilities	**24,307.39**	**447.92**	**24,755.31**
Equity			
Equity share capital	1,598.04	-	1,598.04
Instruments entirely equity in nature	3,554.00	-	3,554.00
Other equity	8,296.34	(307.56)	7,988.78
Total equity	**13,448.38**	**(307.56)**	**13,140.82**
Total liabilities and equity	**37,755.77**	**140.36**	**37,896.13**

48.3 Effect of Ind AS adoption on the balance sheet as at March 31, 2020

Particulars	Indian GAAP	Ind AS Adjustments	Ind AS
ASSETS			
Financial Assets			
Cash and cash equivalents	5,070.80	-	5,070.80
Bank balance other than cash and cash equivalents	1,314.50	-	1,314.50
Derivative financial instruments	-	86.16	86.16
Loans	37,937.06	1,226.05	39,163.11
Investments	6,351.63	-	6,351.63
Other financial assets	2,506.04	443.41	2,949.45
Non-Financial assets			
Current tax assets (net)	5.63	-	5.63
Deferred tax assets (net)	132.78	87.66	220.44
Property, plant and equipment	124.31	-	124.31
Other Intangible assets	70.28	-	70.28
Right to use assets	-	464.74	464.74
Other non-financial assets	33.64		33.64
Total assets	**53,546.67**	**2,308.02**	**55,854.69**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises			
a) total outstanding dues of creditors other than micro enterprises and small enterprises	79.82	-	79.82
Debt Securities	3,018.80	-26.55	2,992.25
Borrowings (other than debt securities)	23,114.77	2,044.94	25,159.71
Lease liabilities	-	493.55	493.55
Other financial liabilities	1,466.28	6.71	1,472.99
Non financial liabilities			
Current tax liabilities (Net)	-	-	-
Provisions	88.68	7.86	96.54
Other non-financial liabilities	81.07	-	81.07
Total liabilities	**27,849.42**	**2,526.51**	**30,375.93**

Equity			
Equity share capital	1,598.04	-	1,598.04
Instruments entirely equity in nature	5,415.39	-	5,415.39
Other equity	18,683.82	(218.49)	18,465.33
Total equity	**25,697.25**	**(218.49)**	**25,478.76**
Total liabilities and equity	**53,546.67**	**2,308.02**	**55,854.69**

48.4 Effect of Ind AS adoption on the statement of Profit and loss for the year ended March 31, 2020

Particulars	Indian GAAP	Ind AS Adjustments	Ind AS
Revenue from operations			
Interest income	6,193.46	(126.45)	6,067.01
Dividend Income	8.74	-	8.74
Fees and commission income	375.37	-	375.37
Net gain on fair value changes	198.56	-	198.56
Net gain on derecognition of financial instruments under amortised cost category	-	536.82	536.82
Total revenue from operations	**6,776.13**	**410.37**	**7,186.50**
Other Income	140.34	5.55	145.89
Total Income	**6,916.47**	**415.92**	**7,332.39**
Expenses			
Finance costs	3,251.32	87.69	3,339.01
Impairment on financial instruments	54.99	197.69	252.68
Employee benefits expense	2,066.10	26.16	2,092.26
Depreciation, amortization and impairment	66.01	165.44	231.45
Other expenses	891.22	(179.65)	711.57
Total expenses	**6,329.64**	**297.33**	**6,626.97**
Profit before tax	**586.83**	**118.59**	**705.42**
Current tax			
Pertaining to profit for the current period	167.26	-	167.26
Adjustment of tax relating to earlier periods	(12.67)	-	(12.67)
Deferred tax	(34.40)	45.10	10.70
Profit for the year	**466.64**	**73.49**	**540.13**
Other comprehensive Income			
(A) (i) Items that will not be reclassified to profit or loss			
(a) Remeasurement gain of defined benefit plan	-	12.96	12.96
(ii) Income tax impact on above	-	(3.26)	(3.26)
(B) (i) Items that will be reclassified			
(a) Derivative instruments in Cash flow hedge relationship	-	(9.80)	(9.80)
(ii) Income tax impact on above	-	2.46	2.46
Other comprehensive income, net of tax	**-**	**2.36**	**2.36**
Total comprehensive income for the year	**466.64**	**75.85**	**542.49**

48.5 Footnotes to the reconciliation of equity as at April 1, 2019 and March 31, 2020 and profit or loss for the year ended March 31, 2020

(i) Loans and advances

a) Under Indian GAAP, the Company has created provision for loans and advances based on the Guidelines on prudential norms issued by National Housing Bank. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL). Due to ECL model, the Company impaired its loans and advances by Rs. 367.81 lakhs as on March 31, 2020 (Rs.124.72 lakhs as on April 1, 2019) as against Provision made under Indian GAAP by Rs.168.42 lakhs as on March 31, 2020 (Rs. 122.20 lakhs as on April 1, 2019). In addition, ECL on undisbursed loan commitment has also been determined as per Ind AS for Rs.7.85 lakhs as on March 31, 2020 (Rs.11.57 lakhs as on April 1, 2019). The differential impact has been adjusted in Profit and loss during the year.

b) Under Indian GAAP, transaction costs incurred in connection with loans and advances are amortised upfront and charged to profit or loss for the year. Under Ind AS, transaction costs are included in the initial recognition amount of financial asset measured at amortised cost and charged to profit or loss using the effective interest method.

c) The Company has securitised certain assets and under Indian GAAP, it has derecognised those assets in the books. However, as per Ind AS, the Company has not transferred substantially all the risks and rewards, the asset has been re-recognised, and the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

(ii) Other financial assets

Under Ind AS, with respect to Assignment deals, Company has created an Interest only strip receivable amounting to Rs.468.12 lakhs as on March 31, 2020 (Rs. Nil lakhs as on April 01, 2019) with corresponding credit to Profit and loss for the year, which has been computed by discounting Excess Interest Spread (EIS) to present value. Necessary adjustment with respect to credit risk has also been made.

(iii) Leases

Under Indian GAAP, a lease is classified as a finance lease or an operating lease. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term. Under Ind AS, (as explained in Note 47), a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets and recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. At the date of transition to Ind AS, the Company applied the transitional provision and measured lease liabilities at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of transition to Ind AS. Right-of-use assets were measured at the amount equal to the lease liabilities adjusted by the amount of any prepaid or accrued lease payments. As a result, the Company recognised Rs. 493.55 lakhs as at March 31, 2020 (Rs, 539.76 lakhs as at April 1, 2019) on account of lease liabilities and INR 464.73 as at March 31, 2020 (Rs. 563.02 lakhs as at April 1, 2019) on account of right-of-use assets. The difference between lease liabilities and right-of-use assets has been recognised in retained earnings. Additionally, depreciation increased by Rs. 165.43 lakhs and finance costs Increased by Rs.68.12 lakhs for the year ended March 31, 2020.

(iv) Debt securities and Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings, debt securities and subordinate liabilities are amortised upfront and charged to profit or loss for the year. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss Using the effective interest rate method.

(v) Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the year. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

Ind AS does not require the creation of DTL on the amount transferred to the Special Reserve. Accordingly, DTL created on special reserve as at April 1, 2019 is reversed and the charge through the Statement of Profit and Loss Account in earlier years is also reversed.

(vi) Remeasurements of post employment benefit plans

Under Ind AS, remeasurements i.e. actuarial gain and losses on the net defined liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these measurements were forming part of the profit or loss for the year. Though there is no impact on the total equity as at March 31, 2020.

(vii) Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

(viii) Figures under previous GAAP have been regrouped/ reclassified for Ind AS purpose wherever applicable.

(ix) There were no significant reconciling items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

49. Impact of Covid-19

The outbreak of CoVID-19 virus and more specifically the ongoing current wave of infection and resultant lockdown continue to cause impact on global & local economic activities. The company's operations and financial metrics will depend on future developments, which are uncertain including among other things, the current wave that has significantly increased the number of cases in India and any action of containing its spread or mitigate its impact.

In accordance with the CoVID-19 Regulatory Packages announced by RBI on March 27, 2020, April 17, 2020 and May 23, 2020, the Company has offered moratorium on the payment of instalments and/or interest, as applicable, falling due between March 01, 2020 and August 31, 2020 to eligible borrowers. For such accounts that were granted moratorium, the prudential assets classification remained standstill during the moratorium period (i.e., the number of days past due excluded the moratorium period for the purposes of asset classification under income Recognition, Asset Classification and Provisioning Norms).

In view of the above, the ECL provisions has been determined based on estimates and using information available as of the reporting date and given the uncertainties relating to the impact of CoVID -19, the period of which current wave may continue and relief measures that may be announced by the Government, the expected credit loss including management overlay is based on various variables and assumptions which could result in actual credit loss being different than that estimated.

50. Disclosures required by RBI

In accordance with the instructions of RBI circular no. DOR.STR.REC.4/21.04.048/2021-22 dated April 07, 2021, the HFC shall refund/adjust 'interest on interest' to all borrowers including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the methodology for calculation of the amount of such 'interest on interest' has been recently circulated by the Indian Banks Association (IBA). The Company is in the process of suitably implementing this methodology and has created a liability of Rs. 0.01 lakh towards estimated interest relief and reduced the same from the interest income for the year ended March 31, 2021.

51. Code on Social Security

The Indian Parliament has approved the Code an Social Security, 2020 which assumes the Provident Fund and the Gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, asses the impact, if any, and account for the same once the rules are notified and become effective.

52. Disclosures required by RBI

Additional information required in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 vide reference no. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21, dated Feb 17, 2021 have been prepared in compliance with Indian Accounting Standards (Ind AS) whereas comparative figure have been disclosed on the basis of previous GAAP pursuant to the NHB circular no. NHB (ND)/DRS/Policy Circular No.89/2017-18 dated June 14, 2018 is given in Annexure 1.

53. Previous year figures regrouping

Previous year figures have been regrouped/reclassified wherever applicable.

For S. R. Batliboi & Associates LLP
ICAI Firm registration number : 101049W/E300004
Chartered accountants

Sd/-
per Chirag Jain
Partner
Membership number: 115385

Date: June 16, 2021
Place: Bengaluru

For and on behalf of the Board of Directors of

Ummeed Housing Finance Private Limited

Sd/- **Ashutosh Sharma** Managing Director DIN: 02582205	Sd/- **Sachin Grover** Director DIN: 07387359
Sd/- **Bikash Kumar Mishra** Chief Financial Officer	Sd/- **Nitin Kumar Agrahari** Company Secretary M No.: A36376

Date: June 16, 2021
Place: Gurugram

Annexure I

Note 52: Disclosures as required in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21, 17 February, 2021 have been prepared in compliance with Indian Accounting Standards (Ind AS) whereas comparative figure have been disclosed on the basis of previous GAAP pursuant to the NHB circular no. NHB (ND)/DRS/Policy Circular No.89/2017-18 dated June 14, 2018.

1. Summary of Significant Accounting Policies

The accounting policies regarding key areas of operations are disclosed as Note 1-5 to the Financial Statements.

2. Capital to Risk Assets Ratio (CRAR):

(Rs. in Crores)

Particulars	March 31, 2021	March 31, 2020
i) CRAR (%)	66.69%	76.84%
ii) CRAR - Tier I Capital	66.58%	76.33%
iii) CRAR - Tier II Capital	0.11%	0.52%
iv) Amount of subordinated debt raised as Tier- II Capital	-	-
v) Amount raised by issue of perpetual Debt instruments	-	-

3. Reserve Fund u/s 29C, of NHB Act 1987

(Rs. in Crores)

Particulars	March 31, 2021	March 31, 2020
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	1.61	0.76
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	0.14	0.05
c) Total	**1.75**	**0.81**
Addition /Appropriation / Withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of the NHB Act, 1987	1.66	0.85
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	0.60	0.09
Less:		
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	3.272	1.61
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	0.74	0.14
c) Total	**4.01**	**1.75**

4. Investments

(Rs. in Crores)

Particulars	March 31, 2021	March 31, 2020
Value of Investments		
i) Gross Value of Investments		
(a) In India	58.60	63.52

(a) Outside India	-	-
ii) Provisions for Depreciation		
(a) In India	-	-
(a) Outside India	-	-
iii) Net Value of Investments		
(a) In India	58.60	63.52
(a) Outside India	-	-
Movement of provisions held towards depreciation on investments		
i) Opening Balance	-	-
ii) Add: Provisions made during the year	-	-
iii) Less: Write-off / Written-bank of excess provisions during the year	-	-
iv) Closing balance	-	-

5. Derivatives:

(i) Forward Rate Agreement (FRA) / Interest Rate swap (IRS)

(Rs. in Crores)

Particulars	March 31, 2021	March 31, 2020
(i) The notional principal of swap agreements	12.61	12.61
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(iii) Collateral required by the HFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swaps	-	-
(v) The fair value of the swap book	-	-

(ii) Exchange Traded Interest Rate(IR) Derivative

(Rs. in Crores)

Particulars	March 31, 2021	March 31, 2020
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	-	-
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2020 (instrument-wise)	-	-
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-

(iii) Disclosures on Risk Exposure in Derivatives

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 contracts to hedge its exposure to movements in foreign exchange and interest rates. 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.

Quantitative Disclosure

(Rs. in Crores)

Particulars	Currency Derivatives	Interest Rates Derivatives
(i) Derivatives (Notional Principal Amount)	12.61	-
(ii) Marked to Market Positions		
(a) Assets (+)	0.33	-
(b) Liability (-)	-	-
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures	-	-

6. (a) Securitisation:

(Rs. in Crores)

Particulars	Currency Derivatives	Interest Rates Derivatives
Number of Special Purpose (SPV) sponsored for Securitisations transactions	1	1
Total amount of Outstanding securitised assets as per books	19.35	21.42
Total amount of exposures retained by Company to comply towards Minimum Retention Ration (MRR) as on date of balance sheet	3.08	3.08
i) Off-balance sheet exposures towards Credit Enhancement		
- First Loss	-	-
- Others	-	-
ii) On-balance sheet exposures towards Credit Enhancement		
- First Loss- Cash collateral	1.41	1.41
- Others- Over collateral	3.08	3.08
Amount of exposures to securitizations transactions other than MRR		
i) Off-balance sheet exposures towards Credit Enhancement		
- Exposure to own securitisations	-	-
- Exposure to third party securitisations	-	-
ii) On-balance sheet exposures towards Credit Enhancement		
- Exposure to own securitisations	-	-
- Exposure to third party securitisations	-	-

(b) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

(Rs. in Crores)

Particulars	March 31, 2021	March 21, 2020
(i) No. of Accounts	-	-
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC	-	-
(iii) Aggregate Consideration	-	-
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain/Loss over net book value	-	-

(c) Details of assignment transactions undertaken by the Company

(Rs. in Crores)

Particulars	March 31, 2021	March 21, 2020
(i) No. of Accounts	402	891
(ii) Aggregate value (net of provisions) of accounts assigned	29.27	68.78
(iii) Aggregate Consideration	26.34	61.00
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain/Loss over net book value	-	-

(d) Details of non-performing financial assets purchased / sold

(1) Details of non-performing financial assets purchased

(Rs. in Crores)

Particulars	March 31, 2021	March 21, 2020
(i) No. of accounts purchased during the year	-	-
(ii) Aggregate outstanding	-	-
(i) Of these, number of accounts restructured during the year	-	-
(ii) Aggregate outstanding	-	-

(2) Details of non-performing financial assets sold

(Rs. in Crores)

Particulars	March 31, 2021	March 21, 2020
(i) No. of accounts sold	-	-
(ii) Aggregate outstanding	-	-
(iii) Aggregate consideration received	-	-

7. **Asset Liability Management (Maturity pattern of certain assets and liabilities as at March 31, 2021**

(Rs. in Crores)

	1 day to 7 days	8 day to 14 days	15 day to 30/31 days	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from banks/NHB	9.54	-	0.87	10.87	2.70	11.47	23.00	85.22	29.81	10.98	184.45
Market borrowings*	0.04	-	1.64	2.04	5.11	5.51	44.30	86.05	5.45	0.21	150.34
Foreign currency liabilities (ECB)	-	-	-	-	-	-	-	13.14	-	-	13.14
Assets											
Advances**	7.99	-	-	2.39	2.42	7.48	15.95	78.14	97.75	293.82	505.94
Investments	58.60	-	-	-	-	-	-	-	-	-	58.60
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-

*Market borrowings includes Non-convertible debentures and long-term borrowings from parties other than banks.

**Advances includes housing and non-housing loans net off provisions for non-performing assets

Asset Liability Management (Maturity pattern of certain assets and liabilities as at March 31, 2020

(Rs. in Crores)

	1 day to 30-31 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from banks	2.51	2.3	2.45	7.26	14.30	43.56	34.68	-	-	-	107.06
Market borrowings*	2.66	3.09	2.26	8.17	16.30	69.81	7.02	-	-	-	109.31
Foreign currency liabilities (ECB)	-	-	-	-	-	24.91	12.30	-	-	-	37.21
Assets											
Advances**	1.20	1.24	1.41	4.36	9.28	45.79	60.43	61.85	67.05	123.49	376.10
Investments	63.52	-	-	-	-	-	-	-	-	-	63.52
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-

*Market borrowings includes Non-convertible debentures and long-term borrowings from parties other than banks.

**Advances includes housing and non-housing loans net off provisions for non-performing assets.

8. Exposure

(a) Exposure to Real Estate Sector:

(Rs. in Crores)

Category	March 31, 2021	March 31, 2020
a) Direct Exposure		
(i) Resident Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	480.90	217.37
(ii) Commercial Real Estate		
Lending secured by mortgages on commercial real estates (office building, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or ware house space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limited	-	20.53
(iv) Investments in mortgage Backed Securities (MBS) and other securitised Exposures		
a. Residential	-	-
b. Commercial Real Estate	-	-
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

(b) Exposure to Capital Market

(Rs. in Crores)

Category	March 31, 2021	March 31, 2020
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) Loans sanctioned to corporates against the security of shares / bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
viii) All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	**-**	**-**

(c) **Details of financing of Parent Company products:** These details are not applicable since the Company is not a subsidiary of any company.

(d) **Details of Single Borrower Limit (SBL)/ Group Borrower Limit (GBL) exceeded by HFC:** The Company has not exceeded Single Borrower Limit (SBL) / Group Borrower Limit (GBL) during the financial year.

(e) **Unsecured Advances:** As on 31st March, 2021 The Company has not given any unsecured advances for which Intangibles securities has been taken.

(f) **Exposure to group companies engaged in real estate business:** Nil

9. Other financial sector Regulator registrations details:

Regulator	Registration No.
Insurance Regulatory Authority of India (IRDAI)	CA0479

10. Disclosure of Penalties imposed by NHB and other regulators

During the year ended March 31, 2021
(i) there are no penalties imposed on the Company by NHB or other Regulators.
(ii) the Company has not received any adverse comments in writing by NHB or other Regulators on regulatory compliances, with a specific communication to disclose the same to the public.

11. Related Party Transactions
Details of all material transactions with related parties are disclosed in Note 38 to Financial Statements.

12. Group Structure: Diagrammatic representation of group structure
The Company does not have any subsidiary/Joint venture/Associates as on 31st March, 2021, hence this disclosure requirement is not applicable to us.

13. Ratings assigned by Credit Rating Agencies

Particulars	March 31, 2021	March 31, 2020
Non-convertible debentures (Secured)	CARE BBB+; [Triple B Plus]	CARE BBB; [Triple B]
Term loans from banks/NBFC (Secured)	CARE BBB+; [Triple B Plus]	CARE BBB; [Triple B]

14. Net Profit or Loss for the year, prior period items and changes in accounting policies
There are no prior period items that have impact on the current year's profit and loss.

15. Revenue Recognition
During the year, there have been no instances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

16. Consolidated Financials Statement (CFS)
The Company does not have any subsidiary/Joint venture/Associates as on 31st March, 2021, hence Ind AS 110 not applicable to us.

17. Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account

(Rs. in Crores)

Particulars	March 31, 2021	March 31, 2020
(i) Provisions for depreciation on investment	-	-
(ii) Provisions for Income Tax	3.50	1.67
(iii) Provisions for NPA	0.93	0.09
(iv) Provisions for standard assets (with details like teaser loan, CRE, CRE-RH etc.)	1.18	0.38
(v) Other Provisions and Contingencies	-	-
- Employee benefits related provisions	2.69	1.26
- ECL on undrawn commitment	0.06	-
- Other Expense related provisions	0.51	0.45

Break up of Loan & Advances and Provisions thereon **(Rs. in Crores)**

Particulars	Housing		Non-Housing	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Standard Assets				
a) Total Outstanding Amount	288.09	217.04	215.65	158.57
b) Provisions made	2.18	0.93	2.39	0.67
Sub-Standard Assets				
a) Total Outstanding Amount	1.69	0.33	1.33	0.24
b) Provisions made	0.60	0.05	0.47	0.04
Doubtful Assets – Category-I				
a) Total Outstanding Amount	0.22	-	0.18	-
b) Provisions made	0.08	-	0.07	-
Doubtful Assets – Category-II				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Loss Assets				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Total				
a) Total Outstanding Amount	**290.00**	**217.37**	**217.16**	**158.81**
b) Provisions made	**2.86**	**0.98**	**2.93**	**0.71**

18. Draw Down from Reserves: During the financial year 2020-21, there were no draw down from Reserves.

19. (a) Concentration of Public Deposits, Advances, Exposures and NPAs **(Rs. in Crores)**

Particulars	March 31, 2021	March 31, 2020
Concentration of Public Deposits (for Public Deposit taking/holding HFCs) - The Company is Non deposit taking HFC.		
Total Deposits of twenty largest Depositors	-	-
Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC	-	-
Concentration of Loans & Advances		
Total Loans & Advances to twenty largest borrowers	12.52	9.34
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	2.47%	2.48%

Concentration of Exposures (including off- balance sheet exposure)		
Total Exposure to twenty largest borrowers/customers	12.52	9.34
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	2.38%	2.07%
Concentration of NPAs		
Total Exposure to ten NPA Accounts	1.64	0.57

(b) Sector-wise NPA

Particulars	% of NPAs to total Advances in that sector	
	March 31, 2021	March 31, 2020
A. Housing Loans :		
1. Individuals	0.66%	0.15%
2. Builders/Project Loans	-	-
3. Corporates	-	-
4. Others (specify)	-	-
B. Non-Housing Loans :		
1. Individuals	0.70%	0.15%
2. Builders/Project Loans	-	-
3. Corporates	-	-
4. Others (specify)	-	-

20. Movement of NPAs

(Rs. in Crores)

Particulars	March 31, 2021	March 31, 2020
(i) Net NPAs to Net Advances (%)	0.43%	0.13%
(ii) Movement of NPAs (Gross)		
a) Opening balance	0.56	-
b) Additions during the year	3.29	0.57
c) Reductions during the year	0.43	-
d) Closing balance	**3.42**	**0.57**
(iii) Movement of Net NPAs		
a) Opening balance	0.32	-
b) Additions during the year	1.88	0.48
c) Reductions during the year	-	-
d) Closing balance	**2.20**	**0.48**
(iii) Movement of provisions for NPAs (excluding provisions on standards assets)		
a) Opening balance	0.24	-
b) Provisions made during the year	0.98	0.09
c) Write-off/write back of excess provisions	-	-
d) Closing balance	**1.22**	**0.09**

21. Overseas Assets - The Company does not hold any overseas assets

Particulars	March 31, 2021	March 31, 2020
Overseas Assets	-	-
Total	**-**	**-**

22. Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms)

Name of SPV Sponsored	
Domestic	**Overseas**
Nil	Nil

23. Overseas Operations

The Company did not have overseas operations and joint venture partners with regard to joint ventures and overseas subsidiaries.

24. Customer Complaints

Particulars	March 31, 2021	March 31, 2020
a) No. of complaints pending at the beginning of the year	**4**	**6**
b) No. of complaints received during the year	172	56
c) No. of complaints redressed during the year	(176)	(58)
d) No. of complaints pending at the end of the year	**-**	**4***

*the said pending complaints as on March 31,2020 has been closed in 2020-21.

25. The Company has not given any Gold loan/loan against deposition of gold during the year (previous year-Nil).

26. Disclosure as required by Annex III of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021

(Rs. in Crores)

Particulars	As at March 31, 2021	
Liabilities	**Amount outstanding**	**Amount overdue**
(1) Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:		
(a) Debentures: Secured	80.33	-
Unsecured	-	-
(other than falling within the meaning of public deposits*)		
(b) Deferred Credits	-	-
(c) Term Loans	263.81	-
(d) Inter-corporate loans and borrowings	-	-
(e) Commercial Paper	-	-
(f) Public Deposits	-	-
(g) Other loans (specify nature)	7.73	-
(2) Breakup of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid:		
(a) In the form of Unsecured debentures	-	-
(b) In the form of Unsecured debentures i.e. debentures where there is a shortfall in the value of security	-	-
(c) Other public deposits	-	-

Asset	Amount outstanding
(3) Breakup of Loans and Advances including bills receivables [other than those included in (4) below]:	
(a) Secured	507.16
(b) Unsecured	-
(4) Breakup of Leased Assets and stock on hire and other assets counting towards asset financing activities	
(i) Leased assets including lease rentals under sundry debtors	
(a) Financial lease	-

(b) Operating lease	-
(ii) Stock on hire including hire charges under sundry debtors	
(a) Assets on hire	-
(b) Repossessed Assets	-
(iii) Other loans counting towards asset financing activities	
(a) Loans where assets have been repossessed	-
(b) Loans other than (a) above	-
(5) Break-up of Investments	
Current Investments	
(1) Quoted	
(i) Shares	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual Bonds	-
(iv) Government Securities	-
(v) Others (please specify)	-
(2) Unquoted	
(i) Shares	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual Bonds	58.60
(iv) Government Securities	-
(v) Others (please specify)	
Long Term Investments	
(1) Quoted	
(i) Shares	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual Bonds	-
(iv) Government Securities	-
(v) Others (please specify)	-
(2) Unquoted	
(i) Shares	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual Bonds	-
(iv) Government Securities	-
(v) Others (please specify)	-

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

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	501.38	-	501.38
Total	**501.38**	**-**	**501.38**

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	Market Value/Break up or fair value or NAV	Book Value (Net of Provisions
1. Related Parties		
(a) Subsidiaries	-	-
(b) Companies in same group	-	-
(c) Other related parties	-	-
2. Other than related parties	58.60	58.60
Total	**58.60**	**58.60**

(8) Other information	
Particulars	**Amount**
(i) Gross Non-performing Assets	
(a) Related parties	-
(b) Other than related parties	3.42
(ii) Net Non-performing Assets	
(a) Related parties	-
(b) Other than related parties	2.20
(ii) Assets acquired in satisfaction of debt	-

27. A Comparison between provisions required under prudential norms on Income Recognition, Asset Classification and Provisioning (IRCAP) and impairment allowance under Ind AS 109

As at March 31, 2021 (Rs. in Crores)

Assets classifications as per RBI norms	Assets classifications as per Ind AS 109	Gross carrying amount as per Ind AS	Loss Allowance (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
-1	-2	-3	-4	(5)=(3)-(4)	-6	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	490.92	2.68	488.24	1.55	1.13
	Stage 2	12.82	1.89	10.93	0.81	1.08
Subtotal		503.74	4.57	499.17	2.36	2.21
Non-Performing Assets (NPA)						
Substandard	Stage 3	3.02	1.07	1.95	0.45	0.62
Doubtful - up to 1 year	Stage 3	0.40	0.15	0.25	0.10	0.05
1 to 3 year	Stage 3	-		-	-	-
More than 3 years	Stage 3	-		-	-	-
Subtotal for doubtful		0.40	0.15	0.25	0.10	0.05
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	Stage 1	17.51	0.08	17.43	-	0.08

Classification and Provisioning (IRACP) norms						
	Stage 2	0.34	0.02	0.32	-	0.02
	Stage 3	0.11	0.04	0.07	-	0.04
Subtotal		17.96	0.14	17.82	0.00	0.14
Total	**Stage 1**	508.43	2.76	505.67	1.55	1.21
	Stage 2	13.16	1.91	11.25	0.81	1.1
	Stage 3	3.53	1.26	2.27	0.55	0.71
	Total	525.12	5.93	519.19	2.91	3.02

28. In accordance with the RBI guidelines relating to COVID-19 Regulatory dated March 27, 2020. April 17, 2020 and May 23, 2020 (RBI Regulatory Package) the Company has offered moratorium on the payment of Instalments and/or interest, as applicable, falling due between March 01, 2020 and August 31, 2020 (Moratorium Period') to all eligible borrowers, in accordance with RBI guidelines, the moratorium period, wherever granted, is excluded by the Company from the number of days past-due for the purpose of asset classification. The Company holds provisions as at March 31, 2021/March 31, 2020 against the potential impact of COVID-19 based on the information available up to a point in time.

Disclosures as required by RBI circular dated April 17, 2020' COVID-19 Regulatory Package-Asset Classification and Provisioning' are given below: **(Rs. in Crores)**

Particulars	March 31, 2021
Amount in SMA/Overdue categories (as of 29 February 2020)	1.90
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3; (as of 29 February 2020)	1.65
Respective amount where asset classification benefits is extended	1.60
Provisions made in terms of paragraph 5 of the circular** (As per Ind AS)	0.20
Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6	0.12
Residual Provisions in terms of paragraph 6 of the circular (As per Ind AS)	0.08

29. Disclosure on Principal Business Criteria **(Rs. in Crores)**

Particulars	March 31, 2021	March 31, 2020
(1) Housing loans as per regulatory criteria	290.00	219.13
(2) Total Assets (Net off by intangibles assets)	670.36	557.84
(3) Minimum percentage of total assets towards housing finance	43.26%	39.28%
(4) Minimum percentage of total assets towards housing finance for individuals	43.26%	39.28%

Note: Company has submitted to Reserve Bank of India(RBI) on January 20, 2021, Board approved transition plan to meet the Principal Business criteria i.e. 60% of total assets (netted off by intangible assets) towards housing finance (50% in case of housing finance to individuals) by year 2024 as mandated by RBI vide notification No RBI/2020-21/60 DOR.NBFC (HFC).CC.No.118/03.10.136/2020-21 dated on October 22, 2020.

30. Disclosures pursuant to RBI Notification- RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020

(Rs. in Crores)

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including invocation of the plan and implementation	(E) increase in provisions on account of the implementation of the resolution plan
Personal loans	92	9.00	-	0.06	1.43
Corporate persons					
of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**92**	**9.00**	**-**	**0.06**	**1.43**

31. Disclosure as required by Liquidity Risk Management Framework for Non-Banking Financial Companies Funding Concentration based on significant counterparty (both deposits and borrowings)

(Rs. in Crores)

Particulars	March 31, 2021
i) Number of Significant Counterparties*	22
ii) Amount (in Rs. crore)	287.39
iii) Percentage of funding concentration to total deposits	NA
iv) Percentage of funding concentration to total liabilities	71.05%

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

Top 10 borrowings

(Rs. in Crores)

Particulars	March 31, 2021
i) Total amount of top 10 borrowings	218.66
ii) Percentage of amount of top 10 borrowings to total borrowings	62.85%

Funding Concentration based on significant instrument/product*

(Rs. in Crores)

Particulars	March 31, 2021	Percentage of Total Liabilities
i) Non-convertible debentures	77.79	19.23%
ii) Term Loans from banks/NBFC	247.05	61.07%

*Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4 November 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.
Total liabilities are excluding Equity share capital and Other equity.

Stock ratio

Particulars	March 31, 2021
(i) Non convertible debentures as a percentage of total public funds*	NA
(ii) Non convertible debentures as a percentage of total liabilities	19.23%
(iii) Non convertible debentures as a percentage of total assets	11.59%
(iv) Other short term liabilities as a percentage of total public funds*#	NA
(v) Other short term liabilities as a percentage of total liabilities #	33.91%
(vi) Other short term liabilities as a percentage of total assets #	20.44%

Total liabilities are excluding equity share capital and other equity.
*Public funds is as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.
#Other short term liabilities are excluding Commercial paper & short term non convertible debentures.
##No Commercial papers issued by the Company as of reporting date

Institutional set-up for liquidity risk management

Liquidity Risk Management framework consists of Asset Liability Management Committee [ALCO] which is a sub-committee of the Board of Directors. The meetings of ALCO are held at periodic intervals. While the ALCO is responsible for oversight of specific risks relating to liquidity and interest rate sensitivity, the Risk Management Committee is responsible for company-wide risk management.

For S. R. Batliboi & Associates LLP
ICAI Firm registration number : 101049W/E300004
Chartered accountants

Sd/-
per Chirag Jain
Partner
Membership number: 115385

Date: June 16, 2021
Place: Bengaluru

For and on behalf of the Board of Directors of

Ummeed Housing Finance Private Limited

Sd/-
Ashutosh Sharma
Managing Director
DIN: 02582205

Sd/-
Sachin Grover
Director
DIN: 07387359

Sd/-
Bikash Kumar Mishra
Chief Financial Officer

Sd/-
Nitin Kumar Agrahari
Company Secretary
M No.: A36376

Date: June 16, 2021
Place: Gurugram

UMMEED HOUSING FINANCE PRIVATE LIMITED

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