



**GRIHUM**  
HOUSING FINANCE

*Apna Ghar. Apni Pehchan.*

# Empowering Home Ownership

Serving Self-Made Individuals of Rising Bharat



ANNUAL REPORT  
**2023-24**



## Grihum

embodies the essence and aspirations of a 'Rising Bharat'.

Instead of being identified as a housing finance provider, we endeavour to be the most trusted partner for facilitating a seamless and dignified journey towards fulfilling the homeownership aspirations of self-made individuals.

Over the years, we have aimed to capture the essence of homeownership as a reflection of personal identity. We, therefore, remain committed to assisting our customers with simple financing solutions for purchasing properties,

constructing new homes and undertaking home renovation projects. We have enabled low and middle income earners to avail affordable loans with flexible payment plans and benefit from a seamless onboarding process that prioritises customer convenience.

At the same time, we have realised the need to introduce digital services for our valued customers. With the integration of digital capabilities and advanced technology, we are strengthening loan application and approval processes. It has given a new direction to our journey, moulding us

for a better tomorrow and lending us the capacity to remain progressive. Today we look at the future with optimism as we expand our footprint across the country and set new benchmarks of excellence.

With a consistent focus on empowering the homeownership journey, we are building differentiated capabilities, accelerating our digital transformation and improving our reach to cater to the needs of the self-made individuals of 'Rising Bharat'.

## Inside the Report

### 02-40

#### Corporate Review

Unveiling the New Brand Identity 'Grihum'	02
Grihum in Media	04
Grihum Anthem	06
About Us	08
Celebrating Milestones	10
From the Desk of the Managing Director and Chief Executive Officer	12
CFO's Message	14
Financial Highlights	16
Our Operating Context	18
Risk Management	19
Digital-Transformation	22
Customers	26
Corporate Social Responsibility	28
Human Resource	30
Board of Directors	36
Management Team	38

### 41-108

#### Statutory Reports

Corporate Information	41
Board's Report	42
Management Discussion and Analysis	77
Corporate Governance Report	84

### 109-200

#### Financial Statements

Independent Auditor's Report on the Financial Statements	109
Balance Sheet	120
Statement of Profit and Loss	121
Statement of Cash Flows	122
Statement of Changes in Equity	124
Summary of Material Accounting Policies and Other Explanatory Information	127



## Unveiling the New Brand Identity

# 'Grihum'

Welcome to the world of Grihum, the confluence of two deep words, which strike a responsive chord across the length and breadth of India - **Grih** and **Hum**. **Grih** (home) and **Hum** (togetherness) represent our way of life. We organised an event to unveil our new brand identity. These are some unforgettable moments from the event.





### पूनावाला हाउसिंग फाइनेंस लिमिटेड अब गृहम हाउसिंग फाइनेंस लिमिटेड है

**भास्कर सनाचार देवा**  
 नेहरू। कंपनी के स्वामित्व में परिवर्तन के बाद, पूनावाला हाउसिंग फाइनेंस लिमिटेड को गृहम हाउसिंग फाइनेंस लिमिटेड (जीएचएफएल) के रूप में पुनः ब्रांडिंग किया गया है। स्वीकृत प्राइवेट इक्विटी फर्म टीपीजी ने इस साल पूनावाला फिनकोर्प से कंपनी में 99.02% इक्विटी हिस्सा अधिग्रहण कर लिया है। नाम परिवर्तन के लिए सभी आवश्यक न्यायिक स्वीकृतियाँ प्राप्त कर ली हैं। शीहम हाउसिंग फाइनेंस लिमिटेड के मैनेजिंग डायरेक्टर और प्रमुख कार्यकारी अधिकारी, श्री मनीष जयसवाल ने पुनर्ब्रांडिंग पर खोलते हुए कहा, गृहम, गृह (घर) और हम

से कई लोग देश के अर्ध-शहरी, अर्ध-ग्रामीण और ग्रामीण क्षेत्रों में आत्मनिर्भर खर्च और सूक्ष्म-उद्यमियों हैं। जीएचएफएल ने एसेट अंडर मैनेजमेंट (एचएम) में ₹ ~ 7,500 करोड़ तक बढ़ावा देने के लिए समर्पित है, जिनमें

पहुँचने की एक महत्वपूर्ण उपलब्धि भी हासिल कर रही है, जो पिछले छह वर्षों में 28% की सीएजीआर से बढ़ रहा है। इस समय इसका ब्राह्मण आकार बढ़कर 75,000 से अधिक हो गया है, जिसे विभिन्न क्षेत्रों में पहुँच के लिए रणनीतिक रूप से 195 शाखाओं के नेटवर्क द्वारा सेवा प्रदान की गई। इसमें लगभग 85% ब्राह्मण महिलाएँ हैं (आवेदकों और सह-आवेदकों सहित), जो कंपनी के लिंग-समान दृष्टिकोण को दर्शाती हैं। कंपनी की कुल संपत्ति ₹1,800 करोड़ से अधिक है, जो इसे व्यापक सहायताओं को मापने और उन्हें प्रभावी ढंग से प्रबंधित करने के लिए प्रबल करता है।

# Grihum in Media

Grihum's brand launch and its other major developments during the year were enthusiastically covered by the national press. Nearly 200 news outlets across print, television and digital media highlighted the new chapter in Grihum's history as well its strong performance. Capitalising on India's growing mobile user base and internet penetration, we targeted social media campaigns on platforms like LinkedIn, Facebook, Instagram, and Youtube to reach potential customers. Recognising the power of art in raising brand awareness, we also created impactful street murals to connect with people on a personal level.



### 'Grihum Housing exploring co-lending tie-ups, insurance distribution'

**bl.interview**  
**Anshika Kayastha**  
 Mumbai

Coming out from the umbrella of the Poonawalla Group with the backing of global alternative asset manager TPG, has opened opportunities for Grihum Housing Finance, formerly Poonawalla Housing, to focus on its sole objective of affordable housing, according to MD and CEO Manish Jaiswal.

The housing financier is now exploring co-lending tie-ups to grow its book and has also applied for a corporate agency insurance licence to offer insurance cover to its borrowers, Jaiswal told *businessline*.

affordable HFCs is a "big goal". Edited excerpts:

**How has your strategy changed coming out from the Poonawalla group?**  
 Grihum's potential as a standalone HFC has been unleashed since it can now reimagine its own business architecture without the shackles of a subsidiary structure. Grihum has a massive opportunity of reaching out to innumerable Indians in the hinterlands who have still not experienced living in their own home. Our ability to cater to self-made individuals in semi-urban areas, stands substantially augmented given our strong alliance of goals with TPG.

**Has the TPG ownership**

**Manish Jaiswal**  
 MD AND CEO,  
 GRIHUM HOUSING FINANCE

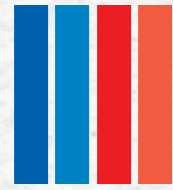
of banks, and that will hopefully come into play by the next financial year. This apart, there will be more avenues to raise liabilities, opening up for the housing sector, such as residential mortgage-backed securities. The country's largest HFC's merger with a bank has also opened up massive limits with both banks as well as corporate bonds.

**Will you look to grow the LAP (loans against property) portfolio faster?**  
 Our focus remains on the 'First Home, Dream Home' segment. While serving these customers, we also serve customers of homogenous nature of credit and collateral profiles who have affordable business loan

three years, about 70 per cent of which are home loans. A third of our loan book directly contributes to the development of new self-construction properties in semi-urban and rural geographies. We focus on customers with an average household income of ₹40,000-60,000 per month and thus average home loan ticket size of about ₹10-12 lakh.

**Are you looking at insurance and other products for alternate revenue streams?**  
 We look at the customers, and certainly need themselves and homes to of life and applied





## Grihum Anthem



एक हम, एक हम...एक हम, गृहम  
एक हम, एक हम...एक हम, गृहम  
एक हम, एक हम...एक हम, गृहम  
एक हम, एक हम...एक हम, गृहम

एक हम, कदम मिला बढ़ चलें  
पहले घर के सपने पूरे करने हम चलें  
एक हम, एक हम...एक हम गृहम  
एक हम, एक हम...एक हम, गृहम

समझ के आपके सपनों को,  
आगे ले कर हम बढ़ें  
सम्मान दिल से आपका हम करें...  
घर के सफर में हाथ थामे, जोश दिल में भरे  
आप की भावनाओं का हम आदर भी करें  
दिल से दिल मिला के अब हम चलें  
सारे साथ है हम...

एक हम...एक हम गृहम  
एक हम...एक हम गृहम  
एक हम गृहम  
एक हम गृहम  
एक हम...एक हम गृहम

### "Ek hum. Grihum." – it's the purpose we live by

Fundamentally and strategically, our brand purpose is ingrained in the commitment to resonate as one with our customers. It's the fulcrum of our intent, action and approach to service. This idea of oneness shapes the brand's future and comes alive in the anthem of "Ek hum. Grihum." This is an expression of our strategic commitment to be 'One'.

This is one powerful, emotive connect that is charging up the entire organisation. Today, Grihum is taking strides as a purpose driven organisation and "Ek hum. Grihum." is poised to play a key role as a unifying force throughout the journey. The anthem has currently been recorded in over 8 regional languages, with the families of the employees and even their children singing the anthem.

Together, "Ek hum. Grihum." embodies Grihum's service promise of individualized attention, collaborative effort, and unwavering commitment to customer satisfaction. Each word reinforces the brand's dedication to providing excellent service and fostering strong relationships with its customers.

"Ek hum. Grihum." is not just an Anthem; it encapsulates the essence of Grihum's brand identity and its cultural ethos. The phrase signifies unity and togetherness, highlighting the collective spirit of the brand and its community. By giving voice and expression to this purpose, Grihum has fostered a sense of belonging among its audience, making them feel part of something larger than themselves. This motto has become deeply ingrained in Grihum's culture, reflecting its commitment to inclusivity, solidarity, and shared values.

## Glimpses of Grihumanites singing the Grihum Anthem



### Family Category



## Winners



# About Us

## Designing seamless home ownership journeys for Self-Made Individuals

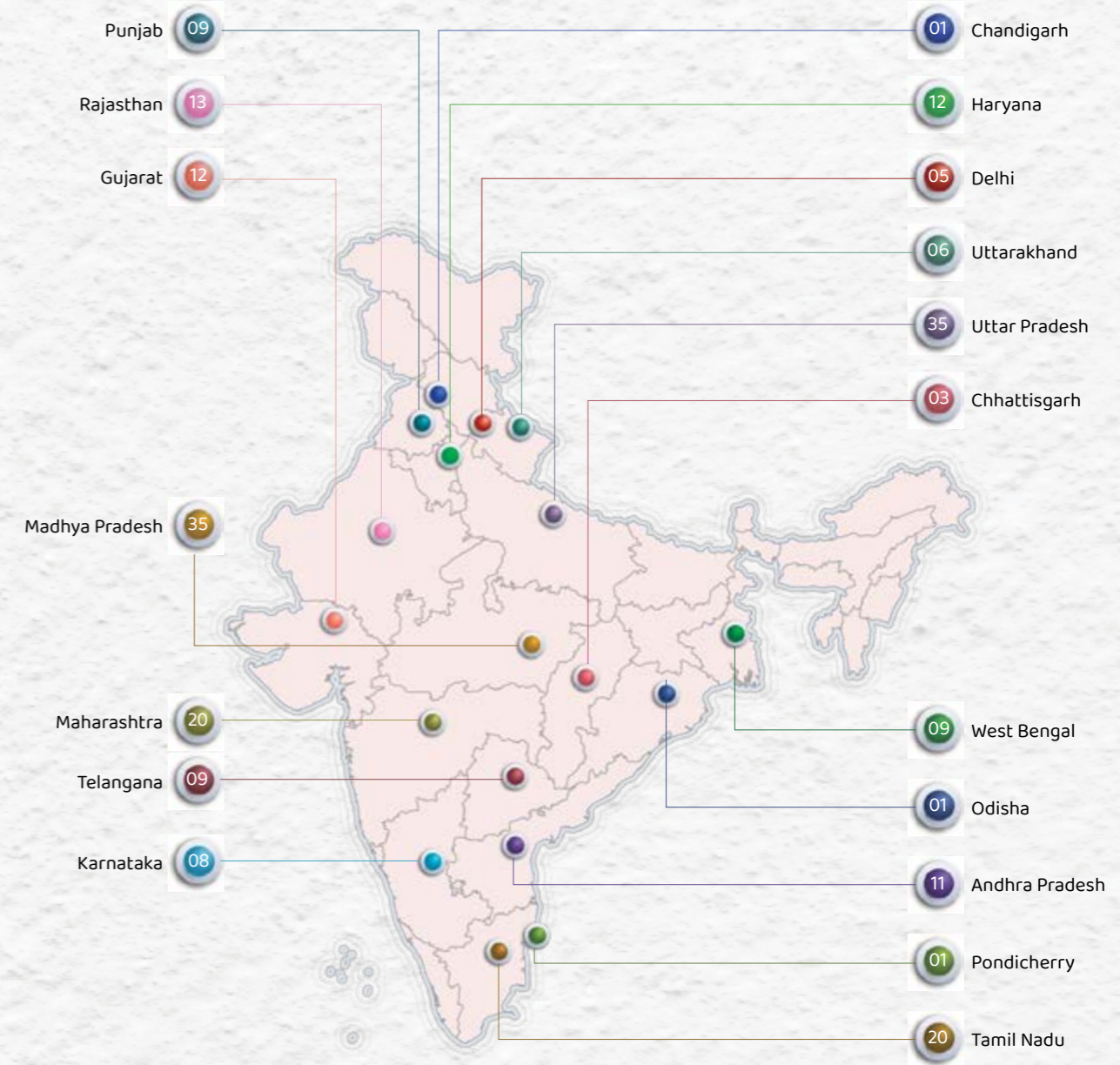
Grihum Housing Finance Limited (formerly known as Poonawalla Housing Finance Limited) is amongst the leading providers of affordable home loans. Over the last two decades, we have partnered the homeownership journeys of over 77,000 people, empowering them to fulfil the aspiration of home ownership.

Incorporated in 2004, we realised the need to provide access to affordable housing loans to a large section of the Indian population. With a diversified portfolio, focusing on affordable home loans, we offer tailored solutions to our customers in the semi urban and peri urban markets of India. Our customer-centric approach has enabled us to create transparent, accessible and seamless solutions that fulfill the unique needs of our discerning customer base.

**Vision** – We endeavour to be the most trusted partner in fulfilling the aspirations of home ownership in real India.

**Mission** – We commit to facilitating a seamless and dignified journey towards home ownership at every step, driven by our dedication to self-made individuals.

**Values** – Living our promises through Humility, Trust, Togetherness.



**₹ 8,277** crore

AUM

**77,000+**

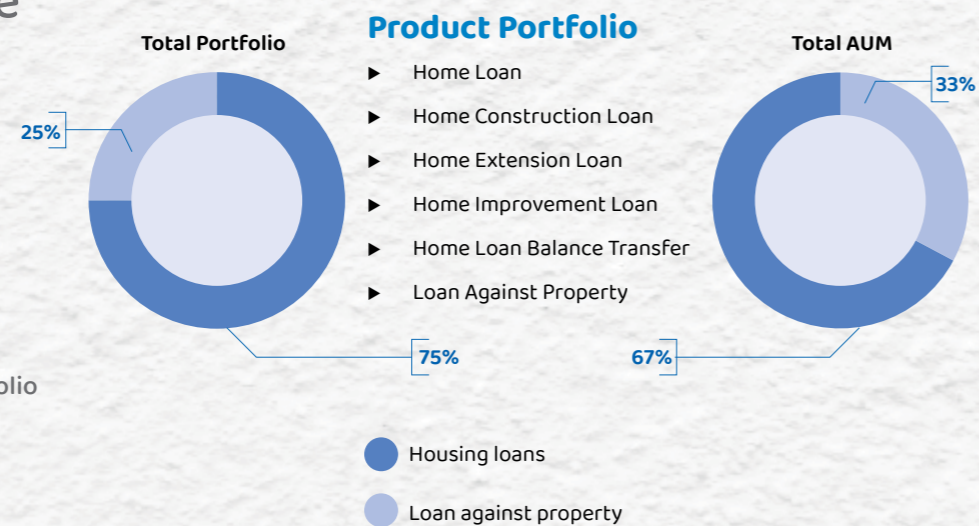
Customers

**100%**

Secured, geographically diversified and granular portfolio

**210**

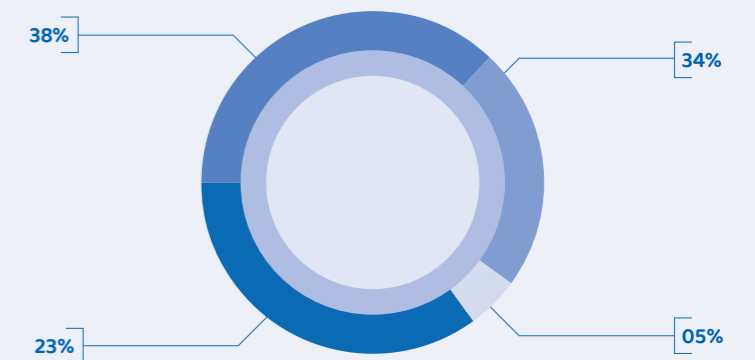
Branches



Grand Total **210**

### Geographical Mix

● North ● South ● East ● West



# Celebrating Milestones

2017

**Strengthened Leadership** and Onboarding of **MD & CEO**

Transformation towards **Affordable Housing Business**

2019

**AUM** crossed ₹ 2,000 Cr

**Home Loan share** to total disbursement increased to **65% from 37%**

Crossed **18,000 customers**

2021

Sanction of ₹ **195 Cr** under **NHB refinance scheme**

Crossed **30,000 customers**

**directly sourced loans >75%**

2023

**AUM** crossed ₹ **6,000 Cr**

**Highest Disbursal** ₹ **2,500+ Cr**

**Acquisition by global private equity fund TPG**

**Branch count** crossed **160**

Strengthened **Leadership Team** with onboarding of all functional heads

2018

Increased focus on **Affordable Housing Loans**

Shift to **"GO HL, GO Direct"**

Defocused on **high ticket LAP** and focused to **granular HL and LAP**

2020

**AUM** crossed ₹ **3,000 Cr** during Q3

**Capital** infusion of ₹ **100 Cr** by erstwhile parent company

**Disbursed** more than ₹ **1,000 Cr**

2022

**Capital** infusion of ₹ **500 Cr** by parent company

**Sanction** of ₹ **725 Cr** under NHB refinance

**AUM** crossed ₹ **5,000 Cr** and reported Gross NPA < 1%

2024

**Rebranded** as Grihum Housing Finance Ltd.

CRISIL assigned **"AA-/ Stable"**

**AUM** Crossed ₹ **8,200 Cr**

**Raised primary capital** of ₹ **1,038 Cr** from TPG

Moved to **100% direct sourcing** model

Raised ₹ **1,000 Cr** from **NHB** and ₹ **900 Cr** from **Capital Market**

Secured **Corporate Agency License** from **IRDAI** in Jan, 2024

# From the Desk of the Managing Director and Chief Executive Officer



Dear Shareholders,

**I am delighted to present our inaugural annual report under the auspices of Grihum Housing Finance.**

**The name 'Grihum' is emblematic of the profound connection between homeownership and personal identity. It represents our commitment to fostering a sense of kinship with our customers, underpinned by our shared aspiration for a better tomorrow. This transformation was made possible through our esteemed partnership with the globally renowned TPG Group, whose support has empowered us to elevate our services and cater to the evolving needs of the Indian populace, particularly the self-made individuals (SMI) driving the narrative of a 'Rising Bharat'.**

In a nation where the pursuit of homeownership is an enduring aspiration, Grihum stands dedicated to extending financial inclusivity to those often overlooked by conventional lenders. Aligned with the government's vision of 'Housing for All', we consider it our privilege to facilitate access to affordable housing finance solutions and contribute to the collective dream of a better, more equitable future.

## Performance Highlights

Despite navigating a dynamic macroeconomic landscape, Grihum has exhibited commendable resilience and growth in FY 2023-24. Our Assets Under Management (AUM) have surged from ₹ 1,800 crore to ₹ 8,277 crore over the past six years, accompanied by a record-breaking disbursement of ₹ 2,914 crore during the fiscal year. Since our inception, we have served over 77,000 customers, a 7X growth. This exponential qualitative surge is a testament to the robustness of our business model and our unwavering commitment to serving the evolving homeownership needs of SMI in semi-urban and peri-urban India.

## Customer-Centric Approach

At Grihum, we recognise that the SMI homeowner's journey is unique. It's deeply assisted and before business, we provide our customers with financial literacy, collateral literacy and collections literacy. This education extends to the "Grihumlakshmi", the lady of the home, educating her about savings allocation towards the fulfilment of monthly loan obligations. Nearly 85% of Grihum's customers are women (including applicants and co-applicants), which illustrates our gender equal policy and ensures that women have a voice in domestic cash flows.

With this in mind, we approach each SMI engagement with empathy and understanding, endeavouring to provide solutions tailored to our customers' aspirations and financial realities. By sharing our expertise and guiding our clients through the complexities of homeownership, we help them realise their dreams with confidence, awareness and ease.

## Strategic Expansion

Our footprint spans across 18 states and Union Territories with 210 branches, strategically positioned to cater to the burgeoning demand for affordable housing finance solutions in Tier 2 and Tier 3 markets. With a steadfast focus on 'Apna Ghar. Apni Pehchan.', we are proud to contribute to employment generation and economic prosperity across diverse sectors.

## Digital Transformation

In an era defined by rapid technological advancement, Grihum remains at the forefront of digital innovation. Through a seamless fusion of cutting-edge technology and vision, we have set upon a journey of digital transformation aimed at revolutionising your housing finance experience.

This overhaul has redefined the paradigm of accessibility and efficiency. With just a few clicks, our online loan application process empowers you to embark on your homeownership journey swiftly and effortlessly.

Moreover, our mobile based solutions ensure that managing your housing finance is not only convenient but also secure. Furthermore, these digital advancements serve as a testament to our unwavering commitment to safeguarding your information and enhancing operational efficiency. By leveraging the prowess of distinguished services from Amazon

(AWS), Microsoft and Oracle, we ensure that your experience with Grihum is exceptional.

In essence, Grihum's digital innovation heralds a new era of sophistication and accessibility in affordable housing finance.

## Empowering Potential, Cultivating Excellence

Our company fosters a culture of inner growth, inspiring employees to explore their full potential through nurturing mentorship, guidance and talent development opportunities. In a world where turnover among senior managers is common, our merit-based approach ensures that dedicated individuals flourish, rising through the ranks by unleashing their complete range of capabilities. We empower our employees with access to top management and cultivate an environment conducive to creative and constructive discourse, where ideas triumph over ego, all in the best interest of the institution.

## Corporate Social Responsibility (CSR)

Embedded within the core values of our institution lies a dedication to impactful social initiatives within the Housing and construction ecosystem, with a special focus on empowering girls, women, police personnel, and marginalised individuals with special abilities. At the heart of our mission are programs like 'Khushiyan Ka Angan' and 'Hunar Se Parichay', designed to uplift communities.

Through 'Khushiyan Ka Angan', we've had the privilege of touching the lives of nearly a hundred young girls, igniting the flame of knowledge and opportunity.

Acknowledging the fundamental right to safe drinking water, we've installed over 500 RO (Reverse Osmosis) systems across various police stations, benefiting more than 2,500 police officials and countless visitors.

Furthermore, our dedication to resuscitating marginalised individuals is evident through tailored skill development programs. To date, we've trained 110 individuals to manufacture certified motorcycle helmets, enhancing their livelihood opportunities while contributing to road safety. Our efforts have resulted in the distribution of 3,200+ motorcycle helmets and 1000+ high-range torches to police personnel, a testament to our commitment to public welfare and safety.

Grihum's initiatives thus transcend mere numbers, weaving a tapestry of impact that touches the lives of nearly 25,000 individuals.

## External Validations and Accreditations

In this historic year, Grihum received notable ratings from CRISIL. Our short-term debt instruments were rated 'CRISIL A1+', while the long-term debt instruments received a 'CRISIL AA-/Stable'. It is one of the best credit ratings amongst PE-backed Affordable Housing Finance Companies, validating the strength of our robust business model and efficient liability management.

## Looking Ahead

As we navigate the dynamic landscape of the housing finance sector, Grihum remains steadfast in its commitment to excellence and innovation. We will strive to improve productivity at the employee and branch levels with a roadmap of achieving Opex to AUM of ~3.5% on a sustained basis. This will lead to improved profitability supported by consistent growth in AUM. Our cherished goal is to impact at least a million lives and we have reached 1/3rd of this journey. With our bold 'Go Direct, Go Home Loan' approach, along with a keen focus on digitalisation and customer-centricity, we are poised to capitalise on emerging opportunities and shape a sustainable upward trajectory that transcends boundaries.

In conclusion, we extend deep gratitude to our esteemed leadership team, all Grihumanites, and their families for their unwavering dedication in advancing India's economic growth through our service to the SMIs. This achievement wouldn't have been possible without their steadfast support. Sincere appreciation is extended to our shareholders, banks and financial institutions, rating agencies, business partners, and all stakeholders for their invaluable partnership and guidance. A special acknowledgment is reserved for our customers, the hardworking sons and daughters of 'Rising Bharat', for entrusting us with the realisation of their homeownership dreams.

With Humility, Trust, and Togetherness – the bedrock of Grihum's values – we continue with steady momentum on our long-term journey of making a deeply positive impact in the lives of SMIs through committed endeavours.

**Manish Jaiswal**

Managing Director and Chief Executive Officer



Nearly 85% of Grihum's customers are women (including applicants and co-applicants), which illustrates our gender equal policy and ensures that women have a voice in domestic cash flows.

**Manish Jaiswal**

Managing Director and Chief Executive Officer



## CFO's Message



Over the years, Grihum has built a remarkably efficient liability franchise by consistently securing fresh borrowings at competitive terms. Even amid the backdrop of increasing interest rates, Grihum has maintained its borrowing cost at 8.1% during the fiscal year 2023-24.



**Pankaj Rathi**  
Chief Financial Officer

### Dear Shareholders,

#### Overview

Reflecting on the past year, it was characterised by boundless excitement and an impressive array of achievements. Successful completion of acquisition transaction by TPG, and then the seamless brand transition to Grihum Housing Finance tops the list. TPG, a renowned Private Equity Firm globally recognised for its commitment to growth, change, and innovation, now holds a controlling stake of 98.9% in Grihum. This strategic investment signifies an unprecedented milestone in the affordable housing finance segment, catapulting Grihum into a new era filled with opportunities and possibilities. With this transformative move, Grihum has become an autonomous entity, with complete authority over its operations and decision-making processes. The infusion of approximately ₹ 1,038 crores as primary equity by TPG stands as a testament to their belief in our potential for growth. It has bolstered the Company's equity base to ₹ 2,390 crores, elevating its Capital Adequacy ratio to 47.3% and reducing the leverage ratio to 2.4 times, thus creating substantial room for further expansion.

#### Business Growth

In the fiscal year 2023-24, Grihum has witnessed the highest ever disbursement of ₹ 2,914 crores, delivering 32 % AUM growth over last year, closing the year with an AUM of ₹ 8,277 crores. Over the past six years, we have witnessed a fourfold increase in AUM and anticipate maintaining this momentum in the foreseeable future. Our uniqueness lies in the robust business model with strong direct sourcing capabilities to acquire superior quality assets. In our continuous endeavour to serve the underserved, we continued to expand our reach and today our branch network encompasses 210 locations across 18 States and Union Territories. Consequently, our customer base has surpassed the count

of 77,000, and we expect to cross the mark of serving 100,000 customers in the upcoming year.

#### Resource Profile

Over the years, Grihum has built a remarkably efficient liability franchise by consistently securing fresh borrowings at competitive terms. Even amid the backdrop of increasing interest rates, Grihum has maintained its borrowing cost at 8.1% during the fiscal year 2023-24. With a diversified resource profile, encompassing a balanced blend of PSU Banks, Private Banks, Foreign Banks, National Housing Bank ('NHB'), and participants from the capital markets, Grihum currently benefits from borrowings extended by over 30 leading banks and financial institutions. The Company has consistently received large sanctions from NHB over the last 3 years making it the largest lender in Grihum's debt profile. Additionally, in the preceding year, the Company tapped into the capital market and successfully raised funds from several prominent Mutual Funds. It's a testimony of the superior credit value enjoyed by the Company amongst capital market participants. Grihum's growth trajectory was further fueled by fresh sanctions received from several major public and private banks. The Company has focused on diversification not only in terms of lender base but also on the various benchmark rates linked borrowings of different tenors. Grihum strategically manages its borrowings, striking a balance between fixed and floating rate assets to effectively mitigate potential interest rate risks. The Company carries robust liquidity and a well-matched ALM in line with its assets profile.

In the previous year, Grihum obtained credit ratings from one of the premier credit rating agencies CRISIL. Our long-term debt instruments were assigned a rating of 'CRISIL AA-/Stable,' while our short-term instruments were rated highest at A1+. These ratings are

particularly noteworthy as they position Grihum as having the best credit ratings amongst Private Equity-backed Affordable Housing Finance Companies (AHFCs). Such recognition underscores our commitment to financial strength and stability, further bolstering confidence among our stakeholders

#### Asset Quality

The Company's steadfast commitment to portfolio management, risk mitigation, and efficient collections practices has consistently upheld its best-in-class asset quality. As of the end of FY 2023-24, the Company reported a Gross Non-Performing Assets (GNPA) ratio of 0.95%. With a robust Provision Coverage Ratio standing at 41.2%, the Company maintains comprehensive provisions, covering 0.9% of its loan book as of March 31, 2024. This demonstrates the Company's proactive approach to managing risk and ensuring the health of its asset portfolio.

#### Strategic Initiatives

During the fiscal year 2024, Grihum achieved a significant milestone by securing a Corporate Agency License from the Insurance Regulatory and Development Authority of India (IRDAI). This empowers Grihum to offer insurance products to its customers, providing coverage for their homes and lives against unforeseen events. This initiative underscores Grihum's commitment to enhancing customer protection and well-being.

Furthermore, Grihum is enthusiastic about participating in an ambitious initiative led by the National Housing Bank (NHB), in collaboration with the Reserve Bank of India (RBI), aimed at fostering the growth of the Residential Mortgage-Backed Securities (RMBS) market in India. Grihum eagerly anticipates contributing to the development and expansion of this vital segment of the financial market, which holds the potential to drive greater accessibility and affordability in housing finance.

#### Outlook

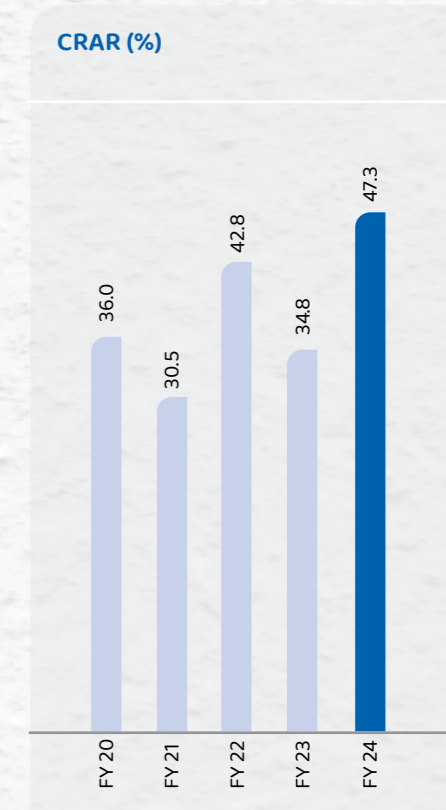
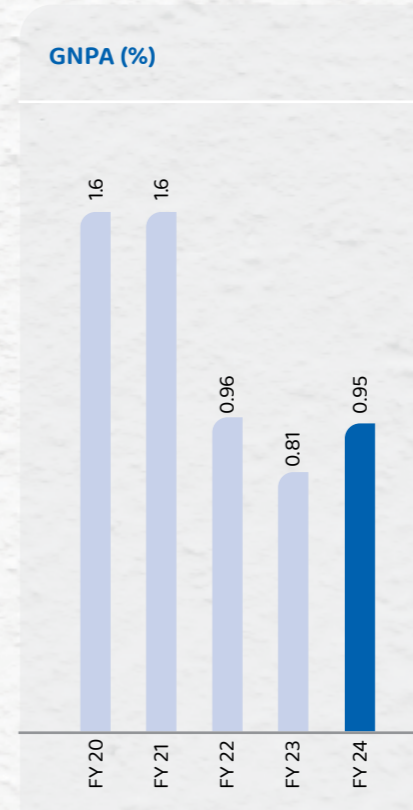
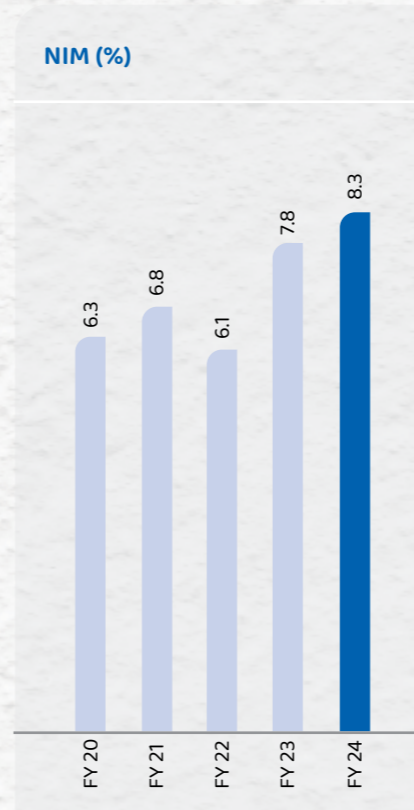
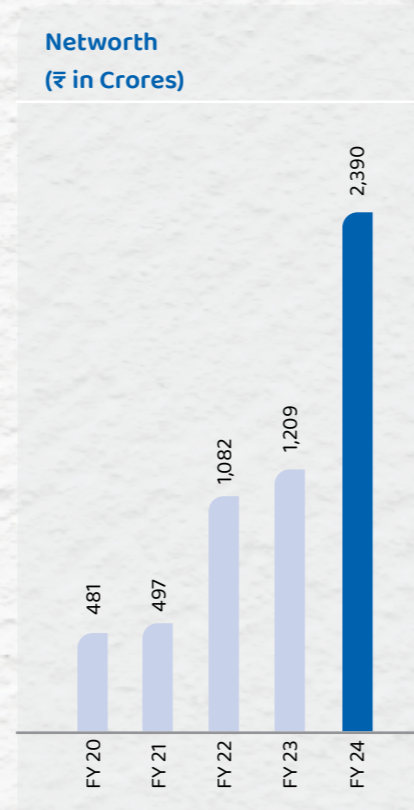
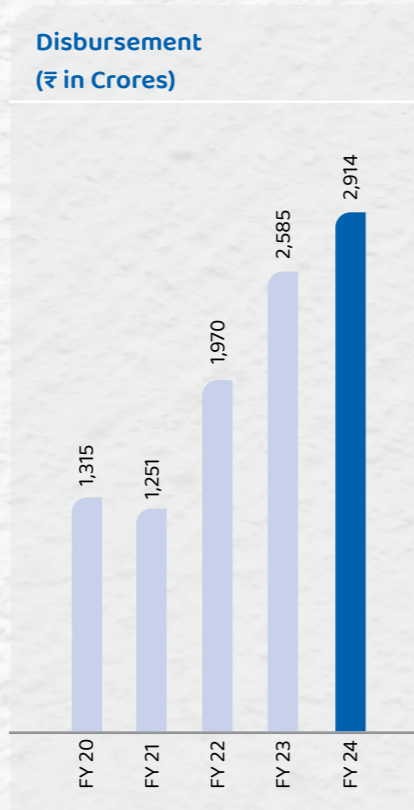
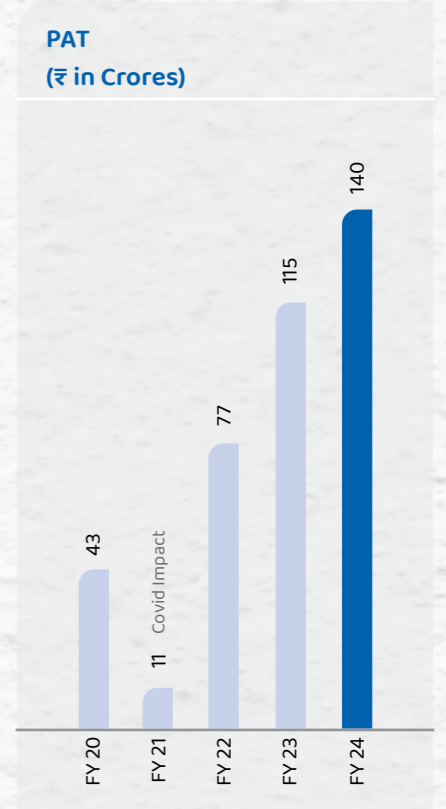
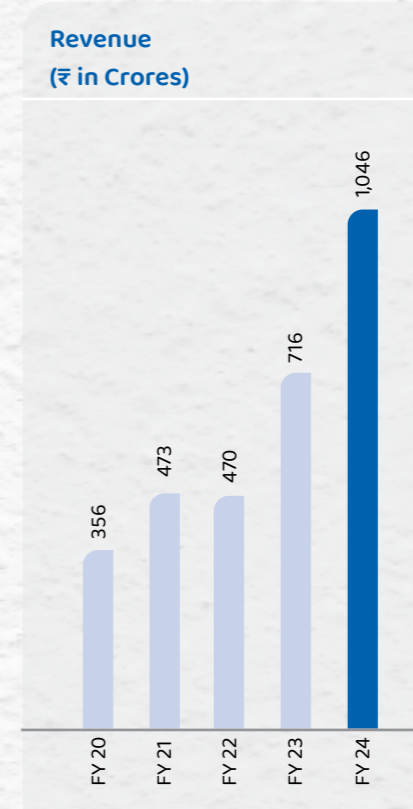
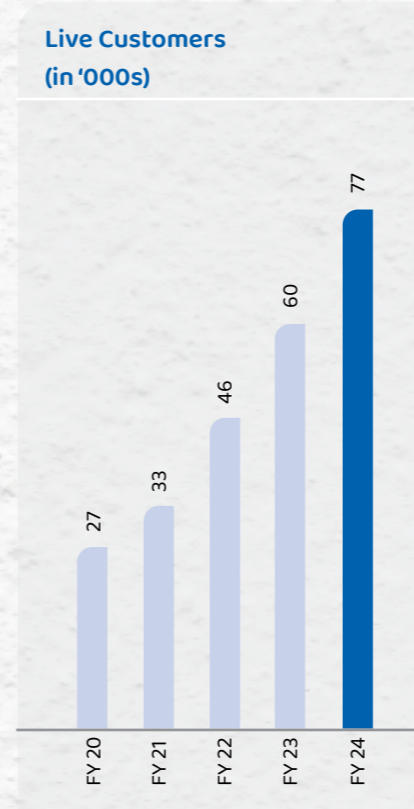
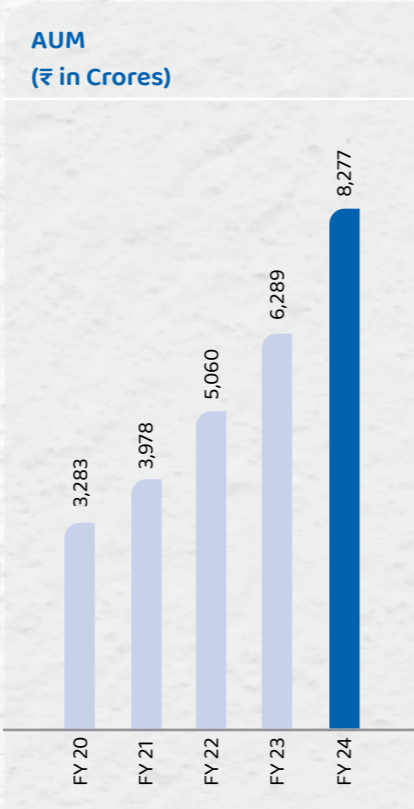
Grihum remains resolute in its mission to make a meaningful difference in the lives of individuals and communities across India. Guided by innovation, digitalisation, and social responsibility, we look forward to embracing the opportunities and challenges ahead as a united Grihum family.

We extend heartfelt gratitude to our shareholders, customers, employees, bankers and financial institutions, business partners, and notably, the regulators, whose steadfast trust and support have been instrumental in advancing Grihum's mission of ensuring "Dignity of Living".

**Pankaj Rathi**  
Chief Financial Officer

# Financial Highlights

At Grihum, we judiciously deploy financial resources to fuel organisational growth, secure optimum returns for stakeholders and retain the strength of our balance sheet to fuel our growth ambitions. Recognising responsible financial stewardship, we maintain cordial relationships with stakeholders at various levels. It serves as the foundation upon which we build our operations, make strategic investments and expand our branch network.



# Our Operating Context

## Creating an opportune landscape for home ownership

Multiple factors are revving up the growth of Affordable Housing in India. There is massive rurbanisation in the semi-urban hinterland, and most Indians in non-metros prefer to stay in self-constructed standalone homes.

The country's road infrastructure is growing at ~30km per day, leading to better last-mile connectivity. The narrowing EMI: Rental ratio is further motivation for people to choose home purchase over renting. In addition, there is a growing need for more per capita square feet space, given the increasing number of nuclear families as well as hybrid or Work From Home (WFH) models.

A strong demographic dividend in semi-urban, peri-urban and rural markets have driven our growth and will continue to do so. The country is on track to becoming the world's third largest economy, and the government is passionately invested in its mission of 'Housing for all'. Add a burgeoning middle class and improved GDP per capita, and a young, aspirational population with an average age of ~28 years, and it becomes evident that the demand for affordable housing solutions will continue to rise.

### Factors driving the growth of Affordable Housing in Real India

- ▶ Massive rurbanisation in the semi-urban hinterland.
- ▶ Preference for self-constructed homes.
- ▶ Improved roads and last-mile connectivity.
- ▶ Growing middle-class and higher GDP per capita.
- ▶ Government thrust on 'Housing for All'.



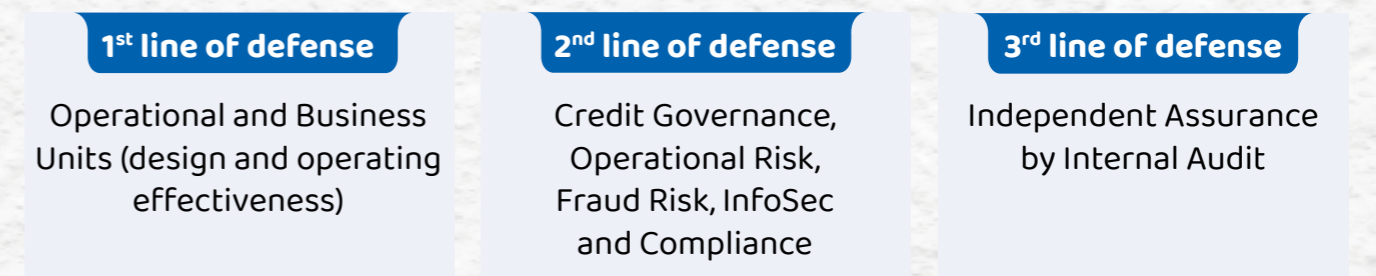
<https://pib.gov.in/Pressreleaseshare.aspx?PRID=1850679>

# Risk Management

## Robust Risk Management Framework



### Independent Risk Management Unit



Components of Risk Management	Overarching principles and execution
Risk Governance	Risk Appetite Statements set the guardrails Quarterly Committee meetings to assess enterprise risk profile Well defined risk policies and standards
Operating controls & compliance	Comprehensive Risk library. Regular monitoring of Key Risk Indicators. Timely reporting of Operational Risk (OR) incidents and frauds. Internal Financial Controls (IFC) standards as mandated by Companies Act
Credit underwriting strategies	Decisioning platforms based on segmental behavior and risk based pricing Automated Credit Rule Engine with connectivity to bureau and fraud systems
Analytics driven portfolio management	Statistically derived Early Warning Indicators (EWI) and Continuous Portfolio Monitoring Indicators (CPMI) Robust Probability of default (PD) & Loss given default (LGD) models guide consistently accurate loss forecasting
Capital & Liquidity Management	Proactive management of ALM mismatch in each time bucket Prudent capital and liquidity buffers for stress resilience

At Grihum, our risk management philosophy prioritises growth, profitability, and liquidity. To support this philosophy, we are enhancing our system capabilities, providing comprehensive training, and assembling a skilled workforce to drive growth, while safeguarding liquidity and maintaining loan book quality.

By promptly identifying key risks, we evaluate the effectiveness of existing mitigation measures and take appropriate actions to minimise or eliminate those risks. Our objective is to proactively manage risks, ensuring the smooth functioning of the business and protecting the interests of stakeholders. We have a robust risk governance framework with a Risk Management

Committee overseeing risk management and policy alignment with overall growth. The Board, through sub-committees and quarterly meetings, actively monitors risks and mitigation strategies. This framework is further supported by risk appetite statements, well-defined policies, a risk library, key risk indicator monitoring and timely reporting of operational risks and fraud.

The Audit Committee ensures the management oversees compliance with the risk management policies and procedures. It also reviews the adequacy of the risk management framework with respect to the risks faced by the Company from time to time.

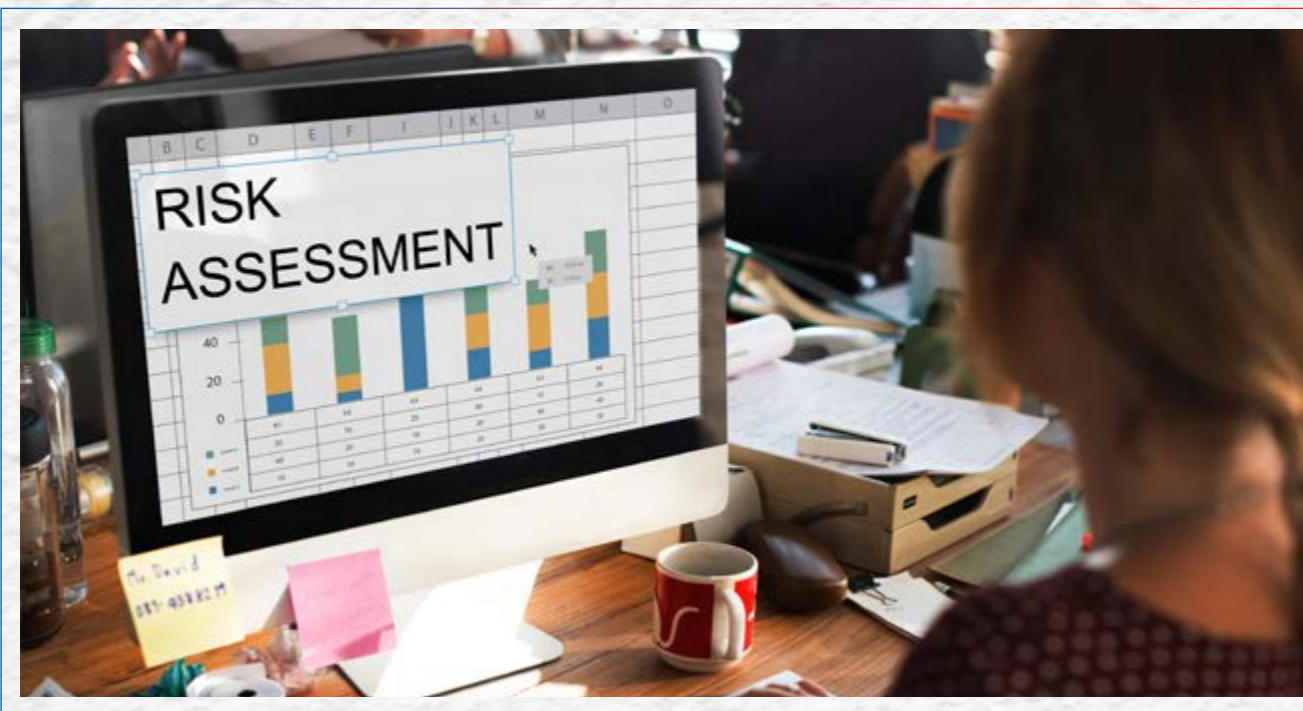
### Internal Capital Adequacy Assessment Process (ICAAP)

As per the RBI notification, Housing Finance Companies (HFCs) are categorised as Middle Layer and accordingly, HFCs are required to have an internal assessment of the need for capital, commensurate with the risks in their business. Accordingly, we have designed this ICAAP Policy and assessed applicable risk in ICAAP, as per internal methodology, which is proportionate to the scale and complexity.

### Stress testing

Stress testing is recognised as a key risk management tool by the Board, senior management and the Risk and Finance functions of Grihum. It is fully embedded in our planning process as a key activity in medium-term planning, and senior management is actively involved in stress testing activities via the governance process.

During the year, we initiated stress tests covering severe but plausible adverse scenarios. The stress test policy document lists stress test shocks, frequency of stress test, tolerance, tentative mitigation plan and reporting framework for Credit Risk, Credit Concentration Risk, Liquidity Risk and Interest Rate Risk.



## Risk mitigation



### Credit Risk

#### Description

The possibility of losses with a decrease in the credit quality of borrowers or counterparties. In a credit portfolio, losses stem from outright default due to the inability or unwillingness of a customer or counterparty to meet commitments in relation to lending, trading, settlement and other financial transactions.

#### Mitigation

We have a board-approved Credit Policy in place which is prepared post considering inputs from Senior Management. This policy entails a set of credit procedures and guidelines for effective credit risk management and to ensure a healthy portfolio.

The Credit Committee reviews adherence to the policy and the credit portfolio performance metrics every quarter. This is presented to the Audit Committee of the Board and their inputs are also taken on record.

The credit policy is reviewed annually and amended periodically to ensure compliance with the guidelines of RBI, NHB, and audit committee inputs.



### Market Risk

#### Description

Risk of loss arising from movements in market prices or rates away from the rates or prices set out in a transaction or agreement. Considering the nature and scope of business, our primary objective of investments is liquidity management.

#### Mitigation

The investment process is guided by a detailed investment policy. Investments of temporary surplus funds are done as per the policy principle which provides for strict controls in terms of tenure, product, rating, limits and authorisation.

Regular assessment of all investments along with underlying portfolios is carried out and the investments are reported to ALCO every quarter.



### Operational Risk

#### Description

Risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

#### Mitigation

The Board approved Operational risk management policy enlists the processes and controls for monitoring people, systems and processes at various points in time

We have a comprehensive system of internal controls, systems and procedures to monitor transactions, employee rotations, contingency planning, insurance cover, document storage and retrieval arrangements as well as maintenance of backup procedures to minimise operational risk

Reports of the internal auditors as well as the action taken on the matters reported upon are discussed and reviewed in the Audit Committee meetings



### Liquidity & Interest Rate Risk

#### Description

Liquidity risk is the inability of a financial institute to meet its obligations as they become due, without adversely affecting the financial condition.

Interest Rate Risk in Banking Book (IRRBB) refers to the current or prospective risk to a Financial institution's capital and earnings arising from adverse movements in interest rates that affect its book positions.

#### Mitigation

We have adopted the stock approach to measure liquidity buffers along with quarterly reporting of critical ratios.

Periodic Monitoring of LCR.

# Digital-Transformation

## Driving change through digital adoption

At Grihum, we use state-of-the-art digital solutions to ensure seamless operations and enhance efficiency across all verticals. It enables us to deploy advanced applications that protect sensitive information and help to preserve the integrity of customer data.



### IT Infrastructure Hardware

State-of-the-art 'Cloud Infrastructure' to host information systems, business applications, supporting tools and other in-scope systems; Provided by pioneer Cloud Service Providers like Amazon Web Services, Microsoft Azure Cloud Services and Oracle Cloud Infrastructure Services.



### IT Infrastructure Software

All core business applications are Cloud SaaS [Software as a Service] based, ensuring timely business process operations. Applications include FinnOne Loan Management System, FinnOne Customer Acquisition System, Lead Squared Lead Management System, Oracle Fusion Enterprise Resource Planning (ERP) System, Collect Flow Collection Management System. Variety of other applications such as Microsoft Office 365 Suites used for better business collaboration.



### IT Infrastructure Networking

State-of-the-art 'Cloud Infrastructure' to host information systems, business applications, supporting tools and other in-scope systems; Provided by pioneer Cloud Service Providers like Amazon Web Services, Microsoft Azure Cloud Services and Oracle Cloud Infrastructure Services.

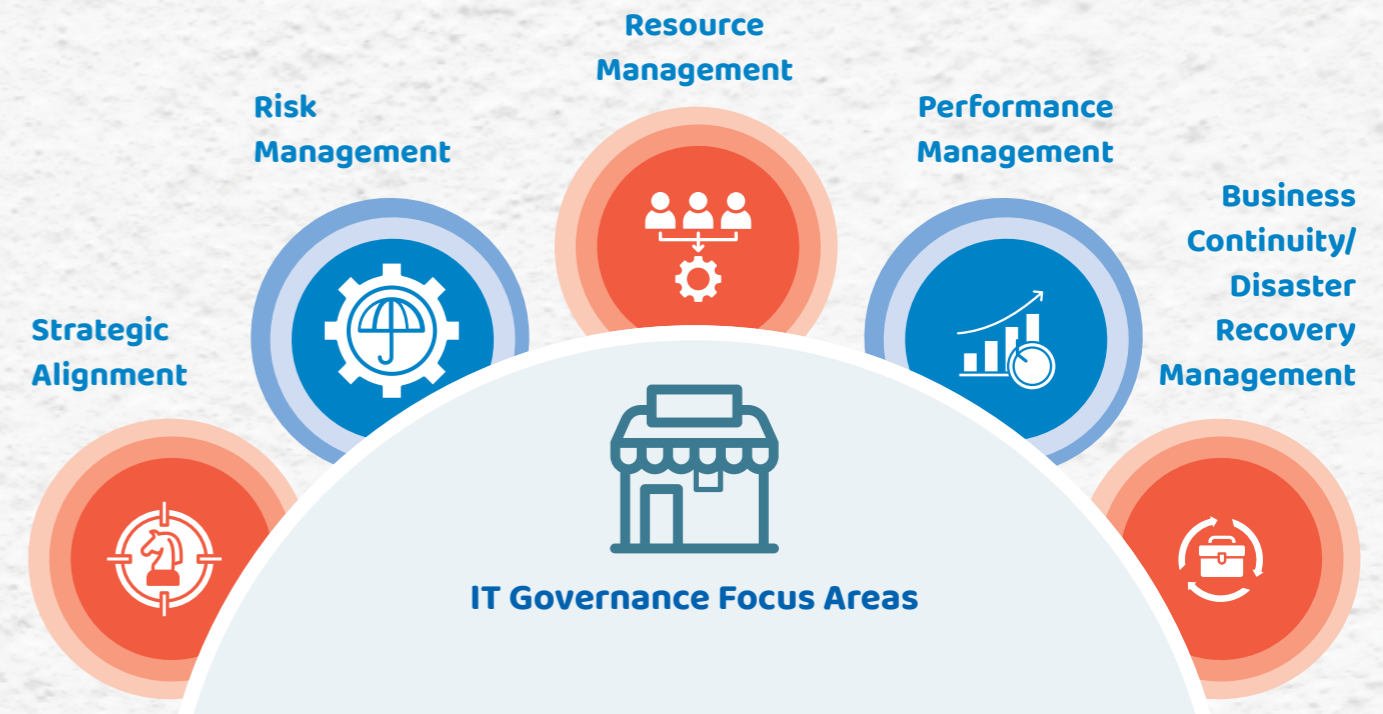


### Data Storage Systems

Secure data storage facility as per RBI regulatory requirements. Usage of cloud-based applications and services to store-in-scope data. Applications like Omnidocs and Posidex used for storing customer data.

### IT Governance and Compliance

We ensured compliance with the RBI Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices while aligning to industry best practices and global frameworks.



### Digital transformation

We are implementing new digital platforms, online loan application processes and mobile banking solutions to improve customer experience and streamline our operations.

### Data Analytics and Business Intelligence

We continue to utilise data-driven insights to gauge customer behaviour and develop solutions that are designed to improve customer experience.

Microsoft Azure Data Factory (ADF) serves as the backbone of the data integration process, seamlessly fetching data from various systems including LOS (Loan Origination System), LMS (Loan Management System) and Collection systems. The data is then transformed and loaded into the centralised data warehouse, Microsoft Synapse, where it undergoes further processing to ensure its utility and accuracy.

The data is accessible to different teams via business intelligence tools such as Qlikview and PowerBI. These platforms enable different functions within our

organisation to access meaningful information through customisable data cuts and interactive visualisations.

The risk function, in particular, relies on data-driven decision-making processes to improve the credit policy. By leveraging advanced analytics techniques, the performance of loan portfolios can be monitored and evaluated. It also helps in the identification of emerging risks and opportunities. This proactive approach enables swift adaptation to changing market conditions while maintaining a robust risk management framework.



## Cybersecurity Measures

We have undertaken several measures to protect sensitive customer data and combat cyber threats. To fulfil this objective, we have made prudent investments in cybersecurity, improved employee training to create awareness about cybersecurity and developed programmes to ensure regulatory compliance.

### Security Tools and Technologies



**Network & Perimeter Security:** Network communication is protected by Next Generation Firewalls with additional protection of 'Network Intrusion Prevention System' and 'Distributed Denial of Service Protection'.



**Data Security:** Data Loss Prevention (DLP) Tool deployed to ensure that outgoing data is monitored. Information Rights Management Tool deployed to ensure that all the PII Data and other confidential data shared is encrypted and only access-authorized.



**Endpoint Security:** Laptops, Desktops, Servers and Mobile Devices, are protected by multi-layer security tools which include Anti Malware & Ransomware Protection, Data Encryption Solution, and Endpoint Proxy Solution.



**Security Operations Center:** 24\*7 proactive monitoring ensures all security alerts and threats are met with prompt action.



**Brand & Dark Web Monitoring:** The brand name 'Grihum' is monitored over many entities on the worldwide network.



**Employee Awareness Programs:** Mandatory security awareness training for all employees. Information Security Awareness fliers are shared with employees and a Phishing Simulation Activity is conducted.

### Regulatory Compliance



Industry best practices and global standards are followed and are compliant with RBI IT and Security Master Directions.

#### Technology Partnerships and Collaborations

Strategic partnerships and collaborations with technology vendors, fintech firms and credit bureaus have been instrumental in accurate credit underwriting as well as operational efficiency through innovative solutions. We have developed refined risk assessment models by leveraging

advanced analytics and data-driven insights.

Strategic partnerships also help us to access comprehensive credit data and predictive analytics enable us to evaluate borrowers' creditworthiness with greater precision and efficiency. One of the key innovations facilitated by this collaborative approach is the

implementation of Automated HLA (Home Loan Agreement). It streamlines the process of generating loan agreements, thereby reducing manual effort and errors. Besides, with the help of our technology partners we have implemented the use of Aadhaar-based biometric e-signatures and offered paperless signing experiences to our customers.

## Future technology roadmap

Through the seamless integration of innovative technologies and the implementation of a low-code development platform, we aim to streamline operations, enhance customer experience and improve efficiency across the organisation.



#### Key initiatives encompass

<b>Unified Digital Platform</b>	Single-system environment comprising CRM, Lead Management, LOS (Loan Origination System), Customer Portal, Employee Portal, and Partner Portal, to enable holistic management and collaboration.
<b>Online Loan Application Processes</b>	Through intuitive online loan application processes, customers can conveniently apply for loans, submit documents and track their applications in real time.
<b>Customer App</b>	Mobile app provides customers access to essential services, such as loan status updates.
<b>Super App (Mobile App) for Employees</b>	From the moment of onboarding customers, this app will facilitate real-time communication, task management and access to critical information.
<b>Business Rule Engine (BRE)</b>	The Tech Business Rule Engine automates the credit policy and deviation approval process with a delegation matrix. It analyses loan applications against predefined rules, automatically flagging deviations and routing them for review. Additionally, the BRE tracks pending documents also.
<b>AI/ML Capabilities</b>	By incorporating AI/ML capabilities into the digital ecosystem, decision-making processes will be quicker. Predictive analytics will enable proactive risk assessment and targeted marketing strategies.
<b>Deduplication</b>	Leveraging advanced deduplication algorithm, we ensure data accuracy, eliminate redundancies and maintain a single source for retrieving customer information.

## Customers

# Redefining customer experiences

At Grihum, we are determined to build lasting relationships with our valued customers. Along with offering convenient services and tailored solutions, we remain committed to supporting the customer through every step of their home ownership journey.

We have outlined specific operational initiatives to enhance the customer journey. These include streamlining the loan application processes, improving online portals for customer convenience and implementing robust grievance redressal mechanisms to ensure timely resolution of customer queries and concerns.

Additionally, we plan to move to a paperless stamping process, adopt digital file login and tracking systems, centralise access to digital documents and set up an in-house call centre.

### Customer service

As a customer-centric organisation, we remain committed to exceeding expectations and fostering long-term relationships. To achieve this, we are implementing a comprehensive strategy that prioritises customer convenience. Along with the development of a call centre for offering continuous customer support, we have developed a robust CRM system for efficient communication. We are also developing financial literacy programmes to empower our customers.

We aim to implement a streamlined grievance redressal system. By actively collecting and analysing Net Promoter Score (NPS) feedback, we strive to continuously improve our value proposition.

## 77,000+

Customers

### Key initiatives for facilitating better customer experiences

- ▶ **Discontinuation of SPDC Collection Process:**  
Customers are no longer required to submit security cheques to the company for loans sanctioned up to ₹ 10 lakhs.
- ▶ **Biometric Signing:**  
Introduction of convenient biometric signing facility, allowing customers to electronically sign loan documents using thumb-based authentication.
- ▶ **WhatsApp Notification:**  
Customers will now receive a WhatsApp notification containing a link to sign loan documents electronically. Additionally, they will receive a copy of the executed document on WhatsApp for their records.
- ▶ **NeSL Based Stamping and signing:**  
Customers will be able to execute paperless stamping and signing of loan documents from anywhere.
- ▶ **Virtual Account Number:**  
All types of customer payments will be realised in real-time, and statements of account (SOA) will be updated accordingly on a real-time basis.
- ▶ **NACH registration:**  
Customers can now take advantage of a digital, integrated, and assisted NACH registration process, streamlining the journey for setting up electronic payments
- ▶ **Digital Communication:**  
To enhance customer experience, we will ensure hassle-free notifications are sent to their registered mobile numbers and email addresses, keeping them informed at all times.

### Jo Jimmedari Nibhate hai, woh apni pehchan khud banate hai



**Rutuja Laxmikant Kulkarni**  
FMCG Distributor

"Grihum came into our lives like a godsend. Thanks to their empathetic approach and guidance, we have a roof above our heads. But there was a time when this basic requirement for a dignified life seemed beyond us. Several banks, including national ones, rejected us as our income was low on documents. Any rejection hurts, and one based on financial profile hurts even more. Your confidence and self-esteem take a hammering. But then we found Grihum. They had the humanity to look beyond our bank balance and assets. They saw our spirit and integrity. Right from documentation to disbursal, they walked hand in hand with us and helped make our dream home a reality."



**Ravindra Dattatray Gaikwad**  
Bus Conductor

I have been working as a bus conductor with Pune Mahanagar Parivahan Mahamandal Limited for nearly 28 years. As the members of the family increased, the need for a spacious home was evident. Building a home was a dream. As we are based out of a gram panchayat locality, this dream seemed out of reach for us since we were facing the challenges of securing a loan. But then we found Grihum Housing Finance, and they embraced us like family. Their support has brought immeasurable joy and renewed hope to our household. Thank you team Grihum for making our dream a reality. You have our heartfelt blessings.



**Lakhoji Sunil Jamdade**  
Salon Owner

No one thought that I would get a loan at 23 years of age but Grihum Housing Finance understood my needs and gave me the key to my family's dream. At this young age, owning a home seemed like a distant dream, but they understood my aspirations and helped me every step of the way. Their team made the loan process smooth and accessible, even with minimal documentation. Thank you, Grihum, for empowering me to turn ambition into accomplishment.



**Ganesh Balu Koditkar**  
Autorickshaw Driver

"My family always dreamed of owning a home. But our circumstances were difficult. We had to make do with rented accommodation. Many home loan applications were turned down. Then someone told me about Grihum. They understood my pain and believed in me. With minimum fuss and paperwork, they gave me a loan. Now we live in our own home. That's the best feeling ever!"

# Corporate Social Responsibility

## Our quest for holistic care

At Grihum, we believe in building a better future for the communities we operate in. It empowers us to engage in initiatives that ensure access to healthcare, education and livelihood generation.

Touched  
**25,000+**

Lives

Across  
**200+**

Locations

**400+**

Employees volunteered

Supported  
**90+**

Girls

### Khushiyon Ka Angan

In rural and semi-urban India, many girls from economically disadvantaged backgrounds encounter a significant obstacle to their education: unpaid school fees. Our initiative, Khushiyon Ka Angan is dedicated to promoting educational equity by ensuring these girls have the support they need to continue their schooling. We at Grihum believe in the intrinsic value of every girl child, recognising her as the cornerstone of our collective future. Thus, we invest in building a brighter tomorrow wherein our program encourages a sense of collective responsibility, ensuring that every girl child has the opportunity to unlock her full potential.

#### A little girl's dream to fly high!

Growing up in Mumbai, Shambhavi's eyes would light up at the sight of airplanes flying overhead. It was a dream she held close to her heart, one that she pursued with undeterred determination.

With the 'Khushiyon ka Angan' programme, Shambhavi received the support she needed to pursue her dream. She has now graduated from a prestigious Aviation University as an Aircraft Maintenance Engineer and is looking forward to joining her new assignment soon.

Today, her journey serves as an example of the positive impact of social support. From dreaming to preparing for a career in the airline industry, she is a symbol of hope and inspiration for numerous others facing similar challenges.



Khushiyon Ka Angan

### Hunar Se Parichay

Hunar Se Parichay focuses on skill development, empowering marginalised individuals with disabilities, underprivileged men and women, and unemployed youth. Through this initiative we supported individuals wherein they are taught skills to manufacture motorcycle helmets (a certified design standard), which enhances their employability. Under this program, the participants manufactured 3200+ motorcycle helmets and donated the same along with 1000+ high-range torches for road safety to the Government Authorities (Police Personnel). Furthermore, under the company's apprenticeship program, over 200 Individuals were given the opportunity to learn & work in a professional environment.

Through Hunar Se Parichay, the beneficiaries gained valuable skills, which fostered a sense of self-sufficiency and enabled employability. This multifaceted approach aims to create lasting impact, uplift communities, transform lives, achieve financial independence, and lead a life with dignity.

**6,000+**

Beneficiaries



Hunar Se Parichay



Swayam

### Swayam

As part of our CSR initiative, 'Swayam', we embrace a grassroots approach to societal advancement. We encourage employees to actively contribute to impactful social welfare projects.

Access to safe and clean drinking water is a basic necessity, and recognising the importance of safe and clean drinking water, under Swayam we have distributed reverse osmosis (RO) machines in police stations, in different parts of the country.

Installed

**290+**

ROs

Through this initiative, we have also extended financial assistance to individuals affected by natural disasters such as cyclones or storms. With coordinated efforts, we have directed funds towards providing vital assistance in the form of food supply, access to clean water and other necessities.



# Human Resource

## Growing with a winning team

At Grihum, our greatest asset is the talented individuals who drive our success. This belief is woven into the very fabric of our work environment. We meticulously craft HR policies to foster a healthy, safe and inclusive space, free from discrimination and harassment. We ensure every individual feels valued, respected and empowered to flourish.

### HR insider

**The go-to source for everything people-related**

We consider people, processes, products and technology as essential elements of the business. Our goal is to create a conducive environment where these four pillars work together efficiently for the betterment of the organisation. They have a vital role in advancing the progress and achievements of our Company. Recognising this, we emphasise human resource management at every stage of our operations.

# 4,000+

Grihumanites (employees)

### Talent management

#### Propelled by technology

At Grihum, we emphasise utilising technology to optimise our HR procedures. Our on-site HRMS platform boasts a variety of internet-accessible modules, including employee life-cycle, recruitment, performance management, learning management system and a leadership dashboard that facilitates informed decision-making.

We also prioritise delivering a seamless digital experience from start to finish through our online platform, which includes everything from completing initial formalities to comprehending HR policies.

#### Hiring and onboarding experience

- ▶ We select candidates based on their experience, skills and competencies matching the job requirements and cultural values aligned with Grihum's philosophy.
- ▶ We have implemented a programme called 'Prarambh' to enhance the onboarding experience for new hires.

- ▶ We also launched the Digi-Cell, a 30-day Digital Relationship Manager training program for sales management trainees.
- ▶ Additionally, the launch of the 'Sankalp', a 60-day programme, provides structured training comprising of classroom, material and on-the-job learning for our field sales officers.

To this end, we have introduced several learning initiatives through e-learning platforms, web-based instructor-led programmes and classroom trainings. In addition, we have enhanced our onboarding programmes to offer a comprehensive and secure introduction for all new employees.

### Learning and development

In today's ever-evolving business landscape, continuous learning is crucial for both innovation and the creation of a future-ready workforce. We, therefore, prioritise employee development through a variety of programmes designed to improve skillsets and foster professional development.

# 246

Training Programmes conducted across various functions

**Throughout the year under review, we implemented several learning initiatives with an emphasis on co-creating innovative learning methods and integrating them into business processes to achieve optimal results. This helped us create an equilibrium between learning and development and the wider business outcomes.**

- ▶ Providing functional training on selling scale, credit policy, credit technical and legal, and collection methodologies to our branch employees who engage with customers regularly using various training platform and nuggets, videos and webinars.
- ▶ Providing tech training to utilise our business application 'LSQ and Finnore' by our sales and credit employees.
- ▶ Experiential learning of certain team(s) on the usage of BI tools and analytical skills to enhance their understanding of business numbers and enable them to develop more effective strategies.



### Embracing digital learning

Digital transformations continue to shape the way we live and behave. With the growing adoption of digital technology, the company has evolved with 'self-learning modules' and embraced innovative learning methods to keep our workforce engaged and empowered. This digitally accessible, self-paced environment empowers employees to take charge of their professional career & growth. environment empowers employees to take charge of their professional growth.

## Mandatory training

To ensure a safe and professional work environment, we prioritise mandatory training programmes across crucial areas. These include Prevention of sexual harassment (PoSH), safeguarding information security, data loss prevention, and adhering to Anti-Money Laundering (AML) and Know Your Customer (KYC) regulations. All employees are thus equipped with the knowledge of these policies.



## Building an engaged team

At Grihum, we encourage employee engagement and foster emotional investment through organisation-wide mental and physical health wellness programs. Some of the key initiatives we undertook during the financial year under review:

- ▶ Engaged our people through various activities such as health talk, well-being conversations with experts, sports activities, celebrating birthdays and celebrating various festivals across offices.
- ▶ Employee inclusion and engagement for the launch of the new brand name of 'Grihum'.
- ▶ Conducted sessions to listen to 'Voice of Employees' to seek ideas, suggestions, local level market pulse, quizzes and contests to encourage employee participation.
- ▶ Continued engagement and participation of employees in our different CSR activities.
- ▶ Conducting leadership interaction virtual and in-person sessions (Townhall) with the employees at branches providing a platform to share their ideas.



## Employee Testimonials



**Purab Chatterjee**  
Lead Hindsighting - Risk

Reflecting on my 10-year journey at Grihum, one factor that has anchored me here is the inspiring leadership, and one which values my principles. An unforgettable moment: Mr. Manish Jaiswal, our MD & CEO, complimenting me during a townhall for an honest question I asked. It showed top management's willingness to listen to employees. Also, the company has stood by us through ups and downs, reflecting a grounded and empathetic culture. Here's to more years and more meaningful experiences ahead!



**Pooja Joshi**  
HR Management Trainee

I've recently become a part of Grihum's HR department and got involved in projects that allowed me to push my limits and grow professionally. The collaborative work atmosphere and constant guidance from seniors have been encouraging.

The recent transition to our new brand marked a memorable moment in my journey. I truly value the wealth of learning opportunities Grihum has provided me in such a short span of time.



**Manjiri Nair**  
Credit Controllorship & Audit

At Grihum Housing Finance, I'm thrilled by our culture of innovation and collaboration, which fosters my personal growth every day. It places a strong emphasis on sustainability and social responsibility, values that resonate deeply with me. Grihum's commitment to these principles motivates me to contribute positively to our community and the environment. Moreover, I appreciate how it prioritises employee well-being by offering comprehensive wellness programmes. I'm proud to be part of a company that values innovation, collaboration, and employee welfare.



**Nilesh Jadhav**  
Lead - Central Disbursement

Grihum is like my family, my second home. The support from everyone, including the leadership, creates a positive and encouraging workplace environment. A memory that stands out is the opportunity I had to contribute to training sessions amidst pan-India participation. Such instances showcase the collaborative spirit and positive energy that defines Grihum.



**Priyanka Jagtap**  
Regional Sales Manager

At Grihum Housing Finance, I'm sincerely grateful for the commitment to women empowerment. We're encouraged to appreciate our own worth and that of our fellow women. Grihum actively supports me and every woman employee to pursue success, take risks, and embrace opportunities. Their belief in our strength fuels my determination every day. With Grihum's backing, I feel empowered to seek out mentors, collaborate, and forge my own path to success. I commend Grihum for creating an environment where women like me are valued, supported, and celebrated.



**Sanjana Gupta**  
Assistant Manager - CSR

Having a natural inclination towards social work, I transitioned into Grihum in 2023, assuming the role of Corporate Social Responsibility Manager. These past five months have been an enriching journey for me. Navigating through different departments, collaborating with colleagues, and engaging with CXOs have been integral parts of this experience. I've been fortunate to receive unwavering support every step of the way, enabling me to execute my responsibilities efficiently and stay motivated. My heartfelt appreciation goes out to my colleagues and the management for their constant encouragement and assistance.

### Culture of excellence

We believe that a motivated and engaged workforce forms the foundation of a successful organisation. We have, therefore, implemented a rewards and recognition programme to celebrate the achievements of our incredible team. Since its inception, this programme has allowed us to acknowledge the dedication and loyalty of our employees.

- ▶ We have awarded Kudos certificates to numerous deserving employees and honoured many of them with Long Service Awards.
- ▶ We promote the practice of career progression within the organisation including cross-functional movements with many important roles being filled.

**1,100+**

Kudos certificates given to selected employees

**175+**

Employees awarded Long Service Award



### Multi-pronged approach for our people

- ▶ We focus on developing strong leadership through a managerial skill development training programme
- ▶ Fostering a supportive environment with early intervention, and providing clear career paths through the ringfencing Model and internal promotion opportunities.
- ▶ Creating a culture of growth and inclusivity, ultimately leading to a more engaged and long-tenured workforce.

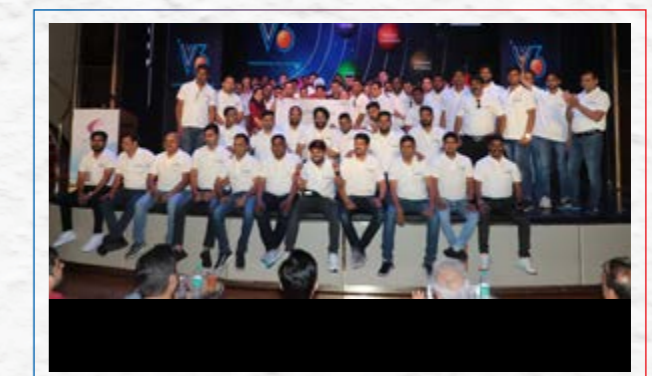
### Human rights

We uphold and maintain the dignity of all employees and have a strict policy which provides for protection against sexual harassment at work. Under this policy, we have a redressal mechanism for such complaints through the active internal complaint committee to redress any complaints received in a timely and systematic manner.

We also comply with the provisions of the Sexual Harassment of employees at workplace (Prevention, Prohibition and Redressal) Act, 2013. To raise awareness and understanding of this, an online learning module with the latest update has been implemented. Additionally, we conduct virtual sessions to bring more awareness among the employees.

### Some glimpses of the Engagement initiatives

At Grihum, we have orchestrated a series of dynamic programs throughout the year, each with distinct objectives. Our employee engagement initiatives have significantly enhanced workplace satisfaction and productivity. By nurturing open communication channels, we cultivate an atmosphere of transparency and trust. Furthermore, our innovative rewards and recognition programs uplift morale and inspire our employees to contribute their best to the workplace.



## Board of Directors



**Mr. Manish Jaiswal**  
Managing Director &  
Chief Executive Officer

Mr. Manish Jaiswal took over as Grihum Housing Finance Limited's Managing Director and Chief Executive Officer in June 2017. Mr. Jaiswal has over 30 years of business experience in Banking, Financial Services, and the Heavy Engineering Industry. Before Grihum, Mr. Jaiswal was a Senior Director at CRISIL wherein he led multiple businesses of Risk Advisory, Risk Solutions, SME Ratings, and CRISIL's eminent Research Business (Industry, Economy, Fixed Income, and Capital Market Research) in a series of stints. He led the implementation of Basel III Integrated Risk Management with most Banks and NBFCs in domestic and overseas regions with a specialisation on internal credit risk rating models. Before CRISIL, Mr. Jaiswal's expertise has been in building businesses grounds up or turning them around across institutions of eminence like Citi, Fullerton (Temasek Company), Eicher (collaboration with Mitsubishi Motors), and Dhanbank. Over the last three decades, he has made deep contributions in SME Banking and retail Assets Financing with experience of assets management over Rs 25,000 crores. Mr. Jaiswal has also been involved in various policy-making initiatives. He was also the member of the SEBI's Corporate Bonds and Securitisation Advisory Committee (CoBoSAC) for corporate bond development in the country. He has worked with the country's foremost pension fund EPFO and regulator PFRDA on investment advisory. He was a member of the Usha Thorat Committee "Revitalisation of Distressed Assets" which led to the implementation of Special Mention Assets categorisation. He has assisted in shaping the Government's Credit Guarantee program for NBFCs and in the development of the ECLGS program to revive stressed MSMEs during the pandemic. Mr. Jaiswal is a Mechanical engineer from VNIT, Nagpur, and has done his Fast Track General Management from IIM, Bangalore.



**Mr. Puneet Bhatia**  
Non-Executive Director

Mr. Puneet Bhatia is Co-Managing Partner and Country Head, India of TPG Capital Asia. Prior to joining TPG in 2002, Mr. Bhatia was the Chief Executive, Private Equity group, for GE India, and before that, a member of the Project and Corporate Finance group at ICICI Ltd and as senior research analyst at Crosby Securities. Mr. Bhatia holds a B.Com Honors degree from Shri Ram College of Commerce, Delhi, and an MBA from the Indian Institute of Management, Calcutta. He serves on the Boards of Directors of several TPG portfolio companies including Jana Capital, Manipal Hospitals, Fractal Analytics, Grihum Housing Finance, UPL Global as also as director on Havells India.



**Mr. Sanjeev Mehra**  
Non-Executive Director

Mr. Sanjeev Mehra is a Managing Director at TPG Capital Asia where he covers the Financial Services and Consumer sectors. He is based in Mumbai and has more than 10 years of investing experience. Mr. Mehra has an MBA from London Business School and an undergraduate degree in Economics from Delhi University.



**Mr. Nitin Gupta**  
Non-Executive  
Independent Director

Mr. Nitin Gupta is the founder of UNI a cobrand credit card and consumer lending company. Prior to joining UNI, he worked with Lehman Brothers, PayU India and Ola Financial Services. Mr. Gupta has experience in securitising assets like re-performing credit card receivables, reverse mortgages and structuring products and strategies across fixed income asset class. Mr. Gupta has done his MBA from Indian Institute of Management (IIM), Ahmedabad and B.Tech in Computer Science from Indian Institute of Technology (IIT), Delhi.



**Mr. Prem Manjoooran**  
Non-Executive  
Independent Director

Mr. Prem Manjoooran is a Principal and Director of Tantallon Capital Advisors and is the Chief Investment Officer of the Tantallon India Fund and the Tantallon Asia Impact Fund. Prior to joining Tantallon Capital, he spent 22 years as an equity analyst and specialist investor with The Capital Group Companies. Mr. Manjoooran has invested across Asia as a generalist, an industry specialist, and as a country specialist with a particular focus on India, Malaysia, the Asian automobile and consumer sectors, as well as banks, property companies, and conglomerates across Asia. Mr. Manjoooran graduated with a BA in Political Science from Davidson College in 1992. He is also the recipient of the C. Shaw Smith Award and is a member of the Board of Trustees of Davidson College, the 20th & 25th Reunion Committees, and the Board of Visitors.



**Ms. Richa Arora**  
Non-Executive  
Independent Director

Ms. Richa Arora has over three decades of extensive Board & CXO level experience in governance, strategy, business & cultural transformation, marketing, technology-enabled solutions, innovation across the value chain and ESG & sustainability. She is presently an Independent Director on the Board of Relaxo Footwears Limited, a Director on the board of Morphosis Venture Capital Limited incorporated at DFSI, Dubai, UAE, and a member of the governing council of Mobile Crèches, an NGO focused on early child development. She was previously Independent Director at Snapdeal Limited, First Meridian Business Services Limited, and was on the Board of Directors of "Tata NourishCo" and Tata group's e-commerce venture "Tata Unistore" (Tata Cliq). Ms. Arora was earlier with the Tata group, where as COO she led the transformation of the consumer business of Tata Chemicals. Before joining the Tata Group, Ms. Arora had set up Five by Six Consulting - a boutique strategic marketing consulting firm. She has previously worked in leadership positions in FMCG companies (Britannia & Balsara), & Strategic Planning (FCB Ulka). Ms. Arora is currently advisor, and was previously Managing Partner & CEO - ESG Stewardship Services, ECube Investment Advisors. She is a Chevening scholar from the London School of Economics, an MBA from IIM Ahmedabad and a Graduate in Economics from Shri Ram College of Commerce, Delhi University.

# Management Team



**Mr. Pankaj Rathi**  
Chief Financial Officer

Mr. Pankaj Rathi has over 15 years of extensive experience in the financial services sector, with a particular focus on Non-Banking Financial Companies (NBFCs) and Housing Finance Companies (HFCs), spanning both retail and wholesale financing domains. His expertise encompasses various areas such as M&A, business planning and strategy, treasury management, investor relations, financial reporting and taxation, financial analysis, as well as secretarial and regulatory compliance. Prior to his tenure at Grihum, Mr. Rathi served in key roles within prominent organisations. He managed the treasury function for the NBFC business of the Poonawalla Group. Earlier, he held the positions of Chief Financial Officer and Company Secretary at Xander Finance, an NBFC backed by the Xander Group headquartered in Singapore. His professional journey also includes stints at esteemed firms like JM Financial, PwC, and E&Y. Mr. Rathi is an associate member of both the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. Additionally, he holds a bachelor's degree in commerce from Mumbai University.



**Mr. Amit Kumar Khan**  
Chief Business Officer

Mr. Amit Kumar Khan brings over two decades of extensive experience in various domains including Business, Credit, Operations, Collections, Risk, Product, Strategy and Marketing. He holds an Honours Graduate degree in Commerce from St. Xavier's College, Kolkata, and is certified in "Enhancing Sales Force Performance" from IIM Ahmedabad. Mr. Khan has extensive experience in the financial sector, having worked with prominent institutions such as ICICI Bank, HDFC Bank, DCB, Magma Housing, and Clix Capital. This diverse experience has given him a deep understanding of the industry and a versatile skill set. His strategic acumen and consistent track record of delivering results have been instrumental in driving the success of various organisations.



**Mr. Rishikant Dubey**  
Chief Risk Officer

Mr. Rishikant Dubey brings close to two decades of experience in banking and financial services. He holds an MBA degree from NIBM, Pune, and is a certified Risk Manager (PRM). With expertise in credit risk management, operational risk, and asset liability management, he plays a vital role in ensuring the stability and integrity of our operations. As a highly skilled and results-driven leader, he has a proven track record in credit risk management, portfolio analysis, credit rating model development, operational risk, and asset liability management. His extensive experience includes working with banks and financial institutions, where he has successfully implemented IRB frameworks, and computed capital charges for credit risk. Before joining Grihum, Mr. Dubey held prominent leadership roles in esteemed organisations like the Bank of India, Ujjivan Small Finance Bank, and Muthoot Microfin, bringing a wealth of experience and expertise to his current position.



**Mr. Ashish Singhania**  
Head of Human Resources

Mr. Ashish Singhania is a highly qualified professional with a strong background in human resources. He is a Chartered Accountant and holds a master's degree in human resources.

With over 23 years of experience in the BFSI sector, Mr. Singhania has expertise in the fields of life insurance, general insurance, and non-banking financial companies (NBFCs). He possesses a comprehensive understanding of people strategies and HR practices across various functions to build capacity and capability of the organisation through functions like talent acquisition, talent management, compensation & benefits, HR operations, statutory compliances, and people engagement & development.

Prior to joining Grihum, Mr. Singhania served in a leadership role at ICICI Lombard general insurance. He has also held positions at HDFC Ergo General Insurance and Bajaj Allianz life insurance.



**Ms. Vaishnavi Suratwala**  
Company Secretary

Ms. Vaishnavi Suratwala has 9+ years of experience with strong credentials in the field of corporate law specialising in RBI, NBFC, SEBI and Company Law Compliances. She comes with the proven experience of handling company secretarial functions and possesses a remarkable ability to forge strong partnerships with regulators and authorities, fostering seamless operational processes. During her career journey, she has handled company secretarial role and has worked on various assignments relating amalgamation of companies, listing process, fund raising, drafting & managing many Schemes, policies & contracts and liaison with regulators & authorities. She also has expertise in the areas of compliance management, drafting policies governed by various statutes. In her last assignment she worked with the Companies like John Deere India Pvt Ltd, John Deere Financials India Pvt Ltd and Trimble Mobility Solutions India Private Limited. She is a qualified Company Secretary from ICSI and holds a master's degree in law.



**Mr. Naveen Manghani**  
Chief Compliance Officer &  
Nodal Officer

Mr. Naveen Manghani is a qualified company secretary and commerce and law graduate with over 18 years of experience, excelling in regulatory compliance, company secretarial, and corporate legal functions. With a keen eye for detail and a result-oriented approach, Mr. Manghani is adept at managing M&A activities, fundraising, policies, and contracts. He also excels in building effective liaisons with regulators and authorities to ensure smooth operations. With expertise in managing compliances, amalgamations, listings, and contract negotiations, Mr. Manghani has worked in various industries, including Housing Finance, Manufacturing, FMCG, and Retail. His most recent role was at JSW Energy Limited, where he managed company secretarial and compliance. Mr. Manghani's impressive track record includes contributions to companies like Piramal Capital & Housing Finance, Shree Renuka Sugars, Setco Automotive, V.I.P. Industries, Trent, and Marico.



**Mr. Pankaj Maduskar**  
Chief Credit Officer

Mr. Pankaj Maduskar has remarkable experience spanning over 22 years. He brings extensive expertise in underwriting, risk management, stressed portfolio management, fraud management, and process & policy design. He holds an engineering degree from the University of Pune and has further honed his skills through a post-graduation in Operations and Finance from the Welingkar Institute of Management. Before joining Grihum, he served as the National Credit Head at Edelweiss Housing Finance. He has also worked with renowned organisations such as JM Financial Home Loans, L&T Housing Finance, and ICICI Bank, showcasing his proficiency in the field of credit management.



**Mr. Siddharth Berry**  
Head of Operations

Mr. Siddharth Berry possesses expertise in effectively managing operations and delivering exceptional customer service within a diverse branch network. Over the years, he has acquired valuable experience in various segments, including Prime/Affordable, Informal, and Construction finance. His deep knowledge and skills add immense value to our company's operations. Before joining Grihum, Mr. Berry held the Head of Branch Operations position at Aditya Birla Housing Finance Ltd. Throughout his career, he has gained valuable experience working with renowned organisations such as Aditya Birla Finance Ltd. and Standard Chartered Bank.



**Mr. Varun Guliani**  
Chief Information Officer

Mr. Varun Guliani brings over 18 years of experience in the navigation of modern technology, IT strategy, and project cum change management. With a Master of Computer Applications (MCA) from the Institute of Management Technology, Ghaziabad, he possesses a strong foundation in the field. He also holds a Bachelor of Commerce (Hons) degree and a Diploma in Software Development and Engineering, complementing his technical prowess. Mr. Guliani is passionate about creating and delivering effective strategies that meet the technological needs of the organisation. His expertise extends to cloud-based technology landscape, serverless mobile apps, paperless / efficient business processes, customised core lending applications using low code technology platforms. Before joining Grihum, Mr. Guliani held key positions at prominent organisations like India Shelter Finance Corp Ltd, Hero Fincorp Ltd, Religare Finvest Ltd, and Max New York Life Insurance Ltd.

Jitender Chawla is a seasoned professional with over 20 years of comprehensive experience in the Sales and Collection domain. He holds a Master's degree in Business Administration with a specialisation in Finance & Marketing from LIMAT, NCR.

Mr. Chawla embarked on his professional journey with the group company in June 2008. Over the years, he progressed through various roles within the business function, starting as a Sales Manager and eventually ascending to the position of Regional Business Head. His journey within the group company saw him achieving four significant role elevations, a testament to his exceptional performance and leadership abilities. In February 2022, Jitender transitioned to Grihum Housing Finance Ltd, marking a new chapter in his career. His tenure at Grihum has been marked by notable achievements, including his progression to the role of National Collection Manager, where he leads the collection efforts for the 1-90 bucket Pan India. With his extensive experience and expertise, Jitender Chawla plays a pivotal role in driving collection initiatives at a national level, ensuring the efficient management of all collection buckets.



**Mr. Jitendra Chawla**

Head of Collection



**Mr. Rahul Mishra**

Head of Internal Audit

Mr. Rahul Mishra is a CA, CISA, LLB, and Commerce Postgraduate with over 12 years of diverse industry experience. Mr. Rahul has expertise in RBIA (Risk Based Internal Audits), Business Process Reengineering, Internal Financial Controls (IFC), and Agile Auditing. He has a deep understanding of business processes, risk and internal control frameworks, and enterprise risk management across sectors including manufacturing, service, housing finance, and microfinance. In his last assignment, he worked as Head of Internal Audit at Svatanttra Microfin Pvt. Limited and Svatanttra Micro Housing Finance Limited. Prior to that, he worked with esteemed organisations such as Aditya Birla Management Corporation Pvt. Ltd. and Sharp & Tannan Associates.

## Corporate Information

CIN: U65922PN2004PLC208751

### BOARD OF DIRECTORS

**Mr. Manish Jaiswal**

Managing Director & Chief Executive Officer

**Mr. Puneet Bhatia**

Non-Executive Non-Independent Director  
(w.e.f. 8 September, 2023)

**Mr. Sanjeev Mehra**

Non-Executive Non-Independent Director  
(w.e.f. 8 September, 2023)

**Mr. Prem Manjooran**

Non-Executive Independent Director  
(w.e.f. 8 September, 2023)

**Mr. Nitin Gupta**

Non-Executive Independent Director  
(w.e.f. 8 September, 2023)

**Ms. Richa Arora**

Non-Executive Independent Director  
(w.e.f. 13 March, 2024)

**Mr. Adar Poonawalla**

Chairman and Non-Executive Non-Independent Director  
(upto 26 July, 2023)

**Mr. Amar Deshpande**

Non-Executive Non-Independent Director  
(upto 26 July, 2023)

**Mr. Prabhakar Dalal**

Non-Executive Independent Director  
(upto 8 September, 2023)

**Ms. Bhama Krishnamurthy**

Non-Executive Independent Director  
(upto 8 September, 2023)

### CHIEF FINANCIAL OFFICER

**Mr. Pankaj Rathi**

### COMPANY SECRETARY

**Ms. Vaishnavi Suratwala**

(w.e.f. 20 May, 2023)

**Ms. Priti Saraogi**

(upto 5 April, 2023)

### REGISTERED & CORPORATE OFFICE

602, 6th Floor, Zero One IT Park,  
Survey No. 79/1, Ghorpadi,  
Mundhwa Road,  
Pune- 411036  
Website: <https://grihumhousing.com/>

### BANKS & FINANCIAL INSTITUTIONS

- ▶ National Housing Bank
- ▶ State Bank of India
- ▶ Bank of Baroda
- ▶ Punjab National Bank
- ▶ Canara Bank
- ▶ Union Bank of India
- ▶ Bank of India
- ▶ Indian Bank
- ▶ Bank of Maharashtra
- ▶ UCO Bank
- ▶ HDFC Bank
- ▶ ICICI Bank
- ▶ Axis Bank
- ▶ Kotak Mahindra Bank
- ▶ Yes Bank
- ▶ HSBC Bank
- ▶ IDFC First Bank
- ▶ South Indian Bank
- ▶ Karur Vysya Bank
- ▶ Karnataka Bank
- ▶ AU Small Finance Bank
- ▶ DBS Bank
- ▶ DCB Bank
- ▶ Equitas Small Finance Bank
- ▶ Shinhan Bank

### STATUTORY AUDITORS

**G. D. Apte & Co.**

Chartered Accountants  
Firm Registration No. 100515W  
GDA House, Plot No. 85, Right  
Bhusari Colony, Paud Road, Kothrud  
Pune – 411038

### SECRETARIAL AUDITOR

**M Siroya and Company**

Company Secretaries  
A-103, Samved Building (Madhukunj),  
Near Ekta Bhoomi Gardens,  
Rajendra Nagar, Borivali (E),  
Mumbai- 400 066

### REGISTRAR AND SHARE TRANSFER AGENT

**Link Intime India Private Limited**

C-101, 247 Park, L.B.S. Marg, Vikhroli  
(West), Mumbai-400083

**Niche Technologies Private Limited**

7th Floor, Room No. 7A & 7B,  
3A, Auckland Place, Kolkata – 700 017  
(Upto 31 July, 2023)

# Board's Report

Dear Shareholders,

Your Directors have pleasure in presenting the 20<sup>th</sup> (Twentieth) Annual Report along with the Audited Financial Statements of Grihum Housing Finance Limited (Formerly, Poonawalla Housing Finance Limited) ('The Company') for the financial year ended 31 March, 2024. The summarised financial results are given below.

## FINANCIAL HIGHLIGHTS

The highlights of the financial performance of the Company are given below:

Particulars	₹ In Crore	
	FY 2023-24	FY 2022-23
Total Income	1,045.65	716.05
Finance Cost	443.86	279.77
Operating Expenses	399.31	273.12
Depreciation	19.23	8.97
<b>Total Expenses</b>	<b>862.40</b>	<b>561.86</b>
Profit/(Loss) before Tax	183.25	154.19
Provision for Taxation	33.27	31.34
Deferred Tax	10.02	7.63
<b>Profit/(Loss) after Tax</b>	<b>139.96</b>	<b>115.22</b>
Balance of profits for earlier years	344.38	252.04
Profits available for appropriation	484.34	367.26
Other Comprehensive income/(loss)	(0.59)	0.17
Balance Available for Appropriation	483.75	367.43
Transfer to Statutory Reserve	27.99	23.05
<b>Balance carried forward</b>	<b>455.76</b>	<b>344.38</b>

## OVERVIEW OF COMPANY'S PERFORMANCE

The Company is a housing finance company registered with the Reserve Bank of India (RBI). The Company specialises in providing accessible financial solutions within India's semi-urban and peri-urban areas through its national scale presence in 18 States and Union Territories with 210 branches. The Company's commitment is to serve the affordable housing customer – typically a micro-entrepreneur with a monthly household income of ₹ 30,000 to ₹ 60,000, who seeks a loan of ₹ 10-12 lakhs for a 600-800 sq. ft. home – with our fundamental values of humility, trust and togetherness. The affordable housing finance franchise has been consistently built with a relentless focus on imparting "dignity of living" to the customers with focus on SMI – SC (Self-made Individuals – Self Construction). The name Grihum signifies the enterprise's commitment to assisting customers in finding their dream accommodations. It operates on the philosophy of 'Go Home Loan- Go Direct,' which emphasises prioritising transparency and simplicity while directly delivering the solutions to its customers. The tagline "Apna Ghar. Apni Pehchan." captures the Company's resonance with the customers to build a seamless journey towards homeownership.

The Company strives to accomplish the objective of financial inclusion by serving first time customers with limited / no access to formal credit. The Company is committed to contribute to government's objective of 'Housing for All'.

The Company has had a remarkable financial year with all-round performance across Business growth, Credit quality and Profitability. During the year under review, the Company has witnessed highest ever disbursement of ₹ 2,914 Crore, delivering 32% Asset Under Management (AUM) growth over last year, closing the year with an AUM of ₹ 8,277 Crore.

On resource profile, the Company further widened its lenders base during the year under review, with the addition of private and foreign banks, and enhanced its existing relationships with National Housing Bank (NHB) and Public Sector Undertaking (PSU) banks. It derived a growing proportion of funds from the NHB and entered capital markets as well. The Company continues to raise fresh borrowings at the most competitive terms and pricing thereby achieving the best-in-class average 8.1% during the year under review.

With the fresh equity infusion of ₹ 1,038 Crore by Perseus SG Pte. Ltd., (Perseus) the Promoter of the Company an entity affiliated with TPG, a leading global alternative asset management firm during the year under review. The net worth of the Company stands bolstered to ₹ 2,390 Crore. Consequently, the Company reported a significantly lower leverage ratio of 2.4 times as at the year end, providing significant headroom for its future growth. The Company carries robust liquidity and a well-matched ALM in line with its assets profile. The Company reported Capital Adequacy Ratio of 47.31% as on 31 March, 2024 which is well above the minimum regulatory threshold limit.

The strong focus on portfolio management, risk management and collections has enabled the Company to maintain best in class asset quality. The Company has reported the Gross NPA (GNPA) of 0.95% as at the end of financial year under review. The Company carries robust Provision Coverage Ratio at 41.2% and has overall provision coverage at 0.9% of loan book as on 31 March, 2024.

The Company has witnessed the highest ever Profit Before Tax (PBT) of ₹ 183.25 Crore in FY 2023-24 against ₹ 154.19 Crore in FY 2022-23.

During the year under review, upon application made by the Company, the Insurance Regulatory and Development Authority of

India (IRDAI) granted a certificate of registration to the Company to act as 'Corporate Agent (Composite)' w.e.f. 1 January, 2024 and the Company is authorised to solicit customers and serve the businesses of both life and general insurance. In view of the same, the Company has entered into corporate agency agreements with few insurance companies.

## CHANGE IN CONTROL

The Board of Directors of Poonawalla Fincorp Limited (PFL), the erstwhile Holding Company of the Company at its meeting held on 14 December, 2022 accorded its consent for the sale of controlling stake in the Company to Perseus SG Pte. Ltd. (Perseus) an entity affiliated with TPG. In view of the same, the Board of Directors of the Company at its meeting held on 14 December, 2022 took note of the said transaction and a Share Purchase Agreement (SPA) was executed amongst PFL, Perseus and the Company on 14 December, 2022, for the proposed sale of controlling stake in the Company i.e. 99.02% shareholding by PFL, subject to regulatory approvals and satisfaction of other customary conditions. Subsequently, the Company filed an application with Reserve Bank of India (RBI) seeking prior requisite approval for the transfer of shareholding of the Company, together with the acquisition of control of the Company and change of management (i.e. change in non-executive non-independent directors) pursuant to Chapter VIII - Acquisition/Transfer of Control of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (RBI HFC Master Directions). The RBI granted its approval for change in shareholding vide its letter dated 30 May, 2023 and for change in management vide its letter dated 31 August, 2023. Consequently, the divestment of entire stake i.e. 24,98,21,117 equity shares held by PFL and its nominees in the Company, in favour of Perseus, was consummated on 26 July, 2023, post receipt of approval of relevant regulatory authorities and fulfilment of other terms and conditions specified in the SPA.

As a result of the aforesaid divestment, the Company ceased to be a subsidiary of PFL and Perseus holds a controlling equity stake in the Company as the Promoter of the Company.

During the year under review, upon change of control of the Company, Mr. Adar Poonawalla, the erstwhile Chairman and Non-Executive Non-Independent Director (DIN: 00044815) and Mr. Amar Deshpande (DIN: 07425556), Non-Executive Non-Independent Director of the Company resigned from the Board of Directors of the Company with effect from 26 July, 2023. Thereafter, Mr. Prabhakar Dalal (DIN: 00544948) and Ms. Bhama Krishnamurthy (DIN: 02196839), Non-Executive Independent Directors of the Company, resigned from the Board of Directors of the Company with effect from the close of business hours on 8 September, 2023.

Further, the Company with effect from 8 September, 2023, appointed Mr. Puneet Bhatia (DIN: 00143973) and Mr. Sanjeev Mehra (DIN: 07491208), as Non-Executive Non-Independent Directors and Mr. Prem Manjoran (DIN: 10310018) and Mr. Nitin Gupta (DIN: 02404862), as Non-Executive Independent Directors on the Board of the Company. Subsequently, with effect from 13 March, 2024, the Company appointed Ms. Richa Arora (DIN: 07144694) as Non-Executive Independent Director of the Company.

## CHANGE OF NAME

During the year under review, consequent to the change in control of the Company, the name of the Company was changed from

"Poonawalla Housing Finance Limited" to "Grihum Housing Finance Limited" w.e.f. 17 November, 2023 post necessary approvals from the RBI, Ministry of Corporate Affairs (MCA) and other authorities.

## SHARE CAPITAL

### Authorised Share Capital

During the year under review, the authorised share capital of the Company was increased from ₹ 2,75,00,00,000 (Rupees Two Hundred Seventy Five Crore only) comprising of 27,50,00,000 (Twenty Seven Crore Fifty Lakhs only) equity shares of ₹ 10 (Rupees Ten) each to ₹ 7,00,00,00,000 (Rupees Seven Hundred Crore only) comprising of (a) 50,00,00,000 (Fifty Crore only) equity shares of ₹ 10 (Rupees Ten only) each aggregating to ₹ 5,00,00,00,000 (Rupees Five Hundred Crore only) and (b) 20,00,00,000 (Twenty Crore only) preference shares of ₹ 10 (Rupees Ten only) each aggregating to ₹ 2,00,00,00,000 (Rupees Two Hundred Crore only), pursuant to the approval of the shareholders of the Company.

### Issued and Paid-Up Share Capital

During the year under review, the Company allotted 3,74,84,321 equity shares of ₹ 10 each to Perseus on 7 August, 2023 for a total consideration of ₹ 537.70 Crore on a private placement basis. The Company also allotted 10,92,134 equity shares to the eligible employees under Employee/Restricted Stock Option Plans of the Company.

The Company on 28 March, 2024 allotted 3,39,62,286 equity shares of ₹ 10 each on Rights Basis to the existing shareholders of the Company in the ratio of 1:8.46. Thereafter, the Company, on 28 March, 2024 allotted 16,24,13,259 fully paid-up 0.001% Compulsory Convertible Preference Shares (CCPS) of ₹ 10 each, as bonus shares in the ratio of 1:2 to the existing equity shareholders of the Company.

In view of the above issuance and allotment of the shares, the issued, subscribed and paid-up share capital of the Company as at 31 March, 2024, stood at ₹ 4,87,23,97,830 comprising of 32,48,26,524 equity shares of ₹ 10 each and 16,24,13,259, 0.001% CCPS of ₹ 10 each as compared to ₹ 2,52,28,77,830 comprising of 25,22,87,783 equity shares of ₹ 10 each as on 31 March, 2023. All the shares of the Company are fully-paid up and are in dematerialised form as on 31 March, 2024. During the year under review, the Company has not issued any shares with differential rights or sweat equity shares.

## DIVIDEND

In view of the planned business growth of the Company, your Directors felt it prudent to retain the earnings for the Financial Year under review to be ploughed back in business, which shall result in further augmentation of the Company's growth and Shareholders' wealth. Accordingly, no dividend has been recommended for the financial year ended 31 March, 2024 on the Compulsorily Convertible Preference Shares (CCPS) and the equity shares.

## HOLDING COMPANY

Perseus SG Pte. Ltd. (Perseus) an entity affiliated with TPG is the holding company of the Company as per the details provided in this Report hereinabove.

## DETAILS OF SUBSIDIARY/ASSOCIATES/JOINT-VENTURE COMPANY

The Company has no Subsidiary/Associates/Joint-Venture Company as on 31 March, 2024.

## CHANGE IN THE NATURE OF BUSINESS

During the year under review, there was no change in the nature of the business of the Company.

## CAPITAL ADEQUACY

The Company's Capital Adequacy Ratio as at 31 March, 2024, stood at 47.31% compared to 34.83% as on 31 March, 2023, which is well above the minimum required level of 15% as per the provisions of the RBI HFC Master Directions showing strong position of the Company.

## SPECIAL RESERVE (UNDER SECTION 29C OF THE NATIONAL HOUSING BANK ACT, 1987)

The Company has transferred ₹ 27.99 Crore i.e. 20% of net profits to Statutory Reserves during the year under review as required under the provisions of Section 29C of the National Housing Bank Act, 1987 read with Section 36 (1) (viii) of Income Tax Act, 1961.

## EMPLOYEE STOCK OPTION SCHEME

The Company has formulated and implemented Employee Stock Option Plan 2018 (ESOP 2018) and Restricted Stock Option Plan 2018 (RSO 2018) through ESOP Trust and Employee Stock Option Plan 2021 (ESOP 2021) in accordance with the provisions of the Companies Act, 2013 (the Act). The Nomination and Remuneration Committee (NRC) of the Board of Directors of the Company, inter alia, administers all the three plans in accordance with the Act and other applicable laws.

During the year under review, the Company had made issuance and allotment of fully paid-up CCPS as stated in the foregoing paragraphs. In view of the same, the Company granted additional options aggregating to 25,54,975 options to the option holders holding vested and unvested options under ESOP 2018 and ESOP 2021 in the ratio of 1:2 (CCPS Options). Upon exercise of each equity Option, the Option Holders shall be entitled to receive 1 (One) CCPS on bonus issue basis and each such CCPS shall be convertible to one equity share of the Company as per the terms of issue of the CCPS.

The details of Options granted and outstanding as on 31 March, 2024 along with other particulars as required under Section 62 of the Act read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 are set out in Annexure 1 to this Report.

## PUBLIC DEPOSITS

Being a non-deposit taking Company, the Company has not accepted any deposits from the public as per the RBI HFC Master Directions read with Paragraph 3 (xiii) of NBFC Acceptance of Public Deposits (RBI) Directions, 2016 and relevant provisions of the Companies Act, 2013.

## RESOURCE MOBILISATION

The Company takes every effort to tap the appropriate sources of funding to minimise the weighted average cost of Borrowings. During the year under review, the Company has mobilised resources through the following sources:

### a) Refinance from National Housing Bank (NHB)

During the year under review, the Company received a fresh sanction of refinance assistance of ₹ 1,000 Crore from NHB. The Company availed entire funds of ₹ 1,000 Crore during the year under review under various refinance schemes such as for affordable housing fund and regular refinance scheme including loans for Aspirational Districts and Hilly Areas. The aggregating outstanding towards the refinance facility granted by the NHB was ₹ 1,381 Crore as on 31 March, 2024.

### b) Term Loans

The Company has borrowed fresh Secured long-term loans of ₹ 965 Crore from various banks and financial institutions during the Financial Year 2023-24. The aggregate of term loans outstanding at the end of the financial year under review stood at ₹ 3,260 Crore as against ₹ 3,257 Crore as at the end of the previous year.

### c) Non-Convertible Debentures (NCDs)

During the year under review, the Company issued 6 (Six) Series of Secured, Rated, Listed, Redeemable, NCDs on Private Placement basis aggregating to ₹ 900 Crore. The Company has an aggregate outstanding balance of ₹ 890 Crore through issue of Secured, Rated, Listed, Redeemable, NCDs on Private Placement basis as on 31 March, 2024. The NCDs of the Company continue to remain listed on BSE Limited (BSE) and the Company has paid the listing fees to BSE for the financial year 2024-25.

### d) Working Capital

During the year under review, the Company availed working capital facilities from various banks in the form of Cash Credit and Working Capital Demand Loan (WC DL) and the outstanding amount as on 31 March, 2024, was ₹ 30 Crore.

### e) Any Other Borrowing

The Company has an aggregate contractual outstanding through Securitisation Liability at ₹ 62 Crore as on 31 March, 2024.

## DISCLOSURE UNDER CHAPTER XI GUIDELINES ON PRIVATE PLACEMENT OF NON-CONVERTIBLE DEBENTURES (NCDs) OF RBI MASTER DIRECTIONS:

There has been no instance where a Non-Convertible Debenture has not been claimed by the Investors or not paid by the Company after the date on which such debentures became due for redemption.

## DETAILS OF DEBENTURE TRUSTEE

Pursuant to Regulation 53 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,

2015 (SEBI Listing Regulations), the name and contact details of the Debenture Trustees for the privately placed NCDs are given below:

Name	Catalyst Trusteeship Limited (Formerly GDA Trusteeship Ltd.)
Phone No./Fax	+91 22 4922 0555
Office Address	GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune – 411038
E-mail	ComplianceCTL-Mumbai@ctltrustee.com
Investor Grievance	grievance@ctltrustee.com
Email	
Website	www.catalysttrustee.com
Contact person	Ms. Deesha Trivedi – Vice President

## CREDIT RATING

During the year under review, the annual review of the Credit Ratings was carried out by CRISIL Limited ('CRISIL'), and CARE Ratings Limited ('CARE Ratings').

CRISIL withdrew the long-term ratings on bank facilities and secured NCDs of 'CRISIL AA+(RWN)' at the request of the Company in July, 2023. Subsequently, CRISIL assigned fresh long-term ratings for bank facilities and secured NCDs as 'CRISIL AA- (Stable)' in December, 2023. The ratings for short term debt programme was reaffirmed as 'CRISIL A1+'.

CARE Ratings revised long-term ratings on bank facilities and secured NCDs to 'CARE AA- (Stable)' and reaffirmed short term ratings to 'CARE A1+'. Further, ICRA assigned fresh ratings of 'ICRA A1+' for Company's short term debt programme. India Ratings assigned fresh ratings of 'Ind A1+' for Company's short term debt programme.

The summary of various credit ratings assigned to Company for its different debt programme is as under:

Rating Agency	Instrument/Facility	Rating
CARE	Fund Based and Non-Fund Based Bank facilities	AA- (Stable)
	Secured Redeemable Long-Term Bonds (NCDs)	AA- (Stable)
	Short Term Debt (Commercial Paper)	A1+
CRISIL	Fund Based and Non Fund Based Bank facilities	AA- (Stable)
	Secured Redeemable Long Term Bonds (NCDs)	AA- (Stable)
	Short Term Debt (Commercial Paper)	A1+
ICRA	Short Term Debt (Commercial Paper)	A1+
India Ratings	Short Term Debt (Commercial Paper)	A1+

A brief note on various credit ratings assigned by rating agencies during the financial year is provided in note no. 58 to the financial statements of the Company.

## BRANCH EXPANSION

As on 31 March, 2024, the Company operated from 210 branches. The Company has planned to further expand its footprint through offline as well as online mode by further strengthening its frontline sales team, with more local branch events and other brand building measures which will generate overall more awareness about the Company, its brand and its products.

## CENTRAL REGISTRY OF SECURITISATION ASSET RECONSTRUCTION AND SECURITY INTEREST OF INDIA (CERSAI)

The CERSAI is set up under Section 20 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act). The Company, being a registered member of CERSAI has ensured that the Security Interest has been created against all mortgage loans with-in the stipulated timeline.

## SARFAESI ACT, 2002

The SARFAESI Act has proved to be very useful recovery tool and the Company has been able to successfully initiate recovery action under the SARFAESI Act in case of defaulting borrowers. During the year under review, the Company initiated action against 1,656 defaulting borrowers under the SARFAESI Act and recovered ₹ 56.20 Crore from borrowers of non-performing accounts.

## NON-PERFORMING ASSETS AND PROVISIONS FOR CONTINGENCY

The Company recognises impairment allowances using the Expected Credit Loss (ECL) method on all the financial assets.

ECL are probability weighted estimate of credit losses. They are measured as follows:

- Financial assets that are not credit impaired – as the present value of all cash shortfalls that are possible within 12 months after the reporting date.
- Financial assets with significant increase in credit risk but not credit impaired – as the present value of all cash shortfalls that result from all possible default events over the expected life of the financial asset.
- Financial assets that are credit impaired – as the difference between the gross carrying amount and the present value of estimated cash flows.
- Undrawn loan commitments – as the present value of the difference between the contractual cash flows that are due to the Company if the commitment is drawn down and the cash flows that the Company expects to receive.

The Company carries out a provision of ₹ 66.31 Crore (Previous Year ₹ 59.28 Crore) towards impairment allowance under Expected Credit Loss model.



The amount of Gross Non-Performing Assets (GNPA as per IRACP norms) as on 31 March, 2024 is ₹ 68.02 Crore (Previous year ₹ 44.55 Crore), which is equivalent to 0.95% and (Previous year 0.81%) of the gross loan portfolio of the Company. The total cumulative provision towards GNPA as per IRACP norms as on 31 March, 2024 is ₹ 28.00 Crore (Previous year was ₹ 22.67 Crore).

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

The composition of the Board of Directors of the Company is in accordance with Section 149 of the Act, Regulation 17 of SEBI Listing Regulations, RBI HFC Master Directions and other applicable laws with an optimum combination of Executive, Non-Executive and Independent Directors.

The Board of Directors of your Company holds a pivotal role in overseeing how the management caters to the short and long-term interests of stakeholders. Your Company actively strives to maintain a Board that is effective, well-informed, and independent which oversees overall functioning, provides a strategic direction, guidance, leadership and owns the fiduciary responsibility to ensure that your Company's actions and objectives are aligned in creating long term value for its stakeholders. The profile of Directors can be found on the Company's website at <https://grihumhousing.com/about-us-board-of-directors.php>.

Your Company has six Directors as on date, consisting of three Non-Executive Independent Directors including one woman director, two Non-Executive Non-Independent Directors and one Managing Director & Chief Executive Officer of the Company as Executive Director.

During the year under review, Mr. Adar Poonawalla (DIN: 00044815), the erstwhile Chairman and Non-Executive Non-Independent Director and Mr. Amar Deshpande (DIN: 07425556), Non-Executive Non-Independent Director of the Company resigned from the Board of Directors of the Company with effect from 26 July, 2023. Thereafter, Mr. Prabhakar Dalal (DIN: 00544948) and Ms. Bhama Krishnamurthy (DIN: 02196839), Non-Executive Independent Directors of the Company, resigned from the Board of Directors of the Company with effect from the close of business hours on 8 September, 2023 due to personal commitments. The Board of Directors placed on record appreciation for the significant contribution and guidance given from time to time by Mr. Adar Poonawalla, Mr. Amar Deshpande, Mr. Prabhakar Dalal and Ms. Bhama Krishnamurthy as Directors of the Company towards the growth and success of the Company.

The Board of Directors of the Company at its meeting held on 8 September, 2023, on the recommendation of the Nomination and Remuneration Committee (NRC) and subject to approval of the Members of the Company, appointed (1) Mr. Puneet Bhatia (DIN: 00143973) and Mr. Sanjeev Mehra (DIN: 07491208) as Non-Executive Non-Independent Directors of the Company with effect from 8 September, 2023, liable to retire by rotation; and (2) Mr. Prem Manjooran (DIN: 10310018) and Mr. Nitin Gupta (DIN: 02404862) as Non-Executive Independent Directors of the Company for a period of 3 years with effect from 8 September, 2023 to 7 September, 2026 of the Company. The Members of the Company approved the said appointments at the Extra-Ordinary General Meeting (EGM) held on 3 October, 2023. Thereafter, the Board of Directors of the Company

by a resolution passed on 13 March, 2024, on the recommendation of the NRC and subject to approval of the Members of the Company, appointed Ms. Richa Arora (DIN: 07144694) as Non-Executive Independent Director of the Company for a period of 3 years with effect from 13 March, 2024 to 12 March, 2027. The said appointment was approved by the Members of the Company at the EGM held on 22 March, 2024.

Ms. Priti Saraogi resigned from the position of Company Secretary and Compliance Officer of the Company with effect from the close of business hours on 5 April, 2023. The Board has placed on record its appreciation for the assistance and guidance provided by Ms. Saraogi during her tenure as Company Secretary and Compliance Officer of the Company. The Board of Directors, on the recommendation of NRC, appointed Ms. Vaishnavi Suratwala as the Company Secretary and Compliance Officer of the Company with effect from 20 May, 2023.

In accordance with the provisions of the Companies Act, 2013, Mr. Puneet Bhatia (DIN: 00143973), Non-Executive Non-Independent Director of the Company being the longest in office among directors who are liable to retire by rotation, retires by rotation and being eligible, offers himself for re-appointment at the ensuing 20<sup>th</sup> Annual General Meeting (AGM) of the Company.

Brief resume of the Director, proposed to be re-appointed, and other details as per Secretarial Standard-2 (SS-2) on General Meetings are provided in the annexure to the Notice of the 20<sup>th</sup> AGM being sent to the Members along with the Annual Report.

## DECLARATIONS BY DIRECTORS

The Company has received declarations from independent directors of the Company that they meet the criteria of independence laid down under section 149(6) of the Act and the applicable provisions of the SEBI Listing Regulations and have complied with the Code for Independent Directors as prescribed in Schedule IV to the Act.

In terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company are registered on the Independent Directors Databank maintained by the Indian Institute of Corporate Affairs (IICA).

Based on the declarations and confirmations received in terms of the provisions of section 164 of the Companies Act, 2013, SEBI Listing regulations and the NHB/RBI Directions and any other applicable laws, none of the directors on the Board of your Company are disqualified from being appointed/ continuing as directors.

The Company has received declarations under section 184(1) of the Act read with Rule 9(1) of The Companies (Meetings of Board and its Powers) Rules, 2014 from the Directors stating their interest or concern in other companies. Your Company has also received declarations under the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.

All the Directors have confirmed that they satisfy the "fit and proper" criteria as prescribed in Chapter IX of RBI HFC Master Directions as amended from time to time and that they are not disqualified from being appointed as Directors in terms of Section 164(2) of the Act.

All the directors have confirmed that no Director holds directorship in more than 20 Indian companies, more than 10 public companies or more than 7 listed companies. Further, no Independent Director of the Company serves as an independent director in more than 7 equity listed companies or as a whole-time director / managing director in any listed entity. Necessary disclosures regarding committee positions in other public companies as on 31 March, 2024, have been made by the Directors. None of the Directors is a member of more than 10 committees or acts as chairperson of more than 5 committees (being Audit Committee and Stakeholders Relationship Committee), across all the public limited companies in which he/she is a director. In the opinion of the Board, the Independent Directors fulfill the conditions specified in the SEBI Listing Regulations and are independent of the Management. None of the Directors are related to each other.

## PERFORMANCE EVALUATION

During the year under review, the Company has carried out performance evaluation of the Board, its various committees, individual directors and respective Committees, details of which forms part of the Corporate Governance Report forming part of this Board's Report.

## BOARD MEETINGS AND COMMITTEES

Your Company holds at least four Board meetings in a year, one in each quarter, inter-alia, to review the financial results of the Company. All the decisions and urgent matters approved by way of circular resolutions are placed and noted at the subsequent Board meeting. In case of urgent matters, additional Board meetings are held in between the quarterly meetings.

During the year under review, eight (8) Board Meetings were held. The maximum gap between two Board meetings did not exceed 120 days as stipulated by law.

The Board has constituted a few committees, viz. Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee, Risk Management Committee, Asset Liability Management Committee, Information Technology Strategy Committee, Management Committee and Review Committee and all the recommendations made by the Committees of the Board were duly accepted by the Board.

The details of the Board, its composition, board committees, terms of reference of various Board Committees, number of board and committee meetings held, attendance of the directors at each meeting and other details are provided in the Corporate Governance Report forming part of this Board's Report.

## MEETING OF INDEPENDENT DIRECTORS

During the year under review, a separate meeting of the Independent Directors was held on 12 January, 2024, without the presence of non-independent directors and the members of the management as per the provisions of the Companies Act, 2013 and SEBI Listing Regulations. All the Independent Directors of the Company attended the said meeting. At this meeting, the Independent Directors inter alia:

- reviewed the performance of Non-Independent Directors and the Board of Directors as a whole;
- taking into account the views of Executive and Non-Executive Directors performance of Mr. Nitin Gupta, Chairman of the Board Meeting held on 18 October, 2023 was reviewed.
- assessed the quality, quantity and timelines of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

## FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS (IDS)

Pursuant to Regulation 25(7) of SEBI Listing Regulations read with Schedule IV to the Companies Act, 2013, the Company familiarise the Independent Directors of their role, rights and responsibilities in the Company, nature of the industry in which the Company operates, business model and operations of the Company, updates on legal and regulatory changes etc.

Through the familiarisation programme, the Company apprises the independent directors about the business model, corporate strategy, business plans and operations of the Company. The directors are also informed about the financial performance, annual budgets, internal control system, statutory compliances etc. They are also familiarised with the Company's vision, core values, ethics and corporate governance practices. At the time of the appointment of the Independent Director, a formal letter of appointment is given to them, which explains their role, responsibilities and rights in the Company.

The Brief details of the familiarisation programme of Independent Directors are available on the website of the Company at <https://grihumhousing.com/pdf/investor-governance/Familiarisation-Programme-for-Independent-Directors.pdf>

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT AND CORPORATE GOVERNANCE REPORT

Pursuant to the provisions of the SEBI Listing Regulations and RBI HFC Master Directions, 'Management Discussion and Analysis Report' forms a part of this Board's Report.

A detailed 'Corporate Governance Report' forms a part of this Board's Report pursuant to the provisions of SEBI Listing Regulations which also includes certain disclosures that are required, as per the Companies Act, 2013.

## DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(3)(c) read with 134(5) of the Companies Act 2013, and based on the information provided by the management, your Directors state that:

- that in the preparation of annual accounts for the financial year ended 31 March, 2024, the applicable accounting standards have been followed along with proper explanation relating to the material departures, if any;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a

true and fair view of the state of affairs of the Company at the end of the financial year ended 31 March, 2024 and of the profit and loss of the Company for the financial year ended 31 March, 2024;

- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud or other irregularities, if any;
- that the Directors have prepared the annual accounts on a going concern basis;
- that the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- there is a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

The Company has in place adequate internal financial controls with reference to the Financial Statements. During the year, such controls were tested and no reportable material weakness(es) in the designs or operations were observed.

## AUDITORS

### a) STATUTORY AUDITOR

M/s. G D Apte & Co., Chartered Accountants (Firm Registration No.: 100515W) are the Statutory Auditors of the Company. They were appointed, as the Statutory Auditors of the Company for a period of three years from the conclusion of the 17<sup>th</sup> Annual General Meeting (AGM) until the conclusion of the ensuing 20<sup>th</sup> AGM of the Company in compliance with Companies Act, 2013 and NHB/RBI Guidelines.

The Statutory Auditors Report on the financial statements for the financial year 2023-24 does not contain any qualifications or observations or remarks in their Report. As per Section 134(3)(f) of the Companies Act, 2013, the Board states that during the year under review, there were no adverse comments or disqualifications made by the Statutory Auditors of the Company, during the course of their audit.

Since the term of M/s. G.D. Apte & Co, as the Statutory Auditors of the Company will expire upon conclusion of the ensuing 20<sup>th</sup> AGM, the Board of Directors of the Company at its meeting held on 3 May 2024, upon recommendation of the Audit Committee and subject to approval of the Members of the Company, approved the appointment of M/s. Sharp & Tannan Associates, Chartered Accountants (Firm Registration No. 109983W), as the Statutory Auditors of the Company for a continuous period of 3 years from the conclusion of the ensuing 20<sup>th</sup> AGM till the conclusion of the 23<sup>rd</sup> AGM of the Company.

### b) SECRETARIAL AUDIT, ANNUAL SECRETARIAL COMPLIANCE AUDIT REPORT AND CORPORATE GOVERNANCE CERTIFICATE

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and

Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. M Siroya and Company (Membership No. of the Partner: FCS5682), Company Secretaries to undertake the Secretarial Audit of the Company for the Financial Year 2023-24. The Secretarial Audit Report for the Financial Year 2023-24 forms part of this Report as Annexure 2.

Pursuant to the provisions of the SEBI Listing Regulations, M/s. M Siroya and Company, Company Secretaries undertook the Annual Secretarial Compliance Audit of the Company for the Financial Year 2023-24. The Annual Secretarial Compliance Report (ASCR) will be submitted by the Company to BSE Limited and shall be available on the website of BSE Limited and on the website of the Company.

The certificate by the Secretarial Auditors of the Company confirming compliance with the conditions of Corporate Governance (CG Certificate) as stipulated in SEBI Listing Regulations forms a part of this Board's report as Annexure 3.

The Secretarial Audit Report, the ASCR and CG Certificate contain qualification with relation to additional time taken by the Company for appointment of a woman director. This was on account of elapse of substantial time to identify and appoint suitable candidate to fill the casual vacancy of woman director caused by resignation of erstwhile woman director of the Company during the financial year under review.

### c) COST AUDIT

The requirement for maintenance of cost records and requirement of cost audit prescribed under section 148(1) of the Companies Act, 2013 are not applicable to the Company.

## FRAUD REPORTING

As per the Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016, which has been made applicable to HFCs by the RBI, required fraudulent instances are reported and reviewed by the Audit Committee of the Board. During the year under review, the statutory auditors have not reported to the Audit Committee any instances of fraud under Section 143(12) of Companies Act, 2013. During the year under review, the Company has reported 9 instances of fraud committed by its borrowers with total amount involved of ₹ 1.39 Crore and in all such instances, the borrowers had colluded with few employees of the Company. All these detected/ reported frauds have been fully provided for/ written off. Further, the Company has taken appropriate action against such erring employees.

## INTERNAL CONTROL SYSTEMS

The Company has an adequate system of internal controls in place commensurate with the nature of its business and size of its operations. The details of the same are set out in the Management Discussion and Analysis Report which forms a part of this Board's Report.

### Internal Financial Control

The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls

are adequate and were operating effectively. Proper processes are in place for prevention and detection of frauds and errors and for ensuring adherence to the Company's policies.

The Company has in place adequate internal financial controls with reference to financial statements, commensurate with the size, scale and complexity of its operations. Review of the internal financial controls environment of the Company was undertaken during the year which covered testing of Entity Level Controls, Process and IT controls including review of key business processes for updating Risk Control Matrices, etc. The Risk and Control Matrices are reviewed on an annual basis and control measures are tested and documented. Moreover, the Company continuously upgrades its systems and reviews and updates policies, guidelines, manuals and authority matrix.

The internal financial control is supplemented by internal audits, regular reviews by the Management and standard policies and guidelines to ensure reliability of financial and all other records to prepare financial statements, its reporting and other data. The Audit Committee of the Board reviews internal audit reports given along with management responses. The Audit Committee also monitors the implemented suggestions. The Company has, in material respect, adequate internal financial control over financial reporting and such controls are operating effectively.

The statutory auditors of the Company have also certified the existence and operating effectiveness of the internal financial controls relating to financial reporting as of 31 March, 2024.

## ANNUAL RETURN

Pursuant to section 92(3) and 134(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, annual return for the financial year ended 31 March, 2024, is available on the website of the Company at the weblink: <https://grihumhousing.com/secretarial-disclosures.php>.

## RISK MANAGEMENT FRAMEWORK

The Board of Directors of the Company do understand that risk evaluation and risk mitigation are responsibility of the Board of Directors and they are fully committed to develop a sound system for identification and mitigation of applicable risks viz., systemic and non-systemic. In line with the Scale Based Regulations prescribed by the RBI vide notification dated 22 October, 2021, the Company has adopted Internal Capital Adequacy Assessment Process (ICAAP) Policy. Further, it has implemented an Integrated Risk Management (IRM) Policy duly approved by the Board. The Company has also adopted the ICAAP Document in compliance with the SBR read with RBI Master Circular No.: DBR.No.BP. BC.1/21.06.201/2015-16 dated 01 July, 2015 w.r.t Master Circular – Basel III Capital Regulations.

ICAAP Policy covers regulatory standards, ICAAP procedures, roles and responsibilities of various functionaries related to development and implementation of the ICAAP as well as various components of the ICAAP document. The ICAAP policy lays down an internal assessment framework on similar lines as ICAAP prescribed by the RBI for commercial banks under Pillar II of Master Circular- Basel III Capital Regulation.

### The objectives of the ICAAP Policy are:

1. To ensure management of internal capital in accordance with the RBI Directions, and overall Corporate Governance Principles.
2. To describe the process for identification, assessment, measurement, and aggregation of the risks inherent in Grihum's business and operations.
3. To ensure that the available capital is commensurate with Grihum's risk profile.
4. To ensure that there is clear assignment of roles and responsibilities for facilitating the ICAAP.

Pursuant to the Early Warning Signal Framework in HFCs dated 26 April, 2023 issued by National Housing Bank, the Company has implemented EWS framework w.e.f. 1 April, 2024. The EWS framework covers 22 Indicators for retail segment which will be tracked regularly by the Company.

Integrated Risk Management (IRM) Framework covers all risks including but not limited to Credit Risk, Operational Risk, Market & Interest Risk, Compliance Risk and Reputational Risk. The said framework facilitates identification, measurement, mitigation and reporting of risks through constant monitoring of Key Risk Indicators within the organisation. Involvement of the Senior Management team in implementation of the Integrated Risk Management framework ensures achievement of organisational objectives across all business units.

### The risk management infrastructure operates on five key principles:

1. An overarching Risk Appetite Statement that defines the shape of the portfolio, delivering predictable returns, through economic cycles, and optimising enterprise-wide risk-return and capital deployment.
2. Independent governance and risk management oversight.
3. Establishment of forward-looking Strategic Risk Assessment with pre-emptive credit and liquidity interventions, to ensure proactive early action in the event of emerging market adversity.
4. Maintenance of well-documented risk policies with performance guardrails.
5. Extensive use of risk and business analytics, and credit bureau as an integral part of credit decisioning process.

### Credit Risk

The Company adopts an independent approval process guided by Credit policies, customer selection criteria, credit acceptance criteria and other credit underwriting processes for sanctioning and booking each loan. This allows each customer to be independently assessed based on both financial and non-financial measures.

All credit and risk management policies are clearly documented and approved by the Risk Management Committee of the Board. Credit policies are reviewed periodically based on changes in macro-economic, industry/segment and credit bureau in addition to internal portfolio performance.

Credit approval and administration is managed through a judicious use of Credit Rule Engine, assessment by seasoned credit appraisal experts and an appropriate delegation of credit authority.

Portfolio quality improvement is a constant exercise. The Company uses the statistical benchmark of Early Warning Indicators and Continuous Portfolio Monitoring Indicators and basis these indicators carry out hind-sighting exercise to make appropriate intervention in the Credit Policy to further improve the portfolio quality and reduce the ultimate losses.

#### Operational Risk Management

The operational risk framework is designed to cover all functions and verticals towards identifying the key risks in the underlying processes.

The framework, at its core, has the following elements:

1. Documented Operational Risk Management Policy
2. Well defined Governance Structure
3. Use of Identification & Monitoring tools such as Loss Data Capture (LDC), Risk and Control Self-Assessment (RCSA), Key Risk Indicators (KRIs)
4. Standardised reporting templates, reporting structure and frequency
5. Regular workshops and training for enhancing awareness and risk culture

The Company has adopted the internationally accepted 3-lines of defense approach to operational risk management.

First line - Each function/vertical undergoes transaction testing to evaluate internal compliance and thereby lay down processes for further improvement. Thus, the approach is "bottom-up", ensuring acceptance of findings and faster adoption of corrective actions, if any, to ensure mitigation of perceived risks.

Second line - Independent risk management vertical supports the first line in developing risk mitigation strategies and provides oversight through regular monitoring. All key risks are presented to the Risk Management Committee on a quarterly basis.

Third line - Internal Audit conducts periodic risk-based audits of all functions and process to provide an independent assurance to the Audit Committee.

#### Fraud Risk Management

##### Overview

Fraud can undermine the effective functioning and divert scarce and valuable resources of the organisation. Moreover, fraudulent and corrupt behaviour can seriously damage reputation and diminish trust to deliver results in an accountable and transparent manner. To combat the fraud, the organisation has effective corporate governance and framework for preventing, identifying, reporting and effectively dealing with fraud and other forms of corruption. The Company is consistently putting effort to prevent, detect and contain frauds. There is an independent Unit (Fraud Risk Management) to monitor, investigative, detect and prevent frauds.

#### Scope

The Company is committed on preventing, identifying and addressing all acts of fraud against the organisation, whether committed by the staff members or other personnel or by third parties. The Company has zero tolerance for fraud. To this effect, the Company is committed to create awareness on fraud risks, implementation of controls aimed to prevent fraud, and establishing and maintaining procedures applicable to the detection of fraud.

#### Governance Structure

As a second line of defence, Fraud Risk Management monitors & checks compliance and report all fraud (internal/External) in the institution on ongoing basis. The independent function reports into the Chief Risk Officer (CRO). All frauds as specified by the regulator are being monitored by the Audit committee and Board of Directors. Regular online training sessions are conducted for better fraud prevention and awareness.

#### Market Risk

Any mismatch in tenures of borrowed and disbursed funds may result in liquidity crisis and thereby impact the Company's ability to service its loans. Thus, it is imperative that there exists nil or minimal mismatch between the tenure of borrowed funds and assets funded. The Company has well-defined treasury policies for managing liquidity, investments, interest rate and borrowings. The Company endeavors to maintain appropriate asset liability maturity with regard to its tenure and interest rates.

#### Foreign Exchange Risk

The Company does not have any foreign exchange fluctuation risk, since its disbursements are in rupee terms and the nature of its borrowings are also in domestic rupee debt or fully hedged Foreign Currency Non - Resident Account borrowings.

#### Liquidity Risk Management

The Company has worked meticulously to diversify its borrowing profile and has repeatedly enhanced the set of institutions it borrows from. Such diversified and stable funding sources emanate from several segments of lenders such as Banks, Insurance Companies, Mutual Funds, Pension Funds, Financial and other institutions including Corporates and Foreign Portfolio Investors. In addition to this, the Company has established an excellent track record in its access to the securitisation/ assignment market. As a matter of prudence and with a view to manage liquidity risk at optimum levels, the Company keeps suitable levels of unutilised bank limits to mitigate all possible contingencies effectively.

The Company has in place Board Level Asset Liability Management Committee (ALCO), which periodically reviews the asset-liability positions, cost of funds, and sensitivity of forecasted cash flows over both, short and long-term time horizons. It accordingly recommends for corrective measures to bridge the gaps, if any. The ALCO reviews the changes in the economic environment and financial markets and suggests suitable strategies for effective resource management. This results in proper planning on an on-going basis with respect to managing various financial risks viz. asset liability risk, foreign currency risk and liquidity risk.

The Company has a comfortable liquidity position by committed/ unutilised Bank line and further supported by funds raised through Term Loans and Securitisation.

#### People Risk

Human resources are the most valuable assets. The Company focuses on continuous training and upgrading skills of its staff across the organisation. The Company's L&D team has taken number of initiatives during the year by releasing knowledge nuggets and e-Learning modules which enables employees to self-learn and upgrade their skills.

The Company provides a conducive work environment to its employees that enables them to perform well and hone their skills. The policies are designed to ensure a healthy and safe workplace, free from discrimination or harassment. Human Resource are most valuable asset and the Company is committed to attract, engage and retain talent to create long-term value for our customers and stakeholders.

People risks that the Company focuses on includes following:

##### Inadequate availability of skilled manpower:

- Limited availability of candidates with appropriate skillset, experience and culture fitment.

##### Productivity Risk:

- Longer learning curve leads to low output.
- Time taken to filling of required manpower hampers installed capacity.

##### Succession planning:

- Risk to business continuity due to lack of leadership succession.

The Company is proactive in identifying and addressing risk aspects around people and addresses them in a timely and comprehensive manner.

Further, the Board of Directors are of the opinion that at present there are no material risks that may threaten the functioning of the Company.

#### REMUNERATION POLICY

The Nomination and Remuneration Committee of the Board has devised a policy for the selection and appointment of Directors, Key Managerial Personnel and other Senior Management Personnel and their remuneration. The Committee has formulated the criteria for determining qualifications, positive attributes and independence of a Director, which has been put up on the Company's website at <https://grihumhousing.com/pdf/investor-governance/Grihum-Remuneration-Policy.pdf>

#### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company being Housing Finance Company, the disclosure regarding particulars of loans given, guarantees given and security provided in the ordinary course of business is exempted under the provisions of Section 186(11) of the Companies Act 2013 (the Act). However, the details of loans, guarantees, and investments made

as required under the provisions of Section 186 of the Act and the rules made thereunder are set out in the Notes to the Financial Statements of the Company.

#### LOANS TO DIRECTORS, SENIOR OFFICERS, AND RELATIVES OF DIRECTORS

The Company has adopted a 'Policy for Loan to Directors, Relatives and Senior Officers' with the approval of its Board of Directors. The Company did not extend any loans to its directors, senior officers, relatives of directors, or entities associated with directors and their relatives as on 31 March, 2024.

#### CORPORATE SOCIAL RESPONSIBILITY (CSR)

In terms of the provisions of Section 135 of the Companies Act, 2013 and other applicable provisions read with rules made thereunder, the Company has a CSR Committee and has also adopted CSR Policy which inter-alia includes the CSR activities to be carried out by the Company.

The composition of the CSR Committee and its terms of reference are given in the Corporate Governance Report forming part of this Board's Report. The Annual Report on CSR activities forms part of this Board's report as Annexure 4.

#### MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes or commitments affecting the financial position of the Company occurred during and at the end of the financial year to which these financial statements relate on the date of this report.

#### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS/TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S OPERATIONS IN FUTURE

During the year under review there were no significant material orders passed by the Regulators / Courts / Tribunals which would impact the going concern status and operations of the Company in future.

#### REGULATORY DEVELOPMENTS AND THE COMPANY'S CONTINUED FOCUS TO ENSURE COMPLIANCE WITH THE REGULATORY AND SUPERVISORY DIRECTIONS/ GUIDELINES

The Company complies with the applicable statutory provisions including inter-alia the Companies Act, 2013 and Rules made thereunder, the Income-Tax Act, 1961, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, The Foreign Exchange Management Act, 1999, Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021, Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 and all other applicable circulars, notifications, directions and guidelines issued by RBI, NHB, SEBI, MCA, IRDAI and other authorities from time to time and all other laws as may be applicable to the Company including but not limited to those on the Principal Business Criteria, Capital

Adequacy, Income Recognition, Asset Classification, Provisioning, implementation of IndAS, Corporate Governance, Fraud Reporting, Outsourcing etc.

The Company has adopted the Fair Practice Code, which sets the principles for fair practice standards to be followed by the Company while dealing with its customers, in accordance with the regulatory requirements and has also put in a place an efficient customer grievance redressal mechanism.

There were no orders passed by any regulator/court against the Company nor any fine/penalty levied on the Company during the year under review.

The Company also places before the Board of Directors at regular intervals all relevant circulars and notifications resulting into changes in the mandatory legal/ compliance requirements, to keep the Board informed and reports on actions initiated on the same. The Company has finalised its financial statements for the year under review as per the Accounting Standards issued by Institute of Chartered Accountants of India.

During recent years, significant regulatory developments have taken place for the Housing Finance Companies (HFCs) and Non-Banking Financial Companies (NBFCs). The Reserve Bank of India (RBI) had prescribed a revised regulatory framework for the NBFCs including HFCs based on a Scale Based Regulation (SBR) approach, which has been effective from October 2022. Further, RBI vide its Circular dated 19 October, 2023 notified "Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023" for NBFCs superseding the Master Direction - Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, and the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016.

As per the SBR framework, the regulatory structure for NBFCs shall comprise of four layers based on their size, activity, and perceived riskiness. NBFCs in the lowest layer shall be known as NBFC - Base Layer (NBFC- BL). NBFCs in middle layer and upper layer shall be known as NBFC- Middle Layer (NBFC-ML) and NBFC - Upper Layer (NBFC-UL) respectively. The Top Layer is ideally expected to be empty and will be known as NBFC - Top Layer (NBFC-TL). HFCs, unless categorised in the higher layer as per the criteria prescribed by the RBI, shall be placed in the NBFC- Middle Layer at minimum.

In the SBR framework, the Company has been placed in the Middle Layer based on the prescribed criteria. Being in the Middle Layer, the Company is required to comply with the regulations on Internal Capital Adequacy Assessment Process, Regulatory Restrictions on Loans, Additional Disclosures, requirement of Compliance Policy and the Chief Compliance Officer, Guidelines on Compensation of Key Managerial Personnel and Senior Management, Implementation of 'Core Financial Services Solution' etc. The Company has complied with such applicable provisions of the Scale Based Regulation as per the respective timelines prescribed for each of such provisions.

As regards the supervisory reporting, the Company has ensured compliance with the 'Master Circular - Returns to be submitted by Housing Finance Companies prescribed by the National Housing Bank (NHB).

During the year under review, the status of the Company has changed to a High Value Debt Listed Entity (HVDLE) in terms of Regulation 15 of the SEBI Listing Regulations whereby all such entities whose outstanding value of listed non-convertible debt securities is ₹ 500 Crore and above are referred to as HVDLE and such entities are required to comply with the provisions of Regulations 16 to 27 of SEBI Listing Regulations within six months from the date of becoming HVDLE. In view of the same, the Company has implemented the necessary compliances of SEBI Listing Regulations.

#### PREVENTION OF SEXUAL HARASSMENT (POSH) OF WOMEN AT THE WORKPLACE

The Company is committed to uphold and maintain the dignity of all its employees including women employees and it has a policy which provides for protection against sexual harassment of women at workplace and redressal of such complaints through the active Internal Complaints Committee to redress any complaints received in timely and systematic manner. During the year under review, one complaint was received and disposed off under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has complied with the provisions of the said Act while dealing with the complaint. To raise awareness and understanding of this issue, an online learning module with the latest update has been implemented. Additionally, the Company has been conducting virtual sessions to bring more awareness among the employees.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

As the Company is not engaged in any manufacturing activity, the particulars relating to Conservation of energy and technology absorption as stipulated in the Companies Act, 2013 are not applicable. The Company uses information technology extensively in its operations.

During the period under review, the Company did not have any foreign exchange earnings in terms of actual inflow and the foreign exchange outgo in terms of actual outflow amounted to ₹ 1.14 Crore.

#### PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The Executive Director (Managing Director & Chief Executive Officer) is appointed based on terms approved by the Shareholders. The remuneration paid to Managing Director & Chief Executive Officer (MD & CEO) is recommended by the Nomination and Remuneration Committee (NRC) taking into account various parameters included in the Remuneration Policy of the Company and approved by the Board of Directors and Shareholders of the Company. His remuneration comprises of salary, allowances and perquisites as indicated in Form MGT 7 which is available at the website at <https://grihumhousing.com/secretarial-disclosures.php>. During the year under review, the remuneration of MD & CEO was revised after obtaining necessary approvals. The disclosures pertaining to Schedule V Part II Section II (IV) of the Companies Act, 2013 forms part of the Corporate Governance Report forming part of this Board's Report.

#### CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/ transactions entered into by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis and the same were also reviewed by the Audit Committee of the Board. During the year under review, the Company had not entered into any contract/ arrangement/ transaction with Promoters, Directors, Key Managerial Personnel or other designated persons which could be considered material in accordance with Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014. The nature of related party transactions does not require any disclosure in AOC-2. The particulars of contracts/ arrangements/ transactions entered into by the Company with related parties are mentioned separately in the notes to Financial Statement. Further, suitable disclosure as required by the Accounting Standards have been made in the Notes to the Financial Statements.

The Policy on Related Party Transactions is available on the Company's website at its weblink i.e. <https://grihumhousing.com/pdf/investor-governance/Grihum-Related-Party-Transaction-Policy.pdf>. Further, as per the RBI HFC Master Directions, the said Policy forms a part of this Report as Annexure 5.

#### HUMAN RESOURCES

The Company continuously strives to be the best in all the domains of its operations and believes that its employees are the core foundation of this vision. The HR strategy is dedicated to fostering a motivated workforce and cultivating inspirational leadership to consistently drive forward this vision.

The details of the same are set out in the Management Discussion and Analysis Report which forms a part of this Board's Report.

#### TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

The Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund.

#### INSOLVENCY AND BANKRUPTCY

During the year, there was no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

#### ONE TIME SETTLEMENT WITH BANKS AND FINANCIAL INSTITUTIONS

During the year, the Company did not make any one-time settlement with Banks or Financial Institutions.

#### For and on behalf of the Board of Directors of Grihum Housing Finance Limited

(Formerly, Poonawalla Housing Finance Limited)

**Manish Jaiswal**  
**Managing Director and Chief Executive Officer**  
 DIN: 07859441  
 Date: 3 May, 2024  
 Place: Pune

#### WHISTLE BLOWER POLICY AND VIGIL MECHANISM

The Board has, pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 framed a 'Whistle Blower Policy and Vigil Mechanism'.

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior's Policy has been framed with a view to provide a mechanism, inter alia, enabling stakeholders including Directors, individual employees of the Company and their representative bodies, to freely communicate their concerns about illegal or unethical practices and to report genuine concerns or grievances as also to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct.

The Whistle Blower Policy and Vigil Mechanism is available on the website of the Company at the link: <https://grihumhousing.com/pdf/investor-governance/Grihum-BOI-and-Whistle-Blower-Vigil-Mechanism-Policy.pdf>.

#### APPRECIATION

The Directors would like to record their appreciation of the hard work and commitment of the Company's personnel and warmly acknowledge the unstinting support and cooperation extended by Bankers and Financial Institutions, Customers, Business Associates and other Stakeholders. The Directors also take the opportunity to thank Reserve Bank of India and National Housing Bank for their continued assistance and support.

#### CAUTIONARY STATEMENT

Statements in the Board's Report and Management Discussion and Analysis Report, describing the Company's objectives, outlook, opportunities and expectations may constitute "Forward Looking Statements" within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied expectations or projections, among others. Several factors make a significant difference to the Company's operations including the government regulations, taxation and economic scenario affecting demand and supply, natural calamity and other such factors over which the Company does not have any direct control.

**Sanjeev Mehra**  
**Non-Executive Director**  
 DIN: 07491208  
 Date: 3 May, 2024  
 Place: Mumbai

## Annexure 1 to the Board's Report

Statement as of 31 March, 2024 pursuant to Section 62 of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014

### A. Details of ESOPs (Equity Shares)

Sr. No.	Description	Grihum ESOP 2018 <sup>1</sup>			Grihum RSO 2018		Grihum ESOP 2021		
		Tranche 4	Tranche 5	Tranche 6	Tranche 1	Tranche 2	Tranche 1	Tranche 2	Tranche 3
1	Number of options granted	4,90,000	2,00,000	10,00,000	29,60,000	4,00,000	60,50,000	11,80,000	40,000
2	Number of options vested	85,000	50,000	2,35,000	29,60,000	4,00,000	12,73,800	2,87,100	13,200
3	Number of options exercised	55,000	5,000	24,000	29,60,000	4,00,000	1,14,800	-	-
4	The total number of shares arising as a result of exercise of option	55,000	5,000	24,000	29,60,000	4,00,000	1,14,800	-	-
5	Options lapsed	4,05,000	1,50,000	7,65,000	NIL	NIL	19,51,250	3,10,000	-
6	The exercise price	₹ 36.66	₹ 58.39	₹ 10	₹ 10	₹ 10	₹ 71.88	₹ 71.88	-
7	Variation of terms of options	-	-	-	-	-	Vesting Criteria revised: Tranche I – 33% of the options granted will vest on the first anniversary of the Grant Date.	Vesting Criteria revised: Tranche II - 33% of the options granted will vest on the second anniversary of the Grant Date.	Vesting Criteria revised: Tranche III - 34% of the options granted will vest on the third anniversary of the Grant Date.
8	Money realised by exercise of options	20,16,300	1,83,300	14,01,360	2,96,00,000	40,00,000	81,94,320	-	-
9	Total number of options in force	30,000	45,000	2,11,000	-	-	39,83,950	8,70,000	40,000
10	(i) Key managerial personnel	-	-	-	Managing Director & Chief Executive Officer: 29,60,000 options	Managing Director & Chief Executive Officer: 4,00,000 options	Managing Director & Chief Executive Officer: 15,00,000 options. Chief Financial Officer: 6,00,000 options. Priti Saraogi <sup>2</sup> : 50,000 Options	Chief Financial Officer: 3,00,000 options	-

Sr. No.	Description	Grihum ESOP 2018 <sup>1</sup>			Grihum RSO 2018		Grihum ESOP 2021		
		Tranche 4	Tranche 5	Tranche 6	Tranche 1	Tranche 2	Tranche 1	Tranche 2	Tranche 3
(ii)	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	Details in Appendix-I			Details in Appendix-I				
(iii)	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	-	-	-	Mr. Manish Jaiswal, Managing Director & Chief Executive Officer	-	-	-	-

<sup>1</sup>Tranche 1,2,3 & 7 of Employee Stock Option Plan, 2018 have lapsed.

<sup>2</sup>Ms. Priti Saraogi, Company Secretary has resigned w.e.f. 5 April, 2023.

### APPENDIX – I

List of employees who received a grant in any one year of option amounting to 5% or more of the options granted during that year, which are live as on 31 March, 2024.

Sr. No.	Description	Grihum ESOP 2018			Grihum RSO 2018		Grihum ESOP 2021		
		Tranche 4	Tranche 5	Tranche 6	Tranche 1	Tranche 2	Tranche 1	Tranche 2	Tranche 3
1.	Sunit Mahajan	30,000	-	70,000	-	-	-	-	-
2.	Tarwinder Singh	30,000	-	50,000	-	-	-	-	-
3.	Shailendra Singh	-	10,000	-	-	-	-	-	-
4.	Chayan Gulati	-	10,000	-	-	-	-	-	-
5.	Prakash Mallick	-	10,000	-	-	-	-	-	-
6.	Lalit Gupta	-	10,000	-	-	-	-	-	-
7.	Mirza Tauseef Baig	-	10,000	-	-	-	-	-	-
8.	Dnyanesh Anil Nandurkar	25,000	-	-	-	-	-	-	-
9.	Manish Jaiswal	-	-	-	29,60,000	4,00,000	15,00,000	-	-
10.	Pankaj Rathi	-	-	-	-	-	6,00,000	3,00,000	-
11.	Rahul Mishra	-	-	-	-	-	-	-	40,000
	<b>Total</b>	<b>85,000</b>	<b>50,000</b>	<b>1,20,000</b>	<b>29,60,000</b>	<b>4,00,000</b>	<b>21,00,000</b>	<b>3,00,000</b>	<b>40,000</b>

## B. Details of ESOPs – CCPS Options

In order to expand the capital base of the Company by capitalising the reserves and surplus, the Company on 28 March, 2024 allotted 16,24,13,259, 0.001% Compulsory Convertible Preference Shares (CCPS) of ₹ 10 each, as bonus shares in the ratio of 1:2, i.e. 1 (one) CCPS for every 2 (two) Equity Shares held by the existing equity shareholders in the Company.

With a view to extend the benefit of the said bonus issue of CCPS to the option holders holding vested and unvested options under the aforesaid ESOP Plans, the Company granted additional options aggregating to 25,54,975 to the said option holders in the ratio of 1:2 (CCPS Options). Upon exercise of each Equity Option, the Option Holders shall be entitled to receive 1 (One) CCPS on bonus issue basis.

Sr. No.	Description	Grihum ESOP 2018			Grihum ESOP 2021		
		Tranche 4	Tranche 5	Tranche 6	Tranche 1	Tranche 2	Tranche 3
1.	Number of options granted	15,000	22,500	1,05,500	19,74,475	4,17,500	20,000
2.	Number of options vested	15,000	22,500	1,05,500	6,31,125	1,37,775	6,600
3.	Number of options exercised	-	-	-	-	-	-
4.	The total number of shares arising as a result of exercise of option	-	-	-	-	-	-
5.	Options lapsed	-	-	-	-	-	-
6.	The exercise price	-	-	-	-	-	-
7.	Variation of terms of options	-	-	-	-	-	-
8.	Money realised by exercise of options	-	-	-	-	-	-
9.	Total number of options in force	15,000	22,500	1,05,500	19,74,475	4,17,500	20,000
10.							
(i)	Key managerial personnel	-	-	-	Managing Director & Chief Executive Officer: 7,50,000 CCPS options. Chief Financial Officer: 3,00,000 CCPS options.	Chief Financial Officer: 1,50,000 CCPS options	-
(ii)	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	Details in Appendix-II	-	-	Details in Appendix-II		
(iii)	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	-	-	-	-	-	-

## APPENDIX – II

List of employees who received a grant in any one year of option amounting to 5% or more of the options granted during that year, which are live as on 31 March, 2024.

Sr. No.	Description	Grihum ESOP 2018			Grihum ESOP 2021		
		Tranche 4	Tranche 5	Tranche 6	Tranche 1	Tranche 2	Tranche 3
1.	Tarwinder Singh	15,000	-	25,000	-	25,000	-
2.	Dnyanesh Anil Nandurkar	-	-	8,000	-	-	-
3.	Sunit Mahajan	-	-	35,000	-	-	-
4.	Shailendra Singh	-	2,500	7,500	-	-	-
5.	Chayan Gulati	-	5,000	7,500	-	-	-
6.	Prakash Mallick	-	5,000	7,500	-	-	-
7.	Lalit Gupta	-	5,000	7,500	-	-	-
8.	Nikhil Jamwal	-	-	7,500	-	-	-
9.	Manish Jaiswal	-	-	-	7,50,000	-	-
10.	Pankaj Rathi	-	-	-	3,00,000	1,50,000	-
11.	Amit Kumar Khan	-	-	-	1,50,000	-	-
12.	Trivedi Ashutosh Vishnuprasad	-	-	-	-	25,000	-
13.	Mirza Tauseef Baig	-	5,000	-	-	-	-
14.	Rahul Mishra	-	-	-	-	-	20,000
	<b>Total</b>	<b>15,000</b>	<b>22,500</b>	<b>1,05,500</b>	<b>12,00,000</b>	<b>2,00,000</b>	<b>20,000</b>

**For and on behalf of the Board of Directors of  
Grihum Housing Finance Limited**  
(Formerly, Poonawalla Housing Finance Limited)

**Manish Jaiswal**  
Managing Director and Chief Executive Officer  
DIN: 07859441  
Date: 3 May, 2024  
Place: Pune

**Sanjeev Mehra**  
Non-Executive Director  
DIN: 07491208  
Date: 3 May, 2024  
Place: Mumbai

## Annexure 2 to Board's Report

### Form No. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

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

To,  
The Members,  
**Grihum Housing Finance Limited**  
(Formerly Poonawalla Housing Finance Limited)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Grihum Housing Finance Limited (Formerly Poonawalla Housing Finance Limited) ("Company"). The 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 verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised 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 March 31, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2024 according to the relevant and applicable 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 thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment in India, Overseas Direct Investments and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):
  - a. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - b. The Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993;
  - c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations);

- d. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- e. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015;
- f. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable during the year under review);
- g. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable during the year under review).
- h. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- i. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable during the year under review); and
- j. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable during the year under review).

- (vi) Based on the representations made by the Company and its officers and our verification of the relevant records on test check basis, the Company has adequate system and process in place for compliance with the following laws applicable specifically to the Company:
  - a. Laws, directions, guidelines and instructions issued by Reserve Bank of India ("RBI")/National Housing Bank ("NHB") through notifications and circulars relating thereto; and
  - b. Prevention of Money Laundering Act, 2002 and the Prevention of Money Laundering (Amendment) Act, 2012 as applicable.

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

1. Secretarial Standards issued by The Institute of Company Secretaries of India; and
2. Listing Agreement/Regulations: The Company is a Debt listed Company and therefore compliance with listing agreement/regulations is limited only to that effect.

During the year under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, to the extent applicable, subject to the following observation that:

- (i) Upon resignation of the erstwhile woman director of the Company effective September 8, 2023, the Company did not have a woman director on its Board. As per the provisions of second proviso to Section 149(1) of the Companies Act, 2013 and Rules framed thereunder read with Regulation 17(1)(a) and 17(1E) of the SEBI Listing Regulations, the Company was required to fill the said position of woman director by or before December 7, 2023. However, the said vacancy was filled by the Company on March 13, 2024 by appointing Ms. Richa Arora as an Independent Director (woman) w.e.f. March 13, 2024. The provisions of Regulation 17(1)(a) and 17(1E) of the SEBI Listing Regulations were applicable to the Company effective from December 15, 2023 on 'comply or explain basis' until March 31, 2024 and on a mandatory basis thereafter upon the Company becoming the 'high value debt listed entity'.

Other statutes, Acts, Laws, Rules, Regulations, Guidelines and Standards etc., as applicable to the Company are given below:

- (i) Labour Laws and other incidental laws related to employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;
- (ii) Acts as prescribed under Direct Tax and Indirect Tax;
- (iii) Stamp Acts and Registration Acts of respective States;
- (iv) Labour Welfare Act of respective States; and
- (v) Such other Local laws etc. as may be applicable in respect of various offices of the Company.

We further report that, subject to our observations herein before, the Board of Directors of the Company and Committees are duly constituted as per the Companies Act 2013 and SEBI Listing Regulations with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

The changes in the composition of the Board of Directors and Key Managerial Personnel ("KMP") that took place during the year under review were carried out in compliance with the provisions of the Act. The following table depicts the changes in Directors and KMP during the year under review:

Name of the Director/Key Managerial Personnel of the Company	Designation	Appointment/Resignation	Date of Appointment/Cessation
Ms. Priti Saraogi	Company Secretary & Compliance Officer	Resignation	05.04.2023
Ms. Vaishnavi Suratwala	Company Secretary & Compliance Officer	Appointment	20.05.2023
Mr. Adar Poonawalla (DIN: 00044815)	Non-Executive Director	Resignation	26.07.2023
Mr. Amar Deshpande (DIN: 07425556)	Non-Executive Director	Resignation	26.07.2023
Mr. Puneet Bhatia (DIN: 00143973)	Non-Executive Non-Independent Director	Appointment	08.09.2023
Mr. Sanjeev Mehra (DIN: 07491208)	Non-Executive Non-Independent Director	Appointment	08.09.2023
Mr. Prem Manjooran (DIN: 10310018)	Non-Executive Independent Director	Appointment	08.09.2023
Mr. Nitin Gupta (DIN: 02404862)	Non-Executive Independent Director	Appointment	08.09.2023
Mr. Prabhakar Dalal (DIN: 00544948)	Non-Executive Independent Director	Resignation	08.09.2023
Ms. Bhama Krishnamurthy (DIN: 02196839)	Non-Executive Independent Director	Resignation	08.09.2023
Ms. Richa Arora (DIN: 07144694)	Non-Executive Independent Director	Appointment	13.03.2024

We further report that upon the allotment of NCDs during the June, 2023 quarter, the Company had become a 'high value debt listed entity' w.e.f. June 16, 2023 in accordance with Regulation 15 (1A) of the SEBI Listing Regulations and accordingly the Company was required to comply with the provisions of Regulations 15 to Regulation 27 of the SEBI Listing Regulations with effect from December 15, 2023 on 'comply or explain' basis and mandatorily with effect from April 1, 2024.

Adequate notice was given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance and in certain cases where the meetings were held through shorter notice after due compliance of the applicable provisions, 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. Further, General Meetings were held through shorter notice after due compliance of the applicable provisions.

During the year under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The Company is advised to strengthen and regularly update requisite and applicable disclosures in the Structured Digital Database software.

We further report that during the year under review, the Company has undertaken following events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

- (i) During the year, the Company had issued/allotted/redeemed Non-Convertible Debentures ("NCD") as per table given below:

Issuance				
Series	ISIN Number	Date of Issue	No. of NCD's of INR 1,00,000 each	Issue Size (Amount in ₹)
PHFL2024SERIESI	INE055107131	31.05.2023	20,000	200,00,00,000
PHFL16062023SERIESI	INE055107156	16.06.2023	20,000	200,00,00,000
PHFL16062023SERIESII	INE055107149	16.06.2023	15,000	150,00,00,000
PHFL 8.65% 2025 Series III	INE055107164	26.06.2023	20,000	200,00,00,000
PHFL8.60%2024SERIESIV	INE055107172	06.07.2023	5,000	50,00,00,000
PHFL2028SERIESV	INE055107180	27.09.2023	10,000	100,00,00,000

Allotment				
Series	ISIN Number	Date of Allotment	No. of NCD's INR 1,00,000 each	NCD's allotted (Amount in ₹)
PHFL2024SERIESI	INE055107131	31.05.2023	20,000	200,00,00,000
PHFL16062023SERIESI	INE055107156	16.06.2023	20,000	200,00,00,000
PHFL16062023SERIESII	INE055107149	16.06.2023	15,000	150,00,00,000
PHFL 8.65% 2025 Series III	INE055107164	26.06.2023	20,000	200,00,00,000
PHFL8.60%2024SERIESIV	INE055107172	06.07.2023	5,000	50,00,00,000
PHFL2028SERIESV	INE055107180	27.09.2023	10,000	100,00,00,000

Sr. No.	ISIN Number	Date of Redemption	No. of NCD's	Amount (in ₹)
1	INE055107107	21.04.2023	950	95,00,00,000
2	INE055107099	26.06.2023	1,250	125,00,00,000
3	INE055107115	31.07.2023	500	50,00,00,000
4	INE055107180	27.12.2023	Redemption by FV ₹ 5,000 (New FV 95,000)	5,00,00,000
5	INE055107180	27.03.2024	Redemption by FV ₹ 5,000 (New FV 90,000)	5,00,00,000

- (ii) At the Board Meeting held on April 24, 2023 the Board, inter-alia, approved revalidation of authorisation for the issuance of Non-Convertible Debentures on private placement basis for an amount not exceeding ₹ 1,500 crores during the financial year 2023-24 for general corporate purposes of the Company in accordance with RBI Master direction and Section 42, 71, 179 and 180(1)(c) of the Companies Act, 2013 (including any amendment(s), statutory modification(s) and re-enactment thereof).
- (iii) The Members at their Annual General meeting held on June 02, 2023, inter-alia, granted their approval to borrow sum or sums of money which, together with the money already borrowed by the Company (apart from temporary loans obtained from the bankers of the Company in the ordinary course of business) not exceeding ₹ 8,000 crores.
- (iv) At the Board Meeting held on July 21, 2023, the Board, inter-alia, noted the approval received from Reserve Bank of India dated May 30, 2023 for the proposed sale of entire stake held by Poonawalla Fincorp Limited (including its nominees) being 24,98,21,117 equity shares of face value ₹ 10 each aggregating to 99.02% of equity share capital in the Company to Perseus SG Pte. Ltd, entity affiliated to TPG Global LLC.
- (v) At the Board Meeting held on July 26, 2023 the Board noted the transfer of controlling stake/ownership of the Company and that it has become a subsidiary of Perseus SG Pte. Ltd. effective from July 26, 2023.
- (vi) The Members at their Extra Ordinary General meeting held on July 26, 2023, inter-alia, granted their approval for the following:
- (a) Amendment of Capital Clause of Memorandum of Association ("MoA") of the Company by increasing the authorised equity share capital from ₹ 275 crores to ₹ 500 crores;
- (b) Amendment in the Articles of Association of the Company;
- (c) Issuance of 3,74,84,321 equity shares at an issue price of 143.45/- per Equity Share (Face value of ₹ 10/-) each and at a premium of ₹ 133.45/- per Equity Share for a total consideration of ₹ 5,37,71,25,847.45 -/- on a private placement basis to Perseus SG Pte. Ltd. in one or more tranches.
- (vii) The Management Committee of the Board of Directors of the Company has on August 07, 2023 approved the allotment of 3,74,84,321 equity shares having face value of ₹ 10 each at a price of approximately ₹ 143.45 per equity share which includes premium of ₹ 133.45 per equity share for a total consideration of ₹ 5,37,71,25,847.45 to Perseus SG Pte. Ltd on private placement basis.
- (viii) At the Board meeting held on September 08, 2023, the Board inter-alia approved the authorisation to make investment in the equity shares of public company limited by shares

proposed to be incorporated under the Companies Act, 2013 by the National Housing Bank for an aggregating value of up to ₹ 35,00,00,000.

(ix) The Members at their EGM held on October 03, 2023, inter-alia, granted their approval for Amendment of Object Clause of Memorandum of Association ("MoA") of the Company.

(x) The Members at their EGM held on November 09, 2023, inter-alia, granted their approval for change of name of the Company from Poonawalla Housing Finance Limited to Grihum Housing Finance Limited and consequential alteration of Memorandum and Articles of Association of the Company. Subsequently, the Company has received a certificate of change of name on 17<sup>th</sup> November 2023 issued by the Registrar of Companies.

(xi) The Nomination and Remuneration Committee of the Board has on December 19, 2023 allotted 1,49,300 equity shares of ₹ 10 each under the Grihum Housing Finance Limited ("Grihum") Grihum Employee Stock Option Plan, 2018 and Grihum Employee Stock Option Plan, 2021 for an aggregate consideration of ₹ 82,94,724.

(xii) The Nomination and Remuneration Committee of the Board has on January 03, 2024 allotted 9,42,834 equity shares of ₹ 10 each under the Grihum Housing Finance Limited ("Grihum") Grihum Restricted Employee Stock Option Plan, 2018 and Grihum Employee Stock Option Plan, 2021 for an aggregate consideration of ₹ 1,24,91,400.

(xiii) At the Board Meeting held on January 19, 2024 the Board, inter-alia approved authorisation for the issuance of commercial paper aggregating upto ₹ 500 crores to be issued during financial year 2024-25.

(xiv) At the Board meeting held on March 22, 2024, the Board inter-alia approved the issuance of 3,43,71,793 equity shares of ₹ 10 each at the issue price of approximately ₹ 147.27 per share including share premium of approximately ₹ 137.27 per share on Rights basis.

(xv) The Members at their EGM held on March 22, 2024, inter-alia, granted their approval for the following:

a) Increase in Authorised Share Capital of the Company and the consequent amendment in the Memorandum of Association;

b) Issuance of fully paid-up Compulsorily Convertible Preference Shares (CCPS) having face value of ₹ 10 each by way of bonus issue; and

c) Amendment in Grihum Employee Stock Option Plan 2021 (ESOP 2021) of the Company.

(xvi) The Management Committee of the Board of Directors vide their circular resolutions dated March 28, 2024 approved the following:

a) Allotment of 3,39,62,286 equity shares having face value of ₹ 10 each at a price of approximately ₹ 147.27 per equity share which includes premium of ₹ 137.27 per equity share for a total consideration of ₹ 5,00,16,25,863 to the existing shareholders of the Company on a Rights basis; and

b) Allotment of 16,24,13,259, 0.001% Compulsorily Convertible Preference Shares of ₹ 10 each on Bonus Issue basis to the existing equity shareholders of the Company.

**For M Siroya and Company  
Company Secretaries**

**Mukesh Siroya**

Proprietor  
FCS No.: 5682  
CP No.: 4157

Date: May 3, 2024  
Place: Mumbai

UDIN: F005682F000298801  
PR. NO: 1075/2021

This report is to be read with our letter of even date which is annexed as Annexure A and forms and Integral part of this report



## Annexure A

To,  
The Members,  
**Grihum Housing Finance Limited**  
(Formerly Poonawalla Housing Finance Limited)

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

- Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 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.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, etc.
- The compliance of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our examination was limited to the verification of the procedures on test basis.
- 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 M Siroya and Company**  
**Company Secretaries**

**Mukesh Siroya**

Proprietor

FCS No.: 5682

CP No.: 4157

UDIN: F005682F000298801

PR. NO: 1075/2021

Date: May 3, 2024

Place: Mumbai

## Annexure 3 to Board's Report

## Certificate on Compliance of conditions of Corporate Governance

To,  
The Members,  
**Grihum Housing Finance Limited**  
(Formerly, Poonawalla Housing Finance Limited)

We have examined the compliance of conditions of Corporate Governance by Grihum Housing Finance Limited, (formerly, Poonawalla Housing Finance Limited) ('the Company'), as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('SEBI Listing Regulations') for the year ended 31 March, 2024. As per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Fifth Amendment Regulations, 2021, the regulations 16 to 27 is applicable to high value debt listed entities on a comply or explain basis until 31 March, 2024 and on mandatory basis thereafter.

We have been requested by the Management of the Company to provide a certificate on compliance of corporate governance under the relevant provisions of the SEBI Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations as amended from time to time, to the extent applicable, subject to the following observation that:

- Upon resignation of the erstwhile woman director of the Company effective September 8, 2023, the Company did not have a woman director on its Board. As per the provisions of second proviso to Section 149(1) of the Companies Act, 2013 and Rules framed thereunder read with Regulation 17(1) (a) and 17(1E) of the SEBI Listing Regulations, the Company

was required to fill the said position of woman director by or before December 7, 2023. However, the said vacancy was filled by the Company on March 13, 2024 by appointing Ms. Richa Arora as an Independent Director (woman) w.e.f. March 13, 2024. The provisions of Regulation 17(1)(a) and 17(1E) of the SEBI Listing Regulations were applicable to the Company effective from December 15, 2023 on 'comply or explain basis' until March 31, 2024 and on a mandatory basis thereafter upon the Company becoming the 'high value debt listed entity'.

It is important to note that upon the allotment of NCDs during the June, 2023 quarter, the Company had become a 'high value debt listed entity' w.e.f. 16 June, 2023 in accordance with Regulation 15 (1A) of the SEBI Listing Regulations and accordingly the Company was required to comply with the provisions of Regulations 15 to Regulation 27 of the SEBI Listing Regulations with effect from 15 December, 2023 on 'comply or explain' basis and mandatorily with effect from 1 April, 2024.

We further state that this certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For M Siroya and Company**  
**Company Secretaries**

**Mukesh Siroya**

Proprietor

FCS No.: 5682

CP No.: 4157

UDIN: F005682F000298887

PR. NO: 1075/2021

Date: May 3, 2024

Place: Mumbai

## Annexure 4 to Board's Report

### Annual Report on Corporate Social Responsibility (CSR) Activities for Financial Year 2023-24

#### 1. Brief outline on CSR Policy of the Company

The Company firmly believes that it has a commitment towards all stakeholders including customers, employees and the local community. It recognises that sustainable and inclusive growth is essential to fulfill this commitment. The Company aims to improve the quality of life through its positive intervention in the community.

Embracing a long-term perspective, the Company has implemented key CSR initiatives aimed at ensuring sustainability and delivering lasting benefits to the society. These initiatives center around areas such as education, health and the environment. During the year under review, the Company has carried CSR activities under the following projects:

(1) **Khushiyon Ka Angan** is dedicated to promoting the education of girl children. To ensure that the Company reaches those girl children who were in need of the scholarship the most, an online form for nominations containing pre-determined criteria was created and shared across different platforms for a wider reach and audience. The Company's aim is to provide educational opportunities to underprivileged girl children and empower them to achieve their full potential. To achieve this goal, the Company supported 93 girl children during the Financial Year (FY) 2023-24 by bearing their school fee.

(2) **Hunar Se Parichay** focuses on skill development, empowering marginalised individuals with disabilities, underprivileged men and women and unemployed youth. Through this initiative, during FY 2023-24, the Company supported 110 individuals wherein these beneficiaries

were taught skills to manufacture motorcycle helmets (a certified design standard), which enhances their employability. Under this program, during the year under review, the participants manufactured in aggregate 3,250 motorcycle helmets from the environmentally sustainable material sourced by the Company. The said helmets were donated by the Company along with 1,002 high-range torches for road safety. Additionally, the Company spearheaded the apprenticeship program, during the year under review, offered 204 individuals the chance to immerse themselves in a professional environment, learning and working simultaneously.

Through Hunar Se Parichay programme, 314 beneficiaries gained valuable skills during FY 2023-24, which fostered a sense of self-sufficiency and enabled employability. This multifaceted approach aims to create lasting impact, uplift communities, transform lives, achieve financial independence and lead a life with dignity.

(3) **Swayam** aims to encourage the Company's employees to contribute their ideas and participate in the CSR initiatives of the Company with a view to give back to society. The Company believes in the power of collective action and is committed to making a positive impact on the communities. During the year under review, this program endeavored to give access to safe and clean drinking water to the police personnel, who work tirelessly day and night for the protection and well-being of society, by installing 296 Reverse Osmosis (RO) machines at various police stations across India.

Through various efforts, the Company was able to touch more than 25,000 lives in 250+ locations across India.

#### 2. The Composition of CSR and attendance of each member is as under:

Sr. No.	Name of Director	Member of Committee since	Capacity/Category of Directors	Number of Meetings Held	Number of Meetings Attended
1	Ms. Richa Arora <sup>1</sup>	22 March, 2024	Chairperson, Non-Executive Independent Director	-	-
2	Mr. Manish Jaiswal	31 January, 2022	Member, Managing Director and Chief Executive Officer	3	3
3	Mr. Prem Manjooan <sup>2</sup>	08 September, 2023	Member, Non-Executive Independent Director	1	1
4	Mr. Sanjeev Mehra	08 September, 2023	Member, Non-Executive Non-Independent Director	1	1
5	Mr. Nitin Gupta <sup>3</sup>	08 September, 2023	Member, Non-Executive Independent Director	1	-
6	Ms. Bhama Krishnamurthy <sup>4</sup>	10 June, 2021	Member, Non-Executive Independent Director	2	2

Sr. No.	Name of Director	Member of Committee since	Capacity/Category of Directors	Number of Meetings Held	Number of Meetings Attended
7	Mr. Prabhakar Dalal <sup>5</sup>	10 June, 2021	Member, Non- Executive Independent Director	2	2
8	Mr. Amar Deshpande <sup>6</sup>	20 July, 2021	Chairperson, Non-Executive Non- Independent Director	2	2

#### Notes:

<sup>1</sup>Appointed as the Chairperson w.e.f. 22 March, 2024. <sup>2</sup>Appointed as the Chairperson w.e.f. 8 September, 2023 and ceased to be the Chairperson w.e.f. 22 March, 2024. <sup>3</sup>Ceased to be a Member w.e.f. 22 March, 2024. <sup>4</sup>Ceased to be a Member w.e.f. 8 September, 2023. <sup>5</sup>Appointed as the Chairperson w.e.f. 26 July, 2023 and ceased to be the Chairperson and Member w.e.f. 8 September, 2023. <sup>6</sup>Ceased to be the Chairperson and Member w.e.f. 26 July, 2023.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.

**Composition:** <https://grihumhousing.com/pdf/investor-governance/Board-and-Committee-Composition.pdf>

**CSR Policy:** <https://grihumhousing.com/pdf/investor-governance/Grihum-Corporate-Social-Responsibility-Policy.pdf>

**CSR projects:** <https://grihumhousing.com/csr.php>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

**Statutorily, the Company is not required to conduct Impact assessment study for its CSR projects.**

5. a) Average net profit of the Company as per section 135(5): ₹ 8,354.86 lacs

b) Two percent of average net profit of the Company as per section 135(5): ₹ 167.10 lacs

c) Surplus arising out of the CSR projects or programs or activities of the previous financial years: Nil

d) Amount required to be set off for the Financial Year, if any: ₹ 2.33 lacs

e) Total CSR obligation for the Financial Year [(b)+(c)-(d)]: ₹ 164.77 lacs

6. a) Amount spent on CSR Projects (both ongoing project and other than Ongoing Project): ₹ 167.86 lacs

b) Amount spent in administrative overheads: N.A.

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

d) Total Amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 167.86 lacs

e) CSR amount spent for the Financial Year: ₹ 167.86 lacs

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

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

Sr. No.	Particular	Amount (in ₹ lacs)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	167.10
	(a) Less: Excess amount set-off for the Financial Year (from FY 22-23)	2.33
	(b) Total CSR Obligation for the Financial year	164.77
(ii)	Total amount spent for the Financial Year	167.86
(iii)	Excess amount spent for the Financial Year [(ii)-(i)(b)]	3.09
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	3.09

g) Details of Unspent CSR amount for the preceding three financial years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹ lacs)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (in ₹ lacs)	Amount spent in the reporting Financial Year (in ₹ lacs)	Amount transferred to any fund specified under Schedule VII as per section 135(5), if any.		Amount remaining to be spent in the succeeding financial years. (in ₹ lacs)	Deficiency, if any
					Amount (in ₹ lacs)	Date of transfer.		
1.	2020-21	NA	-	256.54	-	-	-	-
2.	2021-22	NA	-	32.35	-	-	-	-
3.	2022-23	NA	-	85.19	-	-	-	-

7. Whether any capital assets have been created or acquired through CSR amount spent in the Financial Year: **No, the Company has not created or acquired any capital asset through CSR spent in the Financial Year 2023-2024.**
8. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): **The Company has effectively utilised the entire CSR funds as mandated under Section 135(5) during the Financial Year 2023-24.**

For and on behalf of the Board of Directors

**Richa Arora**  
Independent Non-Executive Director &  
Chairperson of CSR Committee  
DIN: 07144694

Date: 3 May, 2024  
Place: Mumbai

**Manish Jaiswal**  
Managing Director & Chief Executive Officer  
DIN: 07859441

Date: 3 May, 2024  
Place: Pune

## Annexure 5 to Board's Report

### Related Party Policy

The Board of Directors (the "Board") of Grihum Housing Finance Limited (Formerly, Poonawalla Housing Finance Limited) (the "Company") had originally adopted this Policy on Related Party Transactions ("Policy") as required under the erstwhile Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 issued by National Housing Bank vide Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9 February, 2017 ('Direction') and Companies Act, 2013 ('the Act'). Thereafter, the policy is updated as and when required to accommodate amendments introduced in the Applicable Law.

#### EFFECTIVE DATE

This Policy is effective from the date of its adoption by the Board or such other date as may be prescribed by the Board. The Board may prescribe different effective date(s) for different provisions of this Policy.

#### SCOPE AND PURPOSE

The Companies Act, 2013 ('Act') read with the Rules framed thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ('RBI Directions') and amendments thereto, contain detailed provisions on Related Party Transactions.

This Policy has been framed as per the requirements of the Act, Listing Regulations and RBI Directions and is intended to ensure proper approval and reporting of the transactions between the Company and its Related Parties. This Policy also ensures adequate systems and procedures to address potential conflict of interest and compliance with the provisions of the Act, Listing Regulations and RBI Directions.

The Board recognises that certain transactions present a heightened risk of conflict of interest or the perception thereof. Therefore, any dealings with a Related Party must be conducted in such a way that no preferential treatment is given and adequate disclosures and/or permissions are made/ sought as required under Applicable Laws and as per the applicable policies of the Company. Therefore, the Board has adopted this Policy to ensure that all Related Party Transactions are subject to this Policy and approval or ratification in accordance with Applicable Laws. This Policy contains the policies and procedures governing the review, determination of materiality, approval and reporting of such Related Party Transactions.

#### DEFINITIONS

1. **"Act"** means Companies Act, 2013 including amendments, re-enactments, modifications, notifications, circulars and orders from time to time.

2. **"Audit Committee or Committee"** means Committee of Board of Directors of the Company formed under section 177 of the Act and the RBI Directions.
3. **"Applicable Laws"** means the Act, the rules made thereunder and amendments thereto, Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ("RBI Directions") and amendments thereto, Scale Based Regulations for NBFCs ("SBR"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendment thereto ("Listing Regulations") to the extent applicable, applicable accounting standards issued by the Institute of Chartered Accountant of India or any other legislative authority entrusted with the task of issuing such accounting standards and includes any other statute, law, standards, regulations or other governmental instruction relating to Related Party Transactions, as may be in effect from time to time.
4. **"Board"** shall mean the Board of Directors of the Company.
5. **"Company"** shall mean Grihum Housing Finance Limited.
6. **"Company Secretary"** means a Company Secretary as defined in clause (c) of sub section (1) of Section 2 of the Company Secretaries Act, 1980 duly appointed by the Company to perform various acts.
7. **"Compliance Officer"** means the Company Secretary of the Company or such Compliance Officer identified by the Board for the purpose of Listing Regulations.
8. **"Control"** means control as defined in Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
9. **"Holding company"** means a holding company as defined in sub-section (46) of section 2 of the Act.
10. **"Key Managerial Personnel"** in relation to the Company means:
- the chief executive officer or the managing director or the manager;
  - the company secretary;
  - whole-time director;
  - the chief financial officer;
  - such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
  - such other person as may be prescribed from time to time.

11. **"Listing Regulations"** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 issued by the Securities and Exchange Board of India including amendments thereof and the circulars and other notifications issued thereunder.

12. **"Material Modification"** of related party transaction will mean and include any modification to an existing related party transaction having variance in value of contract or transaction by 10% or more of the total value of such contract/ transaction as last approved by the Audit Committee / Board / Shareholders, as the case may be.

13. **"Material Related Party Transactions"** mean such Related Party Transaction(s) where:

- the transaction to be entered into individually or taken together with previous Related Party transaction(s) during a financial year, exceeds rupees one thousand crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

A transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

14. **"RBI Direction"** means Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by Reserve Bank of India vide Notification No. RBI/2020-21/73 DOR.FIN.HFC. CC.No.120/03.10.136/2020-21 dated 17 February, 2021 including any amendment thereof.

15. **"Relative(s)"** shall have the same meaning as assigned to it under Section 2(77) of the Act and the Rules made thereunder and Regulation 2(1)(zd) of the Listing Regulations.

16. **"Related Party"** means any person who is:

- i. a related party under Section 2(76) of the Act;
- ii. a related party under Regulation 2(1)(zb) of the Listing Regulations;
- iii. a related party under the applicable accounting standards; or
- iv. any other person or entity covered under Applicable Laws.

17. **"Related Party Transaction(s)"** means a transaction involving a transfer of resources, services or obligations between:

- a. the Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand; or
- b. the Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries;

Regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract.

The transaction shall inter-alia include the following:

- i. purchases or sales of goods or materials (finished or unfinished);
- ii. purchases or sales of property of any kind;
- iii. rendering or receiving of services;
- iv. leasing of property of any kind;
- v. appointment of any agent for purchase or sale of goods, materials, services or properties;
- vi. appointment of such related party to any office or place of profit in the Company, or its subsidiary or associate company;
- vii. underwriting the subscription of any securities or derivatives thereof, of the company;
- viii. Such other transactions as per Applicable Law.

Notwithstanding the foregoing, the following shall not be deemed to be a Related Party Transactions:

- i. Any transaction that involves providing of compensation to a Director or Key Managerial Personnel, in accordance with the provisions of the Act, in connection with his or her duties to the Company or any of its holding Company, 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 uniformly receive the same benefits in proportion to their shareholding pro rata as the Related Party, which are as follows –
  - a. payment of dividend;
  - b. subdivision or consolidation of securities;
  - c. issuance of securities by way of a rights issue or a bonus issue; and
  - d. buy-back of securities.
- iii. Any other exception which is in consistency with the Applicable Laws, including any rules or regulations made thereunder.

All terms not defined herein shall take their meaning from the Applicable Laws.

## POLICY STATEMENT

### A. Procedure for approval and review of Related Party Transactions by Audit Committee

Compliance with regard to approval and review of Related Party Transactions pursuant to this Policy, shall be limited to

the transactions which are entered into with a related party as defined in this Policy.

1. All Related Party Transactions and subsequent material modifications therein must be reported to the Company Secretary and shall be referred for prior approval by the Audit Committee, as may be required in accordance with this Policy including those transactions proposed to be entered in the ordinary course of its business and on arm's length basis.

Provided that:

- (a) only those members of the Audit Committee, who are independent directors, shall approve related party transactions; and
- (b) a related party transaction to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the Audit Committee if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary;

2. The Company shall provide the following information, for review of the Audit Committee for approval of a proposed RPT:

- (a) Type, material terms and particulars of the proposed transaction;
- (b) Name of the related party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise);
- (c) Tenure of the proposed transaction (particular tenure shall be specified);
- (d) Value of the proposed transaction;
- (e) The percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);
- (f) If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary:
  - (i) details of the source of funds in connection with the proposed transaction;
  - (ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,
    - nature of indebtedness;
    - cost of funds; and
    - tenure;

(iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and

(iv) the purpose for which the funds will be utilised by the ultimate beneficiary of such funds pursuant to the RPT.

(g) Justification as to why the RPT is in the interest of the Company;

(h) A copy of the valuation or other external party report, if any such report has been relied upon;

(i) Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis; and

(j) Any other information that may be relevant.

### B. Approval of Related Party Transactions by the Board

1. Related Party Transactions that are not in the ordinary course of business but on arm's length basis cannot be entered into by the Company unless approved by Audit Committee. Where such Related Party Transactions fall under Section 188 (1) of the Act, the Audit Committee shall recommend the transaction for approval of the Board.

2. Related Party Transactions that are not on arm's length basis, irrespective of whether those are covered under Section 188 or not, should be placed by the Audit Committee, along with its recommendations, to the Board for appropriate action.

### C. Approval of Related Party Transactions by the Shareholders

1. All Material Related Party Transactions and subsequent Material Modifications shall require prior approval of the Shareholders by resolution and no related party shall vote to approve such resolutions whether Grihum is a related party to the particular transaction or not.

The following Related Party Transactions which are not in ordinary course of business and/ or arm's length basis or both, if exceeding the following threshold limits current specified under Section 188 of the Companies Act, 2013 and as may be amended from time to time, shall require approval of both Board and Shareholders of the Company:

- (i) sale, purchase or supply of any goods or material, directly or through appointment of agent, amounting to ten percent or more of the turnover of the Company;
- (ii) selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting to ten percent or more of net worth of the Company;
- (iii) leasing of property any kind amounting to ten per cent or more of turnover of the Company;

- (iv) availing or rendering of any services, directly or through appointment of agent, amounting to ten percent or more of the turnover of the Company:

Explanation - It is hereby clarified that the limits specified in sub-clause (i) to (iv) shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

- (v) appointment to any office or place of profit in the Company, its subsidiary company or associate company at a monthly remuneration exceeding two and a half lakh rupees;
- (vi) payment of remuneration for underwriting the subscription of any securities or derivatives thereof, of the Company exceeding one percent of the net worth.

Explanation-(1) The turnover or net worth referred to above shall be computed on the basis of the audited financial statement of the preceding financial year.

- (a) Shareholders' approval, as referred above, would not be required for transactions entered into between the Company and its wholly owned subsidiary; or
- (b) two wholly owned subsidiaries of the Company, provided that accounts of such wholly owned subsidiaries referred in (a) and (b) above are consolidated with the Company and placed before the Shareholders at the general meeting for approval.

2. Information to be provided to shareholders for consideration of RPTs

The notice to be sent to the shareholders seeking approval for any proposed RPT shall include the following information as a part of the explanatory statement:

- (a) A summary of the information provided by the management of the Company to the audit committee as specified in Para A(2) hereinabove;
- (b) Justification for why the proposed transaction is in the interest of the Company;
- (c) Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary, the details specified under Para A(2)(f) above;
- (d) A statement that the valuation or other external report, if any, relied upon by the Company in relation to the proposed transaction will be made available through the registered email address of the shareholders;
- (e) Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis;

- (f) Any information required to be provided to the shareholders as per the requirements of the Companies Act, 2013,

- (g) Any other information that may be relevant.

#### D. Grant of Omnibus Approval

1. For the ease of carrying out transactions/ contracts/ arrangements, the Audit Committee may grant omnibus approvals to certain transactions based on the following criteria:
  - a. Frequency of the transactions in the last 2 years;
  - b. Value of transaction undertaken with an associate, Holding and subsidiary Companies, for every financial year shall not exceed ₹ 25 Crores and with Company other than associate, Holding and subsidiary Companies shall not exceed ₹ 1 Crore.
  - c. Extent and manner of disclosures that can be made to the Audit Committee at the time of seeking omnibus approval;
    - i. All the transaction placed for omnibus approval shall be in the ordinary course of business;
    - ii. All the transaction shall be at Arms' length basis;
    - iii. Projected growth rate in the business with the Related Party in the financial year for which omnibus approval is sought;
    - iv. Contractual terms offered by/to third parties for similar transactions;
    - v. Contractual terms with such Related Parties, for instance, floor and cap on the pricing, credit terms, escalation in costs, quality checks etc.

However, the Company may take Omnibus approval for continuing Related Party Transactions based on the decision of the Audit Committee or Board, as the case may be, from time to time.

2. Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the best interest of the Company.

Where the Audit Committee is not convinced on the need for granting omnibus approvals, the Audit Committee may reject the proposal placed before it with reasonable explanation for the same.

3. Notwithstanding the generality of foregoing, Audit Committee shall not grant omnibus approval for following transactions:
  - a. Transactions which are not in ordinary course of business or not on arm's length basis;
  - b. Transactions in respect of selling or disposing of the undertaking of the Company;

- c. Transactions which are not in the interest of the Company;

- d. Such other transactions specified under Applicable Law from time to time.

3. The Omnibus Approval shall specify the following:

- i. the name/s of the related party;
- ii. nature of transaction;
- iii. period of transaction;
- iv. maximum amount of transaction in aggregate and per transaction that can be entered into with Related Party;
- v. the indicative base price / current contracted price;
- vi. the formula for deviation in the price, if any;
- vii. such other conditions/ information as the Audit Committee may deem fit;

4. 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 ₹ 1 crore per transaction.

5. Further any such approvals shall be valid for one financial year only and shall require fresh approval of after the expiry of the one financial year.

6. Transactions between holding company and its wholly owned subsidiary will be governed by criteria above unless exempted under the Applicable Laws.

#### E. Review of the Related Party Transactions

1. All Related Party Transactions entered into by the Company pursuant to each of the omnibus approval made shall be reviewed by the Audit Committee on quarterly basis.
2. The Audit Committee will undertake quarterly evaluation of all Related Party Transactions. If that evaluation indicates that the Related Party Transaction would require the approval of the Board, or if the Board in any case elects to review any such matter, the Audit Committee will report the Related Party Transaction, together with a summary of material facts, to the Board for its approval.
3. If a Related Party Transaction is of ongoing nature, the Board / Audit Committee may establish guidelines for the Company's management to follow in its ongoing dealings with the Related Party. The Audit Committee of the Board, on at least an annual basis, shall review and assess on-going relationships with such Related Party to ensure that they are in compliance with the Applicable Laws and this Policy and that the Related Party Transaction remains appropriate.
4. If the Board is of the view that the Related Party Transaction needs to be approved at a general meeting of the shareholders by way of a resolution pursuant to

Applicable Laws, the same shall be put up for approval by the shareholders of the Company. The Board shall ensure that in accordance with Applicable Laws, Related Parties shall not vote in favour of any such resolution put to vote by the shareholders of the Company, irrespective of whether the said Related Party is a party to the said Related Party Transaction which is being put to vote.

#### F. Ratification of the Related Party Transaction

1. Where, owing to exigencies, Related Party Transactions have been entered into without being placed for approval by the Audit Committee, reasoned explanation for the same must be provided to the satisfaction of the Audit Committee. The Audit Committee may ratify such transactions or may put forth the transactions before the Board along with its recommendations within 3 months from the date of entering into such transaction, and the Board may either ratify such transactions or seek to avoid the same. The Audit Committee's recommendations may also include appropriate measures authorising such transactions without approval of the Audit Committee.
2. If the Company has entered into a Related Party Transaction without the approval of the Board / general meeting, as may be required, then the said Related Party Transaction shall be ratified at the Board meeting / general meeting, within 3 months of entering in the Related Party Transaction, at the discretion of the Board/ Shareholders as the case may be.
3. In case any transaction involving any amount not exceeding ₹ 1 crore is entered into by a director or officer of the Company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within 3 (three) months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee and if the transaction is with the related party to any director or is authorised by any other director, the director concerned shall indemnify the Company against any loss incurred by it:

Provided that the above provisions shall not apply to a transaction, other than a transaction referred to in section 188 of the Act, between a holding company and its wholly owned subsidiary company.

4. Where any contract or arrangement is entered into by a director or any other employee, without obtaining the consent of the Board or approval by a resolution in the general meeting, as the case may be and if it is not ratified by the Board or, as the case may be, by the shareholders at a meeting within 3 (three) months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board or, as the case may be, of the shareholders and if the contract or arrangement is with a related party to any director, or is authorised by any other Director, the Directors concerned shall indemnify the Company against any loss incurred by it.

5. In any case where either the Audit Committee/Board/General Meeting determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee or Board or the general meeting, as the case may be, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction, or modification of the transaction to make it acceptable for ratification.

#### G. Standards for Review

A Related Party Transaction reviewed under this Policy will be considered, approved or ratified if it is authorised by the Audit Committee / Board, as applicable, in accordance with the standards set forth in this Policy after full disclosure of the Related Party's interests in the transaction.

The Audit Committee / Board will review all relevant information available to it about the Related Party Transaction. The Audit Committee / Board, as applicable, may approve /ratify/recommend to the shareholders, the Related Party Transaction only if the Audit Committee / Board, as applicable, determines in good faith that, under all of the circumstances, the transaction is fair as to the Company. The Audit Committee / Board, in its sole discretion, may impose such conditions as it deems appropriate on the Company or the Related Party in connection with approval of the Related Party Transaction.

#### H. Determination of Ordinary Course of Business

The transactions which are incurred by the Company in carrying the main object of the Company shall be treated as transaction in the Ordinary Course of business. For determining "Ordinary Course of Business", the Company shall consider all acts and transactions undertaken by the Company, including, but not limited to sale or purchase of goods, property or services, leases, transfers, providing of guarantees or collaterals, which, are done on a routine basis and are not standalone transaction(s). The Company would take into account the frequency of such activity and its continuity, in a normal organised manner, while determining what is in the ordinary course of business. Further, the transaction should not be:

- A. any exceptional or extra-ordinary activity as per applicable accounting standards or financial reporting requirements.
- B. any sale or disposal of any undertaking of the Company, as defined in explanation (i) to clause (a) of sub-section (1) of section 180 of the Act.

In order to decide whether or not a contract or arrangement is being entered by the Company in its ordinary course of business, the Company shall consider whether the contract/ arrangement is germane to attainment of main objects as set out in the Memorandum of Association.

#### I. Determination of Arms' length nature of the Related Party Transaction

- a. Price Determination

At the time of determining the arms' length nature of price charged for the Related Party Transaction, the Audit Committee shall take into consideration the following:

- i. The contracts/ arrangements are entered into with Related Parties, are at such prices/ discounts/ premiums and on such terms which are offered to unrelated parties of similar category/ profile.
  - ii. Permissible methods of arms' length pricing as per Applicable Laws including such prices where the benefits of safe harbour is available under Applicable Laws.
  - iii. For the said purposes the Audit Committee shall be entitled to rely on professional opinion in this regard.
- b. Underwriting and Screening of arms' length of Related Party Transaction  
  
A Related Party with whom the Related Party Transaction is undertaken must have been selected using the same screening/selection criteria/underwriting standards and procedures as may be applicable in case of an unrelated party.
  - c. Further, in order to determine the optimum arm's length price, the Company may also apply the most appropriate method from any of the following methods as prescribed under Section 92C(1) of the Income Tax Act, 1961 read with Rule 10B of the Income Tax Rules, 1962 –
    - a. Comparable Uncontrolled Price method (CUP method)
    - b. Resale Price Method
    - c. Cost Plus Method
    - d. Profit Split Method
    - e. Transactional Net Margin Method
    - f. Other Method as prescribed by the Central Board of Direct Taxes
  - d. Such other criteria as may be issued under Applicable Laws.

#### J. Identification of Potential Related Party Transactions

- a. The Company Secretary shall:
  - i. Identify and keep on record the Related Parties of the Company, along with their personal/ company details.
  - ii. Update the record of Related Parties whenever necessary and shall be reviewed at least once a year, as on 1<sup>st</sup> April every year.
- b. Every Director/ Key Managerial Personnel of the Company or any of their relatives should not derive any undue personal benefit or advantage by virtue of their position or relationship with the Company.
- c. Each Director/Key Managerial Personnel is responsible for providing written notice to the Company through

the Company Secretary at the time of appointment and till such period he/she is associated with the Company of any potential Related Party Transaction involving him or her or his or her relatives, including any additional information about the transaction that the Company Secretary may reasonably request. The Company Secretary in consultation with other members of management and with the members of the Audit Committee, as appropriate, will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this Policy.

- d. Every Director/Key Managerial Personnel of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in or exercise influence over any such meeting.
- e. Where any Director/Key Managerial Personnel, who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested.
- f. A contract or arrangement entered into by the Company without disclosure or with participation by a Director/Key Managerial Personnel who is concerned or interested in any way, directly or indirectly, in the contract or arrangement, shall be voidable at the option of the Board or of the shareholders, as the case may be and if the contract or arrangement is with a related party to any Director, or is authorised by any other Director, the Directors concerned shall indemnify the Company against any loss incurred by it.
- g. In addition, each Director/Key Managerial Personnel is required to file a disclosure statement in connection with the disclosures about their Relatives.

#### K. Disclosures

- a. The Company shall disclose Related Party Transactions in the Financial Statements and Annual Report of the Company in accordance with the Act, Listing Regulations, accounting standards, the RBI Directions, SBR and other applicable laws.
- b. The Company shall submit to the stock exchanges on the date of publication of its financial results for the half year, disclosures of Related Party Transactions, in the format specified by the Securities and Exchange Board of India ("SEBI") from time to time and publish the same on its website.

- c. The Company shall disclose to the Stock Exchange along with the compliance report on corporate governance on a quarterly basis, details of all Material Related Party Transactions.
- d. The Company shall also disclose the Policy on the website of the Company and in the Annual Report of the Company.
- e. The Company shall keep one or more registers as specified under Applicable Laws giving separately the particulars of all contracts or arrangements with any Related Party.

#### L. Miscellaneous

1. In determining whether to approve or ratify a Related Party Transaction, the Committee / Board, as the case may be, shall take into account among other factors it deems appropriate, whether the Related Party Transaction is in the ordinary course of business of the Company and on arm's length basis and the Related Party's interest in the transaction. For this purpose, the Audit Committee / Board, as the case may be, are entitled to seek the assistance of any employee of the Company or one or more independent experts of its choice at the expense of the Company.
2. No Director or Key Managerial Personnel shall participate in any discussion or approval of a Related Party Transaction for which he or she is a Related Party, and the Director/Key Managerial Personnel shall provide all material information concerning the Related Party Transaction to the Audit Committee/Board.

Members of the Company who are Related Parties shall not vote to approve the resolution in respect of approval or Material Modification of Material Related Party Transactions irrespective of whether the Member is a party to the particular transaction or not.

3. Audit Committee/Board may review any Related Party Transactions involving Independent Directors as part of the annual determination of their independence.
4. Management team shall formulate a defined procedure for identification/ monitoring/ approval of Related Party Transaction.
5. Nothing in this Policy shall override any provisions of Applicable Laws made in respect of any matter stated in this Policy.

#### M. Operational Framework

The Company shall follow the operational framework for related party transactions annexed as Annexure A.

#### REVIEW & AMENDMENTS

This Policy shall be reviewed and assessed periodically, being at least once every three years and updated accordingly.

## Annexure A

### OPERATIONAL FRAMEWORK FOR RELATED PARTY TRANSACTIONS:

The RPT would be identified in the following manner:

#### (1) Identification of Related Parties:

The Company shall identify Related Parties as defined under this Policy with respect to the given specific transactions. The list of Related Parties needs to be updated once in a year, on 1<sup>st</sup> April every year, and during the year, on the basis of the specific events bringing change to the list of related parties. The list of Related Parties maintained by the Company should include Related Parties of its subsidiary companies as received from the concerned officer of such Subsidiary Company.

The Compliance officer should at all times ensure:

The list of Related Parties should be updated by Secretarial Department of the Company and respective departments of its subsidiaries, upon receipt of disclosures from the Directors and Key Managerial Personnel of the Company. The list would be circulated with accounts and other concerned department.

Prior to entering into any transaction, whatsoever, the Business/ Functional Heads shall refer to the latest Related Party list circulated by the Secretarial team to assess whether the party with whom the transaction is proposed to be entered is a Related Party.

If the party is not a Related Party, then they shall be required to follow the normal business protocol for executing such transactions. However, if the party is identified as a Related Party, the Business/ Functional Heads would need to ensure that the RPT is being entered in accordance with the framework for RPT and seek a prior approval of the Audit Committee for undertaking such RPT in accordance with this Policy.

#### (2) Identification of Transactions:

Every transaction with Related Parties shall be screened through the transactions mentioned under section 188(1) of the Act and Regulation 2(zc) of Listing Regulations. If any transaction qualifies, approval of the Board of Directors shall be required for transactions other than for those entered in ordinary course of business and on arm's length basis.

If the said transaction also qualifies to be a Material Related Party Transaction as defined under this Policy, prior approval of the members shall be required before entering into the transaction.

#### (3) Parameters of applicability of Ordinary Course of Business and transaction pricing at Arm's Length:

a. The Company generally undertakes transactions with Related Parties in its ordinary course of business and at arms' length basis and such transaction do not require prior approval of the Board of Directors under the purview of Section 188 of Act. However, such transactions need to be approved by the Audit Committee.

#### b. The parameters for Arm's length nature be gauged based on any one or more of the following criteria:

The illustrative test for determining pricing shall be as follows:

- i. Price charged by the Company to Unrelated Parties
- ii. Obtaining two or three quotes from Unrelated Parties for similar transactions, subject to the availability of the same.
- iii. Independent Valuations
- iv. Market Price if readily available and if the market exists for the same
- v. Commercially negotiated contract

The terms of contract/arrangement other than pricing are generally on a basis similar to those as may be applicable for similar category of goods/services for similar category of counterparties. Also, the Company as and when required, shall seek professional advice for determination of arm's length basis. The rest of the considerations for determining the arm's length nature of any related party transaction will be in accordance with Clause D of the Policy.

#### c. Arm's Length criteria/process to be observed:

- i. In order to ensure compliance with the principle of arms' length nature in terms of section 188 of the Act, originator of such transactions shall provide comparative analysis of the similar transaction with an unrelated party.
- ii. The responsibility of ensuring that the transactions with Related Party are undertaken at arm's length basis rests with the Head of the respective Department originating the transaction. Any transactions with the Related Parties shall primarily be reviewed by the following:
  - (1) Chief Financial Officer
  - (2) Company Secretary,
  - (3) Compliance Officer (RBI/NHB)
  - (4) Head of the respective Department (Originator)
  - (5) and such other person as may deem appropriate in the given situation/ transaction having relevant expertise and experience to assess the RPT.

The Audit Committee shall consider all relevant facts and circumstances regarding the RPT and shall evaluate all options available to the Company, including ratification, revision or termination of the RPT.

### Approval Matrix

The Reviewers shall review the proposed RPT within the parameters defined herein and accordingly shall advise the course of action for the proposed RPT:

Sr. No.	Particulars	Details
(1)	Originator's Responsibilities	Originators seeking approval of RPT shall provide: <ol style="list-style-type: none"> <li>(a) Name/s of the Related Party(ies) and the nature of the relationship</li> <li>(b) Provide the justification for entering into the RPT (Commercial/ Ordinary Course of Business and Arm's Length)</li> <li>(c) The terms and conditions and other details of the proposed RPT</li> </ol> The information should be received well in advance from the respective parties so as to allow reviewers adequate time to obtain and review information about the proposed transaction.
(2)	RPT Evaluation by the Reviewers	With respect to each transaction sent for approval; Reviewers shall comment and confirm the following: <ul style="list-style-type: none"> <li>- Whether the proposed transaction is an RPT within the meaning of RPT as per Applicable Law</li> <li>- Justification for the intended RPT (Commercial/ Ordinary Course of Business and the sufficiency of the documentation for Arm's Length)</li> <li>- Whether the transaction is covered under the omnibus approval given by the Audit Committee for the financial year</li> </ul> In assessing a Related Party Transaction, the Reviewers shall consider such factors as it deems appropriate including but not limited to the following: <ol style="list-style-type: none"> <li>(i) the business reasons for the Company to enter into the Related party transaction;</li> <li>(ii) the commercial reasonableness of the terms of Related Party Transaction;</li> <li>(iii) materiality of the Related Party Transaction to the Company;</li> <li>(iv) whether the terms of Related Party Transaction, including pricing, are fair to the Company and on the same basis as would apply if the transactions did not involve a Related Party</li> <li>(v) the extent of Related Party's interest in the Related Party Transaction</li> <li>(vi) the actual or apparent conflict of interest of related party participating in the related party transaction and</li> <li>(vii) regulatory guidelines, if any.</li> </ol> In case where it is assessed that the transaction does not meet the criteria of Ordinary Course of Business or Arms' Length Price, such transaction shall be referred for the approval of the Board of Directors or Shareholder, as the case may be, in terms of Section 188 of the Act. All RPTs shall require prior approval of Audit Committee.
(3)	Approval of the RPTs	Pursuant to the review of the RPT and its documentary substantiation, the Reviewer may take the following actions: <ol style="list-style-type: none"> <li>(a) Recommend the RPT for approval of Audit Committee.</li> <li>(b) Recommend the RPT for approval of Board of Directors or Shareholders, as may be applicable. In such case, recommendations of the Audit Committee is also required to be placed before the Board.</li> </ol> In case the transactions specified under Applicable Law are proposed to be entered with the holding Company, the resolution passed by the holding company shall be sufficient for the purpose of entering into the RPT between the Holding Company and the Company. The Company will not be required to pass a resolution separately.
(4)	Arm's Length Report	Arm's length Report on transactions with Related Parties on half yearly basis would be obtained from a Chartered Accountant Firm and placed before the Audit Committee.

**Threshold of Section 188 of the Companies Act, 2013**

Sr. No.	Transactions	Threshold Limits
a	Sale, Purchase or Supply of goods/materials directly or through appointment of agent	10% or more of the turnover
b	Selling or otherwise disposing of, or buying, property of any kind directly or through appointment of agent	10% or more of the networth
c	Leasing of property of any kind	10% or more of the turnover
d	Availing or rendering of any services directly or through appointment of agents	10% or more of the turnover
e	Relates to appointment to any office or place of profit in the company, its subsidiary company or associate Company	Monthly remuneration exceeding ₹ 2.5 lakhs
f	The remuneration for underwriting the subscription of any securities or derivatives thereof of the company	1% of the Net worth

**Note:**

The turnover or net worth referred above shall be computed on the basis of the audited financial statement of the preceding financial year.

**For and on behalf of the Board of Directors**

**Manish Jaiswal**  
**Managing Director & Chief Executive Officer**  
 DIN: 07859441

Date: 3 May, 2024  
 Place: Pune

**Sanjeev Mehra**  
**Non-executive Director**  
 DIN: 07491208

Date: 3 May, 2024  
 Place: Mumbai

# Management Discussion and Analysis

## INDUSTRY STRUCTURE AND DEVELOPMENTS

### Economic overview

#### Global economic overview

Despite facing headwinds such as the geopolitical turmoil in the Middle East and Europe and the consequent fluctuations in commodity prices worldwide, the global economy has shown remarkable resilience in the face of adversity.

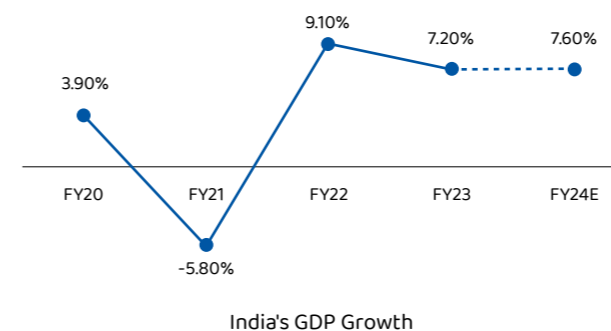
Global Growth is projected at 3.2% in 2024 and 3.2% in 2025. Estimates suggest, much of this growth is made up of emerging markets, while growth in advanced economies remains tepid. Inflation is falling faster than expected in most regions, amid unwinding supply-side issues and restrictive monetary policy. Global headline inflation is expected to fall to 5.9% in 2024 and to 4.5% in 2025, with the 2025 forecast revised down.

With the decrease in inflation rates, countries like India, Mexico, and Vietnam are poised to benefit significantly. Consequently, an increased demand to rebuild budget capacity to withstand future shocks will be expected as well. However, currently, economies such as the US and India are preparing for general elections in 2024, postponing major policy initiatives for some time.

Source- World Economic Outlook, April 2024 (IMF)

#### Indian economic overview

India is one of the fastest-growing major economies in the world, with its GDP expanding by 8.2% in FY 2023-24. The Indian economy has shown resilience while navigating various headwinds in the reported financial year. India's robust performance can be attributed to a combination of various factors, including solid economic fundamentals, healthier balance sheets across banks and corporations, fiscal discipline, stable external balances and substantial foreign exchange reserves.



High-frequency indicators including GST collections, advance tax payments, PMI & current account balance continue to show strong growth momentum.

The interim budget for FY 2024-25 includes different initiatives by the Indian Government to contribute to the holistic development of the economy. The expansion of the capital expenditure outlay by 11.1% for 2024-25 in the interim budget is expected to greatly bolster economic growth and boost job creation by powering the infrastructure sector further.

The growth performance in FY 2023-24 provides a strong base for the prospects for the next financial year. Assuming a normal monsoon next year, CPI inflation for 2024-25 is projected at 4.5%. Consequently, Real GDP growth for 2024-25 is projected at 7.0%.

The Indian economy has maintained steady growth over the years. A burgeoning population and policies introduced by the Government of India are further expected to catapult the growth of the economy. The inclusion of Indian government securities in the JP Morgan Global Bond Index - Emerging Markets from June 2024, could augur well for the outlook for capital flows to India. The market expectation is that \$24 billion will be invested in G-Secs over 10 months beginning June 2024.

Bloomberg also has announced the inclusion of Indian bonds in its Emerging market local currency government index with effect from 31 January, 2025. This is likely to result in inflows of around USD 3 billion into domestic debt.

Among industry sectors in India, housing will be outperforming the sector given its low mortgage penetration and massive need across geographies and income classes. Given the tremendous road development taking place in India (more than 37 KMs per day of road construction with a target to take it to 100 KMs per day), rural connectivity is rapidly increasing which in turn will enhance the self-home construction activities and will also be a significant GDP multiplier.

Source- RBI Bi-Monthly Monetary Policy Statement, RBI Governor's Statement February 2024, ICRA Report on Indian Economy March 2024, IMF World Economic Outlook

#### Indian housing finance industry

India's housing finance market, valued at around ₹ 30 lakh Crore in FY 2022-23, is expected to double up soon. With the ongoing structural economic development and the urbanisation trend in India, a significant portion of the growth is expected to be driven by the bottom of the pyramid i.e. EWS, LIG & MIG segments. This growth would present a lucrative opportunity for Housing Finance Companies (HFCs) especially Affordable Housing Finance Companies (AHFCs) to expand their operations tap the underpenetrated mortgage market and aid the Government's initiative of financial inclusion, by financing customers who are not catered to by the mainstream lenders.

As per the Finance Minister's narrative, the Indian economy is expected to reach ~USD 5 trillion by FY 2028. With an expected resilient mortgage penetration growth, the housing sector will play a pivotal role in contributing towards Indian economic growth and in achieving the government's objective of making India the world's 3<sup>rd</sup> largest economy.

A growing middle class and improved GDP per capita, a growing need for more per capita per square feet space, and an increasing number of nuclear families are altering the rental-to-EMI ratio, making homeownership more accessible, and hence the demand for affordable housing will continue to rise.



## Key enablers of Indian housing finance

### 1. Government initiatives

The Indian government plays a pivotal role in strengthening the housing finance sector. Effective initiatives and schemes introduced by the Government have bolstered the growth of the industry effectively.

The Government of India will soon launch the "Middle-Class Housing Scheme"; under this scheme, Indian residents belonging to the middle strata of society, residing in rented houses or slums, can construct their residences. These solicitous initiatives accentuate the Government's commitment to improve the quality and availability of housing accommodations for its citizens.

### 2. Digital transformation

Application programming interfaces (APIs), artificial intelligence (AI) and machine learning (ML) have revolutionised the financial landscape. These digital advancements have enhanced customer experiences, increased convenience, heightened security and modulated housing finance companies' business operations. The Central Bank's focus on Fintech and Big Tech companies is expected to further foster positive growth in the finance sector.

### 3. Rurbanisation

Rapid urbanisation has propelled the growth of the housing and real estate industry in India. Factors such as a burgeoning population and migration to urban areas from the hinterlands have significantly contributed to the positive development of the real estate market, further amplifying the demand for financial assistance.

### 4. Favourable demographics

India has one of the largest young populations in the world, with a median age of 28 years estimates suggest that 63% of them will be between 15 and 59 years. Favourable demographic composition along with the nuclearisation of families is expected to drive housing demand.

### 5. Improved affordability

Rising per capita income and improvement in disposable income are expected to boost housing demand.

The desire to own accommodation in metropolitan and Tier I cities along with the increase in disposable income have contributed significantly to the growth of housing finance companies in India. Further, the expansion in population is expected to spur the demand for housing provisions, thereby facilitating the growth of the industry in FY 2024 notably.

Source - ICRA India Mortgage Finance Market Report January 2024

## Overview of the Company

The Company is a housing finance company registered with the Reserve Bank of India (RBI). The Company specialises in providing accessible financial solutions within India's semi-urban and peri-urban areas through its national scale presence in 18 States and Union Territories with 210 branches. The Company's commitment is to serve the affordable housing customer – typically a micro-

entrepreneur with a monthly household income of ₹ 30,000 to ₹ 60,000, who seeks a loan of ₹ 10-12 lakhs for a 600-800 sq. ft. home – with our fundamental values of humility, trust and togetherness. The affordable housing finance franchise has been consistently built with a relentless focus on imparting "dignity of living" to customers with focus on SMI – SC (Self-made Individuals – Self Construction). The name Grihum signifies the enterprise's commitment to assisting customers in finding their dream accommodations. It operates on the philosophy of 'Go Home Loan- Go Direct,' which emphasises prioritising transparency and simplicity while directly delivering the solutions to its customers. The tagline "Apna Ghar. Apni Pehchan." captures the Company's resonance with the customers to build a seamless journey towards homeownership.

While primarily focusing on housing finance, the Company offers an extensive portfolio of financing options to cater for the evolving needs of consumers. The Company's portfolio includes loans for home purchase, construction, extension, improvement and Loans against property.

During the year under review, Perseus SG Pte. Ltd. ('Perseus'), an entity affiliated with TPG, a leading global alternative asset management firm. Acquired a 99.02% stake in the Company. Upon acquisition, Perseus infused additional equity capital of approximately ₹ 1,038 Crore to bolster the Company's expansion. Consequently, the Company changed its name to Grihum Housing Finance Limited, a name that combines 'Grih' (Home) and 'Hum' (We), marking a new era in its journey. This strategic move enabled the Company to tap into the unexplored segments of the housing market, enhancing its capability to serve a broader client base. The Company is strategically poised to make significant strides in the growing affordable housing finance sector.

The Company strives to accomplish the objective of financial inclusion by serving first time customers with limited / no access to formal credit. The Company is committed to contribute to government's objective of 'Housing for All'.

### Overview of Company's performance during FY 2023-24

The Company had a remarkable financial year with all-round performance across Business growth, Credit quality and Profitability. During the year under review, the Company has witnessed highest ever disbursement of ₹ 2,914 Crore as against ₹ 2,585 Crore in FY 2022-23, delivering 32% Asset Under Management (AUM) growth over last year, closing the year with an AUM of ₹ 8,277 Crore as compared to ₹ 6,289 Crore in FY2022-23. The Company is predominantly focused on sourcing housing loan customers, housing loan consists of 75% of the loan book of the Company (FY 2022-23: 72%) with balance being loan against property, with self-employed customer segment comprising of 68% of the loan portfolio (FY 2022-23: 67%).

During the year under review, the Company expanded its lenders' base by incorporating additional private and foreign banks and further strengthened its existing relationship with public sector banks. Additionally, it increased its funding sources by tapping into the refinance provided by National Housing Bank (NHB) and tapping into the capital markets. The Company continues to raise fresh borrowings at the most competitive terms and pricing

thereby achieving the best-in-class average cost of borrowings of 8.1% during financial year under review.

With a fresh equity infusion of ₹ 1,038 Crore by Perseus during the fiscal year, the Company's net worth reached ₹ 2,390 Crore at the end of the financial year under review, up from ₹ 1,209 Crore in the previous fiscal year. As a result, the Company's leverage ratio decreased significantly, from 3.8 times in FY 2022-23 to 2.4 times by the end of the financial year under review. This reduction in leverage provides substantial room for future growth initiatives. The Company carries robust liquidity of more than ₹ 2,400 Crore as on 31 March, 2024 with a well-matched ALM in line with its asset profile. The Company reported a higher Capital Adequacy Ratio of 47.31% as on 31 March, 2024 as compared to 34.83% as on 31 March, 2023, which is well above the minimum regulatory threshold limit.

The strong focus on portfolio management, risk management and collections has enabled the Company to maintain best in class asset quality. The Company has reported the Gross NPA (GNPA) of 0.95% as at the end of FY 2023-24 (FY 2022-23: 0.81%). The Company carries robust Provision Coverage Ratio at 41.2% (FY 2022-23: 50.9%) and has overall provision coverage at 0.9 % (FY 2022-23: 1.1%) of loan book as on 31 March, 2024.

The Total Income of the Company has increased by ~46% to ₹ 1,046 Crore in FY 2023-24 (FY 2022-23: ₹ 716 Crore). The Company has witnessed the highest ever Profit Before Tax (PBT) of ₹ 183.22 Crore in FY 2023-24 against ₹ 154.19 Crore in FY 2022-23, supported by a growth in Net Interest Margin (NIM) of 8.3% in FY2023-24 as compared to 7.8% in FY 2022-23.

**77,000+**

Customers

**210**

Branches

**18 States & UTs**

Geographical Presence

**₹ 8,277 Crore**

Asset Under Management (AUM)

**₹10 Lakhs**

Average Ticket Size (ATS)

**100%**

Retail & Secured Portfolio Attributes

**₹ 2,390 Crore**

Net Worth

**2.4 times**

Leverage

**0.95%**

GNPA

**8.3%**

NIM

## OPPORTUNITIES, CHALLENGES AND OUTLOOK

### Strengths

- Backed by TPG leading global alternative asset management firm, with a controlling stake of 98.9% as on 31 March, 2024.
- National Scale Affordable Housing finance company with higher share of home loans in the overall product mix with complete reliance on direct sourcing to acquire superior quality assets.
- Strengthened capital position with significantly lower leverage provides significant headroom for further growth.
- Extensive branch network (210 branches) and geographically diversified loan book (with presence in 18 States & UTs) catering to more than 77,000 customers, with no single region contributing greater than 20% in overall loan book, to mitigate any local geo-political issues. The Company enjoys a distinct competitive advantage by reaching to a varied geographic clientele. This extensive distribution enables Company to expand its market presence and shares strategically.
- Deep understanding of customer segment; Strong knowledge of local market and regional dynamics
- 100% mortgage-backed retail loans. No wholesale exposure to builder / developer. Majority of the collateral is self-occupied residential properties.
- Scalable Model and Independent 'Unit' Structure. The unit model in a usual scenario can operate independently within the policy framework and is required to approach the hierarchy only for exceptions. This model is efficiently aided by technology enablers to make the process seamless from sourcing to disbursement.
- Robust Credit Underwriting & Appraisal. The decentralised and vertical approach with segregated legal, technical and credit underwriting team has ensured superior portfolio quality.
- Growing at a healthy rate i.e. 5 year CAGR of 30% (earning assets) and the capital infusion should further accelerate the growth.
- Best in class asset quality with lowest NPA levels in Affordable HFC space – GNPA of 0.95% and NNPA of 0.56% as on 31 March, 2024.

- Experienced leadership team with demonstrated track record of scaling of the HFC business.
- Enjoys credit facilities from 30 leading banks and financial institutions.

#### Challenges, Risks and Concerns

- The customers of the Company are a mix of self-employed and salaried with majority of them in Tier II to Tier VI cities; thereby exposing the Company to the relatively economically vulnerable borrower segment. Since this segment is highly susceptible to the impact of economic downturn, maintaining good asset quality while increasing the scale of operations is a key sensitivity. However, the Company maintains average LTV ratio in the range of 50%-60% and most of the assets are self-occupied thus the borrowers are tied up with moral obligation to pay, thereby mitigating this risk.
- Competition from banks and other large non-bank players in the industry will always prove to be a challenge for the housing finance companies with high risk of balance transfers.

#### Opportunities

- Favourable growth prospects for affordable housing in India; India having one of the lowest Mortgage-to-GDP ratios vis-à-vis advanced economies indicates strong growth potential.
- Government's emphasis on promoting 'Housing for All'.

#### Threats

- Slower than envisaged economic growth due to global geopolitical issues, can impact credit growth. However, the Company is better-off placed in comparison to its peers due to its unique business model and direct sourcing abilities.
- Inflation affects the purchasing power of people which is not a desirable phase of economic activity. Rising inflation may affect the savings of people and their repayment obligations consequently. However, the Company follows a strict policy on maximum allowable debt burden ratio to mitigate this risk.

#### Outlook for the Company

In view of the overall sector outlook detailed above, the Company is well poised towards becoming a most trustworthy brand in the affordable housing finance space with its pan-India presence and it is likely to keep growing considering the following:

- The Company has a robust business model with strong direct sourcing capabilities to acquire superior quality assets.
- Synergies between the Company and TPG's investee companies in the form of development of digital infrastructure and process efficiency practices.
- The Company has a well-skilled and experienced management team with extensive domain knowledge and excellent execution track record in the lending business.
- The Company has implemented robust risk management and credit underwriting policies/ procedure.
- The Company has been continuously investing to build robust, updated technological infrastructure along with paperless workflows for better customer experience.

#### INTERNAL CONTROL SYSTEM

The Company has an adequate system of internal controls in place commensurate with the nature of its business and size of its operations. The Company has documented its policies, controls and procedures, covering all financial and operating activities. Internal controls include IT general controls, IT application controls, controls designed to provide a reasonable assurance regarding reliability on financial reporting, monitoring of operations for their efficiency and effectiveness, protecting assets from unauthorised use or losses, compliances with regulations, prevention and detection of fraudulent activities, etc. The Company continues its efforts to align all its processes and controls with leading practices.

A well-established, independent Internal Audit function provides independent assurance on Company's system of internal controls, risk management and governance processes. The scope and authority of the Internal Audit division is derived from the Internal Audit Charter, duly approved by the Audit Committee. To maintain independence of the function, the Internal Audit team reports functionally to the Audit Committee. Internal Audit prepares an annual audit plan following risk-based audit approach, which is approved by the Audit Committee. The Audit Committee reviews the annual audit plan, the significant audit findings and the updated status of implementation of management action plan on quarterly basis.

The Company has a system of internal control over financial reporting that adequately addresses the risk that a material misstatement in the Company's financial statements would be prevented or detected on a timely basis and that these controls are operating effectively.

#### Internal Financial Control

The Company has laid down internal financial controls to be followed in the Company and that such internal financial controls are adequate and were operating effectively. Proper processes are in place for the prevention and detection of frauds and errors and for ensuring adherence to the Company's policies.

The Company has in place adequate internal financial controls with reference to financial statements, commensurate with the size, scale and complexity of its operations. Review of the internal financial controls environment of the Company was undertaken during the year which covered testing of Entity Level Controls, Process and IT controls including review of key business processes for updating Risk Control Matrices, etc. The Risk and Control Matrices are reviewed on an annual basis and control measures are tested and documented. Moreover, the Company continuously upgrades its systems and reviews and updates policies, guidelines, manuals and authority matrix.

The internal financial control is supplemented by internal audits, regular reviews by the Management and standard policies and guidelines to ensure reliability of financial and all other records to prepare financial statements, its reporting and other data. The Audit Committee of the Board reviews internal audit reports given along with management responses. The Audit Committee also monitors the implemented suggestions. The Company has, in material respect, an adequate internal financial control over financial reporting and such controls are operating effectively.

The statutory auditors of the Company have also certified on the existence and operating effectiveness of the internal financial controls relating to financial reporting as of 31 March, 2024.

#### HUMAN RESOURCES

The Company considers people, processes, product, and technology as essential elements of the business. The goal of the Company is to create a conducive environment where these four pillars work together efficiently for the betterment of the organisation and its people. The employees of the Company are highly valuable assets and have a vital role in advancing the progress and achievements of the Company. Therefore, the Company emphasises human resource management at every stage of its operations. As at 31 March, 2024, the Company's total number of employees stood at 3,292.

#### Learning and Development

The Company remains steadfast in its efforts to transform the Company into a self-sufficient entity and to this end, the Company has introduced several learning initiatives for its employees through e-Learning platforms, web-based instructor-led programs and instructed lead classroom trainings. In FY 2024-25, the Company expects to build on its commitment to promote self-learning methods using online LMS and "on the job" learning methods. In addition, the Company has enhanced its onboarding program to offer a comprehensive and secure introduction for all new employees, covering crucial information such as the Company's history, products, policies, and other significant details.

During the year under review, the Company implemented several key learning initiatives with the aim of enhancing business outcomes. These included:

- Utilising Virtual Training programs to minimise dependencies and time constraints.
- Providing tech training to utilise our business education series to our sales and credit employees.
- Providing functional training on selling scale, credit policy, credit technical & legal, and collection methodologies to our branch employees who engage with customers on a regular basis.
- Experiential learning of certain team(s) on the usage of BI tools, analytics and advanced MS-Excel which enhanced their understanding of business numbers and enabled them to develop more effective strategies.
- Offering functional learning support through nuggets, videos and webinars
- Trained employees on important subjects like Know Your Customer, Anti Money Laundering, Prevention of Sexual Harassment, Information security Management and Data Loss Prevention Policy.

The emphasis has been on co-creating innovative learning methods and integrating them into business processes to achieve optimal results, demonstrating the close partnership between learning & development and the wider business outcomes.

#### Propelled by technology

The Company places great emphasis on utilising technology to optimise its HR procedures. The Company's on-site HRMS platform boasts a variety of internet-accessible modules, including employee life cycle, recruitment, performance management, learning management system and a leadership dashboard that facilitates informed decision-making. The Company also prioritises delivering a seamless digital experience from start to finish through our online platform, which includes everything from completing initial formalities to comprehending HR policies.

#### Key HR Initiatives

The Company has implemented various initiatives aimed at retaining employees throughout their entire life cycle with our company. These key strategies include:

- Selecting candidates basis their experience, skills & competency matching to the job requirements and cultural values aligned to the organisational philosophy.
- Promoting the practice of career progression within the organisation including cross functional movements with many important roles being filled.
- Continued the implementation of "Prarambh" to enhance the onboarding experience for new hires.
- Launch of Sankalp Program of 60 days structured training comprising of classroom, material and on the job learning to our field sales officers.
- Launch of Digi-Cell 30 Days Digital Relationship manager training program for sales management trainees.
- An "Inform, Guide, and Nurture" model, which involves regular town hall meetings, providing employees with the right information, and promoting positive behaviors throughout the organisation.
- Offering rewards and recognition to employees at all levels and departments, including KUDOS Award, Long Service Award etc.

#### Retention of Top Performers

To enhance employee retention, the Company has implemented several strategies, including:

- Providing training and coaching to enhance managerial capabilities.
- Monitoring Early Warning Signals to identify potential issues and provide timely counselling.
- Implementing Ringfencing Model to drive career progression.
- Encouraging inclusivity by promoting internal job postings and succession planning.

#### Engagement

Encouraging employee engagement and fostering emotional investment through mental and physical health wellness programs, engagement events for the progress of any organisation. The

Company highly values novel concepts that foster employee engagement for the wellbeing of the employees. Some of the strategies the Company has found effective in this regard during the financial year under review:

- The Company engaged our employees through various activities such as health talk, wellbeing conversation with experts, sports activities, celebrating birthdays, and celebrating various festivals at across offices.
- Employee inclusion and engagement for the launch of new brand name of the company
- Conducting sessions to listen "Voice of Employees" to seek ideas, suggestions, local level market pulse, quizzes, and contests to encourage employee participation.
- Continued engagement and participation of employees in company's different CSR activities.
- Conducting leadership interaction virtual and in person sessions (Townhall) with the employees at branches providing a platform to share their ideas.

## INFORMATION TECHNOLOGY

The Company is dedicated to transforming affordable housing finance and as part of the strategy, the Company is embarking on an extensive digital transformation journey. Through the seamless integration of innovative technologies and the implementation of a low-code development platform, the Company aims to streamline operations, enhance customer experience, and improve efficiency across our organisation.

Our digital transformation roadmap includes the deployment of new digital platforms, online loan application processes, and mobile app solutions, all designed to create a unified ecosystem for employees, partners, and customers. By leveraging a low-code development platform, the Company ensures rapid deployment of solutions while minimising integration challenges, facilitating seamless information flow among all users.

### Key initiatives encompass the following:

- Unified Digital Platform
- Online Loan Application Processes
- Customer Mobile Apps
- Super App (Mobile App) for Employees
- Business Rule Engine (BRE)
- AI/ML Capabilities
- Deduplication

The Company's vision for digital transformation goes beyond mere technological upgrades; it represents a commitment to innovation, collaboration, and customer-centricity. By creating a 360-degree ecosystem that seamlessly connects employees, partners, and customers, we empower individuals and communities to achieve their dreams of affordable homeownership.

### Data Analytics and Business Intelligence:

The Company recognises the power of data analytics and business intelligence in driving informed decision-making across our organisation. By harnessing the insights gleaned from customer behaviour, market trends, and operational performance, we empower our teams to adapt and innovate in the dynamic landscape of affordable housing finance.

Our approach to data analytics and business intelligence revolves around a robust framework, utilising cutting-edge tools and technologies to extract, transform, and analyse data from multiple sources. Microsoft Azure Data Factory (ADF) serves as the backbone of our data integration process, seamlessly fetching data from various systems including our LOS (Loan Origination System), LMS (Loan Management System), and Collection systems. This data is then transformed and loaded into our centralized data warehouse, Microsoft Synapse, where it undergoes further processing to ensure its utility and accuracy.

### Cybersecurity and Information Security:

The major focus areas for the Company, considering the criticality of customer data which is processed for the business purposes. The Company has covered all the domains of the Information Security in terms of Tools, Technologies, and Processes.

- **Network & Perimeter Security:** Network communication to and from the Company's IT Infrastructure is protected by the Next Generation Firewalls with additional protection of "Network Intrusion Prevention System", "Distributed Denial of Service Protection".
- **Data Security:** The Company's IT has deployed Data Loss Prevention (DLP) Tool to ensure that all the outgoing data from the organisation is monitored. We have deployed Information Rights Management Tool to ensure that all the PII Data and Customer Confidential Data shared internally and externally is encrypted and access authorisation protected. We also have PII Data Sharing Process in place to ensure that Confidential and PII data is fetched from the information systems only after high level approvals in place.
- **Endpoint Security:** The Company's Endpoints, which includes Laptops, Desktops, Servers and Mobile Devices, are protected by multi-layer security tool which includes Anti Malware & Ransomware Protection, Data Encryption Solution, Endpoint Proxy Solution.
- **Security Operations Center:** The Company's Information Security posture is empowered with Security Operations Center (SOC) with 24\*7 proactive monitoring to ensure all the security alerts, events and threats are monitored and investigated with required prompt action.
- **Brand & Dark Web Monitoring:** Grihum brand name is monitored over sources like social media, other Internet sources along with the Dark Web monitoring.
- **Employee Awareness Programs:** Employee Awareness about Information Security is a very important aspect and a proactive security measure. There is mandatory security awareness training for all the employees. Information

Security Awareness Fliers are shared with the employees on a regular basis. Phishing Simulation Activity is regularly done as a practical awareness measure.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company's CSR philosophy revolves around uplifting lives and elevating the dignity of individuals within the affordable housing sector. The Company remains steadfast in its commitment to fostering sustainable communities. Our dedication is channelled towards empowering the ACE (Affordable Construction Ecosystem) community. Through targeted initiatives, the Company aims to enhance their skills, provide better livelihood opportunities,

and education opportunities for their kids, and support them in upskilling their knowledge for the quality of construction of affordable homes. The Company's commitment to this cause is not only transforms physical spaces but also creates a positive ripple effect, touching lives and nurturing a sense of pride within these vital communities.

During the year under review, the Company has spent ₹ 167.86 lacs as compared to the spent of ₹ 85.19 lacs made in FY 2022-23. The Company's CSR initiatives revolve around areas such as education, health, and environmental conservation. The comprehensive details regarding CSR expenditure and activities undertaken by the Company are included in the Board's Report.

# Corporate Governance Report

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Our Corporate Governance philosophy reflects our value system encompassing our legacy, culture, vision, mission, policies, and relationships with all our stakeholders. The Company believes that a robust Corporate Governance framework is one of the key ingredients for long term success of any financial services entity. The Company ensures good governance through the implementation of various effective policies and procedures, which is mandated and reviewed by the Board or the Committees of the members of the Board at regular intervals.

## BOARD OF DIRECTORS

### COMPOSITION OF BOARD

The Board of Directors of the Company oversees overall functioning, provides a strategic direction, guidance, leadership and owns the fiduciary responsibility to ensure that your Company's actions and objectives are aligned in creating long term value for its stakeholders. The Board is committed towards upholding highest corporate governance standards. The Board endeavours to ensure the Company's prosperity by collectively directing its affairs, whilst meeting the appropriate interests of all its stakeholders.

The composition of the Board of Directors of the Company is in conformity with the provisions of the Companies Act, 2013 (the Act), SEBI Listing Regulations, RBI HFC Master Directions and other applicable laws.

The Board comprises of total six (6) Directors, out of which one (1) is Executive Director – designated as Managing Director & Chief Executive Officer (MD & CEO), two (2) are Non-Executive

Non-Independent Directors and three (3) are Non-Executive Independent Directors including one (1) woman director. Five Directors on the Board have the relevant experience of having worked in an NBFC/ HFC/ Bank. None of the Directors are related to each other and none of the Directors have any pecuniary relationship or transactions with the Company, except as disclosed in this Annual Report

### BOARD MEETINGS

During the financial year 2023-24, the Company held Eight (8) Board Meetings i.e. on 24 April, 2023, 21 July, 2023, 25 July, 2023, 26 July, 2023, 8 September, 2023, 18 October, 2023, 19 January, 2024 and 22 March, 2024. The gap between any two consecutive meetings did not exceed one hundred and twenty days. The necessary quorum was present for all such meetings. All Board meetings were convened by giving appropriate notice and were governed by a structured agenda. The agenda items were backed by comprehensive information and documents to enable the Board to take informed decisions.

During the year under review, the Board had also decided some of the matters by way of resolutions passed by circulation considering the business exigencies or urgency of matters.

The agenda and related notes / documents of the Board/ Committee Meetings are hosted on the Board Meeting portal, a digital application. The Directors of the Company can access all such relevant documents in electronic form at a click of a button. The Board has complete access to all the relevant information available within the Company.

The composition and details of the Directors, their attendance at the meetings, other directorships, committee membership and chairpersonships as on 31 March, 2024 are as follows:

Sr. No.	Name of the Director / DIN	Director Since	Number of Board Meetings		Capacity/ Category of Directors	Attendance at 19 <sup>th</sup> AGM held on 2 June, 2023	No of other Directorships <sup>8</sup>		Remuneration (₹ in Lacs)		No. & (%) of Equity shares Held <sup>9</sup>	Directorships in other equity listed companies	Other Committee Memberships <sup>10</sup>	Other Committee Chairmanships <sup>10</sup>
			Held	Attended			Member	Chairperson	Salary and other compensations	Sitting Fee				
1	Mr. Adar Poonawalla (DIN: 00044815) <sup>4</sup>	8 July, 2021	4	1	Non-Executive Non-Independent Director	No	1	1	1.00	-	23 <sup>1</sup>	1	-	-
2	Mr. Amar Deshpande (DIN: 07425556) <sup>4</sup>	20 July, 2021	4	3	Non-Executive Non-Independent Director	Yes	1	-	13.90	-	1 <sup>1</sup>	1	2	-
3	Mr. Prabhakar Dalal (DIN: 00544948) <sup>5</sup>	24 May, 2021	5	5	Non-Executive Independent Director	Yes	2	-	16.35	-	Nil	2	1	2
4	Ms. Bhama Krishnamurthy (DIN: 02196839) <sup>5</sup>	24 May, 2021	5	5	Non-Executive Independent Director	Yes	7	1	17.94	-	Nil	4	6	-
5	Mr. Manish Jaiswal (DIN: 07859441)	26 June, 2017	8	8	Managing Director & Chief Executive Officer	Yes	-	-	425.00	-	33,60,001 (1.03%) <sup>2</sup>	-	-	-
6	Mr. Puneet Bhatia (DIN: 00143973) <sup>6</sup>	8 September, 2023	4	4	Non-Executive Non-Independent Director	NA	4	-	-	-	Nil	1	-	-
7	Mr. Sanjeev Mehra (DIN: 07491208) <sup>7</sup>	8 September, 2023	4	4	Non-Executive Non-Independent Director	NA	2	-	-	-	Nil	-	-	-
8	Mr. Prem Manjorran (DIN: 10310018) <sup>7</sup>	8 September, 2023	4	4	Non-Executive Independent Director	NA	-	-	8.50	-	Nil	-	-	-
9	Mr. Nitin Gupta (DIN: 02404862) <sup>7</sup>	8 September, 2023	4	3	Non-Executive Independent Director	NA	-	-	-	-	Nil	-	-	-

Sr. No. / DIN	Name of the Director	Director Since	Capacity/Category of Directors		Number of Board Meetings		Attendance at 19 <sup>th</sup> AGM held on 2 June, 2023	No of other Directorships <sup>8</sup>		Remuneration (₹ in Lacs)		No. & (%) of Equity shares Held <sup>9</sup>	Directorships in other equity listed companies		Other Committee Memberships <sup>10</sup>	Other Committee Chairmanships <sup>10</sup>
			Held	Attended	Member	Chairperson		Salary and other compensations	Sitting fee	Commission	Directorships in other equity listed companies		Other Committee Memberships <sup>10</sup>			
10	Ms. Richa Arora (DIN: 07144694) <sup>8</sup>	13 March, 2024	1	1	NA	1	-	-	-	109	-	Nil	-	1	-	-

<sup>1</sup>Beneficial interest of these shares was with Poonawalla Fincorp Limited upto 25 July, 2023.

<sup>2</sup> Beneficial interest of 1 (one) equity share held by Mr. Manish Jaiswal is with Perseus SG Pte. Ltd.

<sup>3</sup>None of the Directors hold any convertible instruments of the Company, except 16,80,000, 0.001% Compulsory Convertible Preference Shares (CCPS) held by Mr. Jaiswal.

<sup>4</sup> Resigned w.e.f. 26 July, 2023. The above disclosures are based on the latest declarations received from the Directors.

<sup>5</sup>Resigned w.e.f. 08 September, 2023. The above disclosures are based on the latest declarations received from the Directors.

<sup>6</sup> Appointed w.e.f. 08 September, 2023. Mr. Puneet Bhatia is also a Non-Executive Non-Independent Director in Havells India Limited, a listed entity.

<sup>7</sup>Appointed w.e.f. 08 September, 2023.

<sup>8</sup>Appointed w.e.f. 13 March, 2024.

<sup>9</sup> Excludes directorship in the Company, private companies, foreign companies, and companies under section 8 of the Companies Act, 2013.

<sup>10</sup>Pertains to memberships/chairpersonships of the Audit Committee and Stakeholders' Relationship committee of Indian public companies (excluding the Company).

## SKILLS AND COMPETENCIES

The Board ensures that the expertise, knowledge and experience needed to effectively steer the Company forward are represented on the Board. The approach for selection and appointment of Directors on the Board ensures that their specific skills, knowledge and experience fulfill a particular skill – set requirement of the Board. It is acknowledged that not all Directors will have all the necessary skills, but the Board as a whole must have them also the expertise, knowledge and experience required for the Board will change overtime as the organisation evolves and grows. While selecting a candidate for the post of director of the Company, the Nomination & Remuneration Committee (NRC) and the Board ensure that the candidate is a person of high integrity and possesses relevant skills, expertise, knowledge and experience which is required for Board effectiveness and good governance. The core skills, expertise and competencies identified by the Board, as required in the context of the Company's business(es) and sector(s), for it to function effectively are mentioned below:

- **Industry:** Experience and knowledge of the industry in which the organisation operates.
- **Financial Management:** Effectively overseeing financial resources, optimising budgets, and mitigating risks to drive organisational growth and sustainability.
- **Business Administration:** Efficiently coordinates and manages various operational aspects, including personnel, processes, and resources, to achieve organisational objectives and foster growth.

- **Risk Management with relation Affordable Housing Finance Industry:** Risk management within the affordable housing finance industry involves systematically identifying, assessing, and mitigating potential financial, operational, and regulatory risks to ensure the sustainable provision of accessible housing finance solutions.
- **Capital Market Expertise:** It involves comprehensive knowledge and adeptness in navigating financial markets, analysing investment opportunities, and optimising capital allocation strategies to maximise returns and minimise risks for stakeholders.
- **Corporate Governance:** The essential governance knowledge and understanding that all Directors should possess or develop to be effective Board members. It includes some specific technical competencies as applied at the Board level.
- **Strategy and Decision Making:** Ability to formulate and execute effective long-term plans, assess various options, and make informed decisions to drive organisational success and adapt to dynamic environments.
- **Information Technology and Cyber Security:** It involves proficiently managing digital systems, data migration and implementing measures to safeguard data, infrastructure, and networks from unauthorised access, breaches, and cyber threats.

All the identified skills, expertise and competencies reflected in the Board as on 31 March, 2024 are as follows:

Parameters	Mr. Manish Jaiswal	Mr. Puneet Bhatia	Mr. Sanjeev Mehra	Mr. Prem Manjoran	Mr. Nitin Gupta	Ms. Richa Arora
Industry Experience	√	√	√	√	√	-
Financial Management	√	√	√	√	√	√
Business Administration	√	√	√	√	√	√
Risk Management with relation Affordable Housing Finance Industry	√	-	-	√	-	-
Capital Market Expertise	√	√	√	√	√	-
Corporate Governance	√	√	√	√	√	√
Strategy and Decision Making	√	√	√	√	√	√
Information Technology and Cyber Security	-	-	√	-	√	√

## COMMITTEES OF THE BOARD

The Board Committees constitute an important element of the governance process of the Company and are an integral arm of the Board to carry out its wide and diverse functions. The Board has constituted a few Committees namely Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Asset Liability Management Committee, Stakeholder Relationship Committee, Corporate Social Responsibility Committee, Information Technology Strategy Committee, Management Committee and Review Committee.

The Chairperson of the respective Committees briefs the Board on significant discussions and decision taken at their respective meetings. Minutes of the Committee Meetings are circulated and

placed before the Board of Directors in the subsequent Board Meeting for their noting. All decisions and recommendations of the various Committees were accepted by the Board during the Financial Year 2023-24. The Company Secretary acts as a Secretary to all the Committees of the Board.

Detailed terms of reference, composition, meetings and other information of each of the Committees of the Board is detailed herein below:

### A. AUDIT COMMITTEE

The Board has constituted the Audit Committee in terms of provisions of Section 177 of the Act, Regulation 18 read with Part C of Schedule II of SEBI LODR Regulations, RBI HFC

Master Directions and other applicable provisions and laws. The Audit Committee is chaired by an Independent Director and all members of the Audit Committee are financially literate and have accounting and related financial management expertise.

During the financial year ended 31 March 2024, Eight (8) Audit Committee Meetings were held on 24 April, 2023, 27 May, 2023, 29 June, 2023, 21 July, 2023, 25 July, 2023, 8 September, 2023, 18 October, 2023 and 19 January, 2024. All the recommendations made by the Audit Committee during the year were accepted by the Board.

The composition of Audit Committee and attendance thereof of each member is as under:

Sr. No.	Name of Director	Member of Committee since	Capacity/Category of Director	Number of Meetings held	Number of Meetings Attended
1	Mr. Nitin Gupta	8 September, 2023	Chairperson, Non-Executive Independent Director	2	1
2	Mr. Prem Manjooan	8 September, 2023	Member, Non-Executive Independent Director	2	2
3	Mr. Sanjeev Mehra	8 September, 2023	Member, Non-Executive Non-Independent Director	2	2
4	Mr. Manish Jaiswal <sup>1</sup>	26 July, 2023	Member, Managing Director and Chief Executive Officer	1	1
5	Ms. Bhama Krishnamurthy <sup>2</sup>	11 June, 2021	Chairperson, Non-Executive Independent Director	6	6
6	Mr. Prabhakar Dalal <sup>3</sup>	11 June, 2021	Member, Non-Executive Independent Director	6	6
7	Mr. Amar Deshpande <sup>4</sup>	20 July, 2021	Member, Non-Executive Non-Independent Director	5	5

**Notes:**

<sup>1</sup>Ceased to be a Member w.e.f. 8 September, 2023. <sup>2</sup>Ceased to be the Chairperson and a Member w.e.f. 8 September, 2023. <sup>3</sup>Ceased to be a Member w.e.f. 8 September, 2023. <sup>4</sup>Ceased to be a Member w.e.f. 26 July, 2023.

**Terms of Reference:**

The terms of reference of the Audit Committee are in line with the provisions of Section 177 of the Companies Act, 2013, Regulation 18 of SEBI Listing Regulations, the RBI HFC Master Directions, and other applicable provisions and laws and was duly approved by the Board of Directors. These broadly include:

1. Recommend to the Board for appointment, remuneration and terms of appointment of auditors of the Company;
2. To approve rendering of services by the statutory auditor other than those expressly barred under section 144 of the Companies Act 2013 and remuneration for the same.
3. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
4. Examination of the financial statements and the auditors' report thereon before submission to the Board with particular reference to:
  - a) Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

- b) Changes, if any, in accounting policies and practices and reasons for the same;
  - c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) Compliance with listing and other legal requirements relating to financial statements;
  - f) Disclosure of any related party transactions;
  - g) Modified opinion(s) in the draft audit report;
5. Reviewing with the management the quarterly financial statements before submission to the Board for Approval.
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a [public issue or rights issue or preferential issue or qualified institutions placement], and making appropriate recommendations to the board to take up steps in this matter;

7. Recommend on any matter relating to financial management
8. Comply with the going concern assumptions.
9. Compliance with accounting standards.
10. To oversee the functioning of the whistle blower/ vigil mechanism, if any.
11. Review and monitor the independence and performance of statutory and internal auditors, and effectiveness of audit process and adequacy of the internal control systems, any concerns in this regard may be flagged by the Audit Committee to the Board of Directors of the and concerned Senior Supervisory Manager (SSM)/ Regional Office (RO) of RBI
12. Scrutinise inter-corporate loans and investments;
13. Valuation of undertakings or assets of the company, wherever it is necessary;
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
15. Evaluation of internal financial controls and risk management systems;
16. Approve and recommend to the Board the transactions of the Company with Related Parties or any subsequent modification thereof.
17. Monitor the end use of funds raised through public offers and making appropriate recommendations to the Board to take up steps in this matter.
18. Discuss with the Auditors periodically about the adequacy of Internal Control System, the scope of Audit including the observations of the Auditors and review of financial statement before their submission to the Board and also ensure compliance of Internal control systems and may also discuss any related issues with the internal and statutory auditors and the management of the company.
19. Investigate into any matter in relation to the items within the purview of the Terms of Reference/Charter of the Audit Committee of the Board or referred to it by the Board or auditor of the Company and for this purpose, shall have full access to information contained in the books, records, facilities, personnel of the Company and the External professional consultants and their advice, if necessary
20. To appoint registered valuers
21. To formulate the scope, functioning, periodicity and methodology for conducting the internal audit.
22. To discuss with internal auditors and the management of any significant findings, status of previous audit recommendations and follow up there on.
23. Grant omnibus approval for entering into related party transactions in accordance with applicable laws and as per the policy adopted by the Board
24. Review the statement indicating the utilisation of issue proceeds of non-convertible securities
25. Review of statement of deviation(s) or variation
26. Review of the compliance under SEBI (Prohibition of Insider Trading) Regulations 2015 including any amendments thereto and verify the adequacy of internal control systems under the said Regulations on an annual basis.
27. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
28. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
29. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate.
30. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
31. The audit committee shall mandatorily review the following information:
  - a) Management discussion and analysis of financial condition and results of operations.
  - b) Management letters / letters of internal control weaknesses issued by the statutory auditors.
  - c) Internal audit reports relating to internal control weaknesses; and
  - d) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
  - e) Statement of deviations:
    - i. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of listing regulation.

- ii. Annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of listing regulation.
32. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
33. To ensure information system audit of the internal systems and processes are conducted at least once in two years to assess operational risk faced by the HFCs.
34. Ageing analysis of entries pending reconciliation with outsourced vendors shall be placed before the Committee.
35. Monitor system of internal audit of all outsourced activities.
36. Any adjustments to the Expected Credit Loss model output (i.e. a management overlay) should be approved by the Audit Committee of the Board (ACB) and its rationale and basis should be clearly documented
37. Monitoring and review of all the frauds involving an amount of ₹ 25 lakhs and above.
38. Any other matter as delegated by the Board of Directors of the Company from time to time

39. Ensuring compliance of Know your Customer and Anti Money Laundering Policy
40. Administration of Floating Reference Rate (FRR) from time to time.
41. To monitor implementation of the Fair Practices Code and Complaint Redressal Policy.
42. To review effectiveness of customer service initiatives & processes.
43. To review status of grievance redressal mechanism on periodical basis.
44. The Committee shall annually review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for its approval.

#### B. NOMINATION AND REMUNERATION COMMITTEE

The Nomination & Remuneration Committee (NRC) is constituted in accordance with the provisions of Section 178 of the Companies Act, 2013, Regulation 19 of SEBI LODR Regulations, RBI HFC Master Directions and other applicable provisions and laws.

During the financial year ended 31 March 2024, Seven (7) NRC Meetings were held on 20 April, 2023, 27 May, 2023, 25 July, 2023, 8 September, 2023, 17 October, 2023, 18 January, 2024 and 22 March 2024.

The composition of NRC and attendance thereof of each member is as under:

Sr. No.	Name of Director	Member of Committee since	Capacity/ Category of Director	Number of Meetings held	Number of Meetings Attended
1	Mr. Prem Manjooran	8 September, 2023	Chairperson, Non-Executive Independent Director	3	3
2	Mr. Nitin Gupta	8 September, 2023	Member, Non-Executive Independent Director	3	2
3	Mr. Sanjeev Mehra	8 September, 2023	Member, Non-Executive Non-Independent Director	3	3
4	Mr. Prabhakar Dalal <sup>1</sup>	11 June, 2021	Chairperson, Non-Executive Independent Director	4	4
5	Ms. Bhamu Krishnamurthy <sup>2</sup>	11 June, 2021	Member, Non-Executive Independent Director	4	4
6	Mr. Amar Deshpande <sup>3</sup>	20 July, 2021	Member, Non-Executive Non-Independent Director	3	3

#### Notes:

<sup>1</sup>Ceased to be the Chairperson and a Member w.e.f. 8 September, 2023. <sup>2</sup>Ceased to be a Member w.e.f. 8 September, 2023. <sup>3</sup>Ceased to be a Member w.e.f. 26 July, 2023.

#### Terms of Reference:

The terms of reference of the NRC are in line with the applicable laws and these broadly include:

- Formulate criteria and carry out evaluation of performance of all the directors of the Company.
- Review overall compensation philosophy and framework of the Company.

- Review outcome of the annual performance appraisal of the employees of the Company.
- Conduct annual review of the Committee's performance and effectiveness at the Board level.
- Examine and ensure 'fit and proper' status of the proposed/existing directors of the Company

- The Committee shall ensure that there is no conflict of interest in appointment of directors and their independence is not subject to potential threats.
- To ensure that compensation levels are supported by the need to retain earnings of the Company and the need to maintain adequate capital based on Internal Capital Adequacy Assessment Process (ICAAP).
- To formulate criteria for:
  - determining qualifications, positive attributes and independence of a director;
  - evaluation of independent directors and the Board
- Based on the Policy as mentioned in Clause No. III.C(5), determine remuneration packages for the following:
  - Approve remuneration packages and service contract terms of KMP and SMP including the structure, design and target setting for short and long term incentives / bonus.
  - Approve framework and broad policy in respect of all Employees for increments.
- Stock Options: Approve grant and allotment of shares to the eligible employees of the Company under the Stock Option Schemes as and when floated by the Company and duly approved by the shareholders of the Company and authorise any official of the Company to offer Stock Options to the new joinees in the Company in accordance with the authority matrix approved by the Committee from time to time;
- Review and approve succession plan.
- Approval of the annual compensation revision cycle of the employees of the Company.
- For every appointment of an independent director, evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - Use the services of an external agencies, if required;
  - Consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - Consider the time commitments of the candidates.
- Recommend to the board all remuneration, in whatever form, payable to senior management.
- Devising a Policy on Diversity of Board of Directors.
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

- Recommending the size and an optimum mix of promoter directors, executive, independent and non-independent directors keeping in mind the needs of the Company.
- Identifying, evaluating and recommending to the Board:
- Persons who are qualified for appointment as Independent and Non-Executive Directors/Executive Directors/ Whole time Directors/Managing Directors in accordance with the criteria laid down;
- Appointment of Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) in accordance with the criteria laid down;
- Removal of Directors, KMP, SMP.
- Determining processes for evaluating the skill, knowledge, experience, effectiveness and performance of individual directors as well as the Board as a whole.
- To devise a policy on remuneration including any compensation related payments of the directors, KMP, SMP and other employees and recommend the same to the Board of Directors of the Company.
- Based on the Policy as aforesaid, determine remuneration packages for the following:
- Recommend remuneration package of the Directors of the Company, including Commission, Sitting Fees and other expenses payable to Non-Executive Directors of the Company.
- Recommend changes in compensation levels and one time compensation related payments in respect of Managing Director/Whole-time Director/ Executive Director.
- Evolve a policy for authorising expenses of the Chairman and Managing Director of the Company.
- In performance of its responsibilities and obligations described in Section III the powers of the Committee shall include the following:
- Contracting Professional help to advise the Committee on matters relating to the charter of the Committee requiring independent input from outside experts.
- The right to ask a member of the management team to be present when the Committee reviews report relating to an area commented upon on reports presented to the Committee, for which such member is responsible.
- Investigate any matter in relation to its roles and responsibilities, to items specified in the regulation or any other provision of the Companies Act 2013 (the Act) or referred to it by the Board.
- Seek information from any employee of the Company and have full access to information contained in the records of the Company and obtain outside legal or other professional advice if necessary.

**Remuneration Policy:**

The Board has, on the recommendation of the Nomination & Remuneration Committee adopted the Remuneration Policy as prescribed under Section 178 of the Companies Act, 2013, RBI HFC Master Direction, Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs, Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs dated 29 April, 2022 issued by the Reserve Bank of India and other applicable provisions and laws, which inter-alia includes policy for selection and appointment of Directors, Managing Director & CEO (MD&CEO), Key Managerial Personnel, Senior Management Personnel and their remuneration. Familiarisation Program forms part of the Remuneration Policy. The Remuneration Policy was amended by the Board of Directors on 18 October, 2023. The said policy adopted by the Company is available on the website of the Company at the web-link: <https://grihumhousing.com/pdf/investor-governance/Grihum-Remuneration-Policy.pdf>. The salient features of the Policy are:

**1. Criteria of selection of directors, senior management personnel and key managerial personnel:**

- 1.1 Selection of Executive Director/s shall be in line with the selection criteria laid down for independent directors, insofar as those criteria are not inconsistent with the nature of appointment and in accordance with the provisions of Articles of Association; Nomination and Remuneration Committee (NRC) is responsible for identification, shortlisting and recommending candidature of person for the position of Managing Director to the Board of Directors of the Company;
- 1.2 Nominee Directors shall be taken on board, as and when nominated by the investor/s to protect such investor/s interests and such appointments shall usually be governed by the investment/ subscription agreement/s the Company has/will have with such investor/s;
- 1.3 Independent Directors will be selected on the basis of identification of industry/ subject leaders with strong experience. The advisory area and therefore the role, may be defined for each independent director;
- 1.4 In your Company's context: 'Senior Management Personnel' would cover members of management at the Senior - VP level and above reporting to Managing Director & Chief Executive Officer, and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer;
- 1.5 For any Senior Management Personnel recruitment, it is critical to identify the necessity for that role. In order to validate the requirement –
  - i. Job Description (JD) along with profile fitment characteristics from a personality, experience and qualification point of view shall be created;

- ii. The recruitment process shall generally involve meetings with Head-Human Resources, MD&CEO and/or identified members of the NRC, basis which the candidature will be finalised;
- iii. The total remuneration to be offered to the new candidate as above, shall be placed before the NRC for their concurrence and recommendation to the Board. Thereafter, the offer shall be rolled out to the new candidate;

**2. Determination of qualification, positive attributes and independence test for the Independent Directors to be appointed:**

- 2.1 For each Independent Director, the appointment shall be based on the need identified by the Board;
- 2.2 The role and duties of the Independent Director shall be clearly specified by highlighting the committees they are expected to serve on, as well as the expectations of the Board from them;
- 2.3 At the time of selection, Board shall review the candidature on skill, experience and knowledge to ensure an overall balance in the Board so as to enable the Board to discharge its functions and duties effectively;
- 2.4 Any appointment of the Independent Director shall be approved at the meeting of the shareholders, in accordance with extant laws;
- 2.5 Director's Independence test shall be conducted as per the conditions specified in the Companies Act, 2013 and the rules thereunder;
- 2.6 MD & CEO along with the Company Secretary shall be involved in the familiarisation/ induction process for the independent director/s.

**3. Remuneration policy for the Directors (including Independent Directors), key managerial personnel and senior management personnel:**

- 3.1 The remuneration of the Directors shall be established on the reasonability and sufficiency of level in order to attract, retain and motivate the Directors; and
- 3.2 The Non-executive Directors including Independent Directors would be paid sitting fees subject to the limits prescribed under the Act, or any amendments thereto, as may be determined by the NRC from time to time, for attending each meeting(s) of the Board and Committees thereof.
- 3.3 Directors shall be reimbursed any travel or other expenses, incurred by them, for attending the board and committee meetings;
- 3.4 The remuneration paid to MD & CEO shall be considered by the NRC taking into account various

parameters included in this policy document and recommended to the Board for approval. This shall be further subject to the approval of the Members at the next General Meeting of the Company in consonance with the provisions of the Companies Act, 2013 and the rules made thereunder;

- 3.5 For KMP and Senior Management Personnel, remuneration shall be based on the key responsibility areas identified and the achievement thereof. The increments shall usually be linked to their performance as well performance of the company. Total compensation shall comprise of fixed and variable components.

as structure of the Board/Committees, board meeting practices, overall board effectiveness, attendance/ participation of directors in the meetings, etc. The directors were also asked to provide their suggestions for areas of improvement to ensure a higher degree of engagement with the management. All the Directors were satisfied with the effectiveness of the evaluation carried out during the year. The Independent Directors during the year completed evaluation of Non-independent/Non-promoter Directors and the entire Board including the Chairman. The Independent Directors expressed satisfaction with the overall functioning of the Board, and various committees as well as all the directors of the Company. The Board also discussed the report of performance evaluation and its outcome.

**Outcome of the evaluation**

Based on inputs received from the Committee Members / Directors, it emerged that the overall performance evaluation of the Board, composition and quality, understanding the business including risks, process and procedures, oversight of financial reporting process including internal controls and audit functions, ethics and compliances and monitoring activities, has been found to be satisfactory. Similarly, the effectiveness of Board Committees has been rated excellent and the performance of the Chairman of the Company has been found to be excellent. Overall, the Board was functioning very well in a cohesive and interactive manner.

**PERFORMANCE EVALUATION**

Pursuant to the provisions of Companies Act, 2013 and the SEBI Listing Regulations, the evaluation process for performance of the Board, its various committees, individual directors and the Chairman of the Board and respective Committees was carried out during the year. Each director was provided with a questionnaire to be filled up providing feedback on the overall functioning of the Board, its committees and the contribution of individual directors. The questionnaire covered various parameters such

**Details of remuneration including commission and other payments to the Directors****Executive Director- Mr. Manish Jaiswal, Managing Director & Chief Executive Officer (MD & CEO)**

Mr. Manish Jaiswal was re-appointed as the MD & CEO of the Company for a period of five years w.e.f. 26 June, 2022 by the Members of the Company at the 18th Annual General Meeting held on 21 June, 2022. The Members of the Company approved the revision in terms of appointment and remuneration of Mr. Manish Jaiswal vide the resolution passed at the Extra-Ordinary General Meeting held on 3 October, 2023. The revised terms and conditions of his appointment and remuneration for the Financial Year 2023-24 are as follows:

Sr. No.	Particulars	Disclosures	
		Category	Amount
1.	All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors	Basic Salary	₹ 1,30,00,000 (Rupees One Crore Thirty Lacs only) per annum
		Perquisites / Benefits:	
		House Rent Allowance	₹ 65,00,000 (Rupees Sixty Five Lacs only) per annum
		Special Allowance	₹ 1,08,14,700 (Rupees One Crore Eight Lacs Fourteen Thousand and Seven Hundred only) per annum
		Provident Fund	₹ 15,60,000 (Rupees Fifteen Lacs Sixty Thousand only) per annum
		Gratuity	₹ 6,25,300 (Rupees Six Lacs Twenty- Five Thousand Three Hundred only) per annum
		Medical Coverage, Health Insurance and Personal Accident coverage, Enashment of un-availed leave and other perquisites as per the policies / rules of the Company.	
		Annual Performance Bonus	₹ 1,08,33,333/ (Rupees One Crore Eight Lacs Thirty-Three Thousand Three Hundred Thirty-Three only)
		Stock Options	33,60,000 Restricted Stock Options under the Grihum Housing Restricted Stock Option Plan 2018 at an exercise price of ₹ 10 per share. 15,00,000 options under Employee Stock Option Plan 2021.



Sr. No.	Particulars	Disclosures	
		Category	Amount
	Yearly Revision		Yearly revision shall be decided by the Board of Directors based on the recommendation of Nomination and Remuneration Committee at its absolute discretion.
	Minimum Remuneration		In the event of loss or inadequacy of profits in any financial year during the term of office of Mr. Jaiswal as MD & CEO, the Company will pay to Mr. Jaiswal in respect of such financial years in which such inadequacy or loss arises or a period of three years, whichever is lower, the remuneration as set herein by way of consolidated salary, perquisites and allowances as minimum remuneration, in accordance with the provisions of Section 197 and/or Schedule V of the Act or such higher limit as may be approved by the Central Government or other appropriate authority, if any, required in this regard.
2.	Details of fixed component and performance linked incentives along with the performance criteria	As mentioned in Point 1 above	
3	Service contracts, notice period, severance fees	Appointed for a term of 5 years w.e.f. 26 June, 2022 upto 25 June, 2027. Three months of notice period.	
4	Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable	As mentioned in Point 1 above	

The Company had allotted to Mr. Jaiswal 19,73,333; 4,93,333 and 8,93,334 equity shares of face value of ₹ 10/- each on 29 November, 2021, 13 July, 2022 and 3 January, 2024, respectively under Grihum Housing Restricted Stock Option Plan 2018 ('RSO 2018').

During the year under review, the Company has performed exceptionally well, however, it is imperative to note that if the payout to managerial personnel exceeds the limits outlined in section 197 of the Companies Act, 2013 ('the Act'), such remuneration is considered to be drawn from the provisions of Schedule V of the Act. In this regard, managerial remuneration paid to Mr. Jaiswal, during FY 2023-24 encompasses the perquisite value of the ESOPs exercised by him under the RSO, 2018, of the Company. As a result of this exercise, the total payout exceeds the prescribed limits, although it remains well within the limits of managerial remuneration approved by the shareholders at their meeting held on 3 October, 2023.

Further, the future outlook of the Company forms part of the Management Discussion and Analysis Report which forms a part of this Board's Report. The aforesaid explanation be considered as the requisite information as per Schedule V of the Companies Act, 2013.

#### Non-Executive and Independent Directors

Non-Executive Directors of the Company are not paid any remuneration or sitting fees. The Independent Directors of the Company are paid sitting fees and other expenses on actual basis (travelling, boarding and lodging) incurred for attending the Board/Committee meetings.

No sitting fees is paid to Independent Directors for attending the separate meeting of the Independent Directors. The details of sitting fees paid to the Directors for attending meetings held during the financial year 2023-24 are provided hereinabove.

#### C. RISK MANAGEMENT COMMITTEE

The Risk Management Committee (RMC) has been constituted with its defined terms of reference in accordance with Regulation 21 of SEBI Listing Regulations, RBI HFC Master Directions and other applicable provisions and laws. Mr. Rishi Kant Dubey is the Chief Risk Officer of the Company.

During the financial year ended 31 March, 2024, Five (5) Risk Management Committee Meetings were held on 22 April, 2023, 29 June, 2023, 19 July, 2023, 17 October, 2023 and 18 January, 2024. All the recommendations made by the RMC during the year were accepted by the Board.

The composition of RMC and attendance of each member is as under:

Sr. No.	Name of Director	Member of Committee since	Capacity/Category of Directors	Number of Meetings Held	Number of Meetings Attended
1	Mr. Nitin Gupta	8 September, 2023	Chairperson, Non-Executive Independent Director	2	1
2	Mr. Prem Manjoran	22 March, 2024	Member, Non-Executive Independent Director	-	-
3	Mr. Sanjeev Mehra	8 September, 2023	Member, Non-Executive Non-Independent Director	2	1
4	Mr. Manish Jaiswal	27 June, 2017	Member, Managing Director and Chief Executive Officer	5	5
5	Ms. Bhama Krishnamurthy <sup>1</sup>	11 June, 2021	Chairperson, Non-Executive Independent Director	3	3
6	Mr. Prabhakar Dalal <sup>2</sup>	11 June, 2021	Member, Non-Executive Independent Director	3	3
7	Mr. Amar Deshpande <sup>3</sup>	20 July, 2021	Member, Non-Executive Non-Independent Director	3	3

#### Notes:

<sup>1</sup>Ceased to be the Chairperson and a Member w.e.f. 8 September, 2023. <sup>2</sup>Ceased to be a Member w.e.f. 8 September, 2023. <sup>3</sup>Ceased to be a Member w.e.f. 26 July, 2023.

#### Terms of Reference:

The terms of reference of the RMC are in line with the applicable laws and these broadly include:

- Review and recommend to the Board on a regular basis the risk management policies recommended by Credit Risk Management Committee, Asset Liability Management Committee, Operational Risk Management Committee and other policies concerning Operational Risk, Credit risk, Market risk etc.
- Final approval of risk management processes and framework.
- Approval of risk management governance structure at Company.
- Defining the risk appetite and risk tolerance limits of Company for approval of the Board.
- Approval of revision in existing systems, policies and procedures to address risk management requirements and good practices.
- Considering the overall risk management framework and reviewing its effectiveness in meeting sound corporate governance principals and identifying, managing and monitoring the key risks.
- To oversee and monitor Company's compliance with regulatory capital requirements.
- Obtain on a regular basis reasonable assurance that Company's risk management policies for significant risks are being adhered to.
- Evaluate, on a regular basis, the effectiveness and prudence of senior management in managing the risks to which Company is exposed to.
- Approve delegation of risk limits to management and approve any transactions exceeding those delegated authorities.
- Review risk reporting on significant risks, including the amount, nature, characteristics, concentration and quality of the credit portfolio, as well as all significant exposures to credit risk through reports on significant credit exposure presented to the Committee.
- Review risk mitigation plans on significant risks which affects policy or procedure level changes for effective implementation.
- Reviewing the results of and progress in implementation of the decisions made in the previous meetings;
- Review the economic situation & its impact on industry;
- Review of the RCU report during customer acquisition and review of the exceptional items;
- Review of the early warning report and necessary action thereof;
- Commission the risk assessment process to identify significant business, operational, financial, compliance, reporting and other risks;
- Review of risk assessment results and ensure that these are appropriately and adequately mitigated and monitored;
- Monitor the progress in implementation of risk mitigation strategies including the status of risk assessment program;
- Review of the top ten delinquent customers PAN India;
- Approve exceptions/deviations from Risk Management Policy.

22. Administering the material outsourcing and adherence thereof with the Outsourcing policy and seek reports on the implementation or exceptions to the same;
23. Laying down appropriate approval authorities and limits for outsourcing depending on risks and materiality];
24. Review of outsourcing strategies and arrangements for their continued relevance, and safety and soundness and identify new material outsourcing risks as they arise;
25. To review and update the central record of all material outsourcing on half yearly basis;
26. Consider any reporting done by Chief Risk Officer;
27. The Board shall have the right to ratify any deviations from the Outsourcing Policy.
28. To formulate a detailed risk management policy which shall include:
29. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
30. Measures for risk mitigation including systems and processes for internal control of identified risks.
31. Business continuity plan.
32. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
33. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
34. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
35. To keep the board of directors informed about the nature and content of its discussions, recommendations, and actions to be taken.
36. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

#### D. ASSET LIABILITY MANAGEMENT COMMITTEE

The Asset Liability Management Committee (ALCO) is constituted as per provisions of the RBI HFC Master Directions, the 'Guidelines on Liquidity Risk Management Framework' prescribed by the RBI and other applicable provisions and laws including circulars, directions, guidelines etc. issued by regulatory authorities.

During the financial year ended 31 March, 2024, Five (5) Asset Liability Management Committee Meetings were held on 20 April, 2023, 19 July, 2023, 08 September, 2023, 17 October, 2023 and 18 January, 2024.

The composition of ALCO and attendance of each member is as under:

Sr. No.	Name of Director	Member of Committee since	Capacity/Category of Directors	Number of Meetings Held	Number of Meetings Attended
1	Mr. Manish Jaiswal	27 June, 2017	Chairperson, Managing Director and Chief Executive Officer	5	5
2	Mr. Nitin Gupta	22 March, 2024	Member, Non-Executive Independent Director	-	-
3	Mr. Prem Manjooran	8 September, 2023	Member, Non-Executive Independent Director	2	2
4	Mr. Sanjeev Mehra	8 September, 2023	Member, Non-Executive Non-Independent Director	2	2
5	Mr. Pankaj Rathi	20 July, 2021	Member, Chief Financial Officer	5	5
6	Ms. Bhama Krishnamurthy <sup>1</sup>	18 December, 2021	Member, Non-Executive Independent Director	3	3
7	Mr. Prabhakar Dalal <sup>1</sup>	11 June, 2021	Member, Non-Executive Independent Director	3	3
8	Mr. Amar Deshpande <sup>2</sup>	20 July, 2021	Member, Non-Executive Non-Independent Director	2	2

#### Notes:

<sup>1</sup>Ceased to be a Member w.e.f. 8 September, 2023. <sup>2</sup>Ceased to be a Member w.e.f. 26 July, 2023.

#### Terms of Reference:

The terms of reference of ALCO are in line with the applicable laws and these broadly include:

- Liquidity risk management through Asset Liability Mismatches across various time buckets and strategise action to mitigate the risk associated.
- Management of interest rate risks through articulation on current interest rate view & its future direction.
- Funding and capital planning – source & mix of liabilities.
- Forecasting and analysing 'What if scenario' and preparation of contingency plans through review of treasury strategy at regular interval.
- Regulatory updates.
- Review of statutory compliances
- Product Pricing for both advances and borrowing.
- Review of Internal Capital Adequacy assessment.

#### E. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholder Relationship Committee (SRC) was constituted during the financial year 2023-24 in accordance with the provisions of Regulation 20 of the SEBI Listing Regulations and other applicable provisions and laws. During the financial year ended 31 March, 2024, One (1) SRC Meeting was held on 18 January, 2024.

Ms. Vaishnavi Suratwala is the Company Secretary and the Compliance officer of the Company.

The composition of SRC and attendance of each member is as under:

Sr. No.	Name of Director	Member of Committee since	Capacity/Category of Directors	Number of Meetings Held	Number of Meetings Attended
1	Ms. Richa Arora	22 March, 2024	Chairperson, Non-Executive Independent Director	-	-
2	Mr. Manish Jaiswal	18 October, 2023	Member, Managing Director and Chief Executive Officer	1	1
3	Mr. Nitin Gupta	18 October, 2023	Member, Non-Executive Independent Director	1	-
4	Mr. Sanjeev Mehra <sup>1</sup>	8 September, 2023	Chairperson, Non-Executive Non-Independent Director	1	1

#### Notes:

<sup>1</sup>Ceased to be the Chairperson and a Member w.e.f. 22 March, 2024.

#### Terms of Reference:

The terms of reference of the SRC are in line with the applicable laws and these broadly include:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

#### Details of Investor Complaints:

All the shares and debentures of the Company are in dematerialised form. Niche Technologies Private Limited was the Registrar and Transfer Agent (RTA) with respect to non-convertible debt securities that were outstanding as on 31 March, 2023 and subsequently redeemed in full during the Financial Year 2023-24. Further, the records with respect to non-convertible debt securities issued by the Company during the Financial Year 2023-24 are maintained by Link Intime India Private Limited which is the current RTA for all the non-convertible debt securities as outstanding as on 31 March, 2024. The said RTAs have appropriate systems to ensure that requisite service is provided to investors of the Company in accordance with the applicable corporate and securities laws and within the adopted service standards.

The Company did not receive any complaints from any shareholders or debenture holders during the financial year 2023-24.

**F. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Corporate Social Responsibility (CSR) Committee is constituted in line with the requirements of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (CSR Rules).

The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a CSR Policy indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities. The CSR Policy is available on the Company's website at weblink: <https://grihumhousing.com/pdf/investor-governance/Grihum-Corporate-Social-Responsibility-Policy.pdf>

During the financial year ended 31 March, 2024, three (3) CSR Meetings were held on 20 April, 2023, 19 July, 2023 and 18 January, 2024.

The composition of CSR and attendance of each member is as under:

Sr. No.	Name of Director	Member of Committee since	Capacity/Category of Directors	Number of Meetings Held	Number of Meetings Attended
1	Ms. Richa Arora <sup>1</sup>	22 March, 2024	Chairperson, Non-Executive Independent Director	-	-
2	Mr. Manish Jaiswal	31 January, 2022	Member, Managing Director and Chief Executive Officer	3	3
3	Mr. Prem Manjooran <sup>2</sup>	08 September, 2023	Member, Non-Executive Independent Director	1	1
4	Mr. Sanjeev Mehra	08 September, 2023	Member, Non-Executive Non-Independent Director	1	1
5	Mr. Nitin Gupta <sup>3</sup>	08 September, 2023	Member, Non-Executive Independent Director	1	-
6	Ms. Bhama Krishnamurthy <sup>4</sup>	10 June, 2021	Member, Non-Executive Independent Director	2	2
7	Mr. Prabhakar Dalal <sup>5</sup>	10 June, 2021	Member, Non-Executive Independent Director	2	2
8	Mr. Amar Deshpande <sup>6</sup>	20 July, 2021	Chairperson, Non-Executive Non-Independent Director	2	2

**Notes:**

<sup>1</sup>Appointed as the Chairperson w.e.f. 22 March, 2024. <sup>2</sup>Appointed as the Chairperson w.e.f. 8 September, 2023 and ceased to be the Chairperson w.e.f. 22 March, 2024. <sup>3</sup>Ceased to be a Member w.e.f. 22 March, 2024. <sup>4</sup>Ceased to be a Member w.e.f. 8 September, 2023. <sup>5</sup>Appointed as the Chairperson w.e.f. 26 July, 2023 and ceased to be the Chairperson and Member w.e.f. 8 September, 2023. <sup>6</sup>Ceased to be the Chairperson and Member w.e.f. 26 July, 2023.

**Terms of Reference:**

The terms of reference of the CSR Committee are in line with the applicable laws and these broadly include:

- Frame the CSR (Corporate Social Responsibility) Policy (including any modifications thereto from time to time) which shall provide approach and guiding principles for selection, implementation and monitoring of CSR activities to be undertaken by the Company as well as formulation of the annual action plan;
- Approve and recommend annual action plan, and any modifications thereof, to the Board comprising of following information:
  - the list of CSR Programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013 ("Act");
  - the manner of execution of such projects or programmes;
  - the modalities of utilisation of funds and implementation schedules for the projects or programmes;
  - monitoring and reporting mechanism for the projects or programmes; and
- details of need and impact assessment, if any, for the projects undertaken by the Company;
- Approve specific projects, either new or ongoing, in pursuance of the focus areas outlined in this Policy, either for undertaking such projects by the Company itself, directly or through its holding, for inclusion in the annual action plan;
- Recommend the amount of CSR Expenditure in the activities to be undertaken to the Board for approval of the annual CSR Budget and the amount to be transferred in case of ongoing projects and unspent amounts;
- Monitor the CSR Policy and closely monitor the spending on a 'project basis' regularly;
- Review and recommend to the Board, the Annual Report on CSR activities to be included in Board's Report and certificate submitted by the Chief Financial Officer;
- Review and recommend to the Board, the impact assessment report obtained by the Company from time to time, wherever applicable;
- Undertake such activities and carry out such functions as may be provided under section 135 of the Act and the Rules.

**G. INFORMATION TECHNOLOGY STRATEGY COMMITTEE (ITSC)**

The ITSC has been constituted in compliance with RBI HFC Master Directions read with the Information Technology Framework for the NBFC Sector prescribed by the RBI and other applicable provisions and laws including circulars, directions, guidelines etc. issued by regulatory authorities.

During the financial year ended 31 March, 2024, Five (5) ITSC Meetings were held on 15 April, 2023, 19 July, 2023, 8 September, 2024, 17 October, 2023 and 18 January, 2024.

The composition of ITSC and attendance of each member is as under:

Sr. No.	Name of Director	Member of Committee since	Capacity/ Category of Directors	Number of Meetings held	Number of Meetings Attended
1	Mr. Nitin Gupta	8 September, 2023	Chairperson, Non-Executive Independent Director	2	1
2	Mr. Manish Jaiswal	8 May, 2019	Member, Managing Director and Chief Executive Officer	5	5
3	Mr. Sanjeev Mehra	19 January, 2024	Member, Non-Executive Non-Independent Director	-	-
4	Ms. Richa Arora	22 March, 2024	Member, Non-Executive Independent Director	-	-
5	Head-Operations	8 September, 2023	Member	2	2
6	Chief Information Officer	8 September, 2023	Member	2	2
7	Chief Business Officer	8 September, 2023	Member	2	1
8	Mr. Prabhakar Dalal <sup>1</sup>	12 June, 2021	Chairperson, Non-Executive Independent Director	2	2
9	Ms. Bhama Krishnamurthy <sup>2</sup>	11 May, 2022	Member, Non-Executive Independent Director	2	2
10	Mr. Amar Deshpande <sup>3</sup>	20 July, 2021	Member, Non-Executive Non-Independent Director	2	2
11	Mr. Pankaj Rathi <sup>4</sup>	20 July, 2021	Member, Chief Financial Officer	2	2

**Notes:**

<sup>1</sup>Ceased to be the Chairperson and a Member w.e.f. 8 September, 2023. <sup>2</sup>Ceased to be a Member w.e.f. 8 September, 2023. <sup>3</sup>Ceased to be a Member w.e.f. 26 July, 2023. <sup>4</sup>Ceased to be a Member w.e.f. 8 September, 2023.

**Terms of Reference:**

The terms of reference of the ITSC are in line with the applicable laws and these broadly include:

**A. Roles and Responsibilities of the Committee:**

- Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place.
- Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business.
- Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable and that the budgetary allocations for the IT Functions including IT Governance, Strategic Planning, IT Security and Cyber Security are commensurate with the Company's IT maturity, digital depth, threat environment and industry standards.
- Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources.
- Ensuring the IT Risk Assessment exercise is executed fully. Specific responsibilities include the following activities:
  - Review & Approve the IT Risk Register annually.
  - Guide management on how to prioritise IT Risks.
  - Review & Approve the Risk mitigation plans provided by IT
  - Ensure processes for assessing and managing IT and Cybersecurity risks are in place.
- Ensuring proper balance of IT investments for sustaining Company's growth and becoming aware about exposure towards IT risks and controls.
- Periodically reviewing the process for development, approval and modification of the Company's IT strategy and strategic plan in line with the corporate strategies, Board Policy reviews, cyber security arrangements and review matters related to IT Governance including accountability, effectiveness and efficiency of the IT Governance and Information Security Governance structure and ensure adequate skilled resources, well

defined objectives and unambiguous responsibilities for each level in the Company are in place and any other matter related to IT Governance.

8. Review the key issues, options and external developments impacting the Company's IT strategy including acquisition and development of Information Systems (New Application Software) and Change Management.
9. Monitor enterprise risks assigned to the Committee by the Board under the Company's Enterprise Risk Management program and report thereon to the Audit Committee of the Board.
10. Review the Information System (IS) audit report and further present to the Board or the Audit Committee, as may be decided, the IS Audit report with their comments thereon. The periodicity of IS audit should be at least once in a year. IS Audit should be undertaken preferably prior to the statutory audit so that IS audit reports are available to the statutory auditors well in time for examination and for incorporating comments, if any, in the audit reports.
11. Ongoing review of third party / outsourcing arrangements including onboarding, commercial/key terms and conditions and risk associated therewith.
12. Review the IT Policies of the Company.
13. Approving Information Security strategy, Information Security budget and Information Security resources.
14. The Committee may delegate, as it deems appropriate, its responsibilities and duties to subcommittees or individual members of the Committee.
15. Any other matter as delegated by the Board of Directors of the Company from time to time.
16. Review the proceedings of the meetings of IT Steering Committee and its recommendations.
17. Annually review the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the Company.
18. Review and assess the Company's IT capacity requirements and planning.
19. The Committee shall annually review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for its approval.

#### B. Roles and Responsibilities of the Committee related to outsourced operations:

1. Instituting an appropriate governance mechanism for outsourced processes, comprising of risk based policies and procedures, to effectively identify, measure, monitor and control risks associated with outsourcing in an end to end manner;
2. Defining approval authorities for outsourcing depending on nature of risks and materiality of outsourcing;
3. Developing sound and responsive outsourcing risk management policies and procedures commensurate with the nature, scope, and complexity of outsourcing arrangements;
4. Undertaking a periodic review of outsourcing strategies and all existing material outsourcing arrangements;
5. Overview compliance with the Outsourcing policy, wherever applicable;
6. Evaluating the risks and materiality of all prospective outsourcing based on the framework developed by the Board;
7. Periodically reviewing the effectiveness of policies and procedures;
8. Communicating significant risks in outsourcing to the Company's Audit Committee of the Board or the Board on a periodic basis;
9. Ensuring an independent review and audit in accordance with approved policies and procedures;
10. Ensuring that contingency plans have been developed and tested adequately;
11. Ensuring that the business continuity preparedness is not adversely compromised on account of outsourcing. Ensuring sound business continuity management practices as issued by RBI and seeking proactive assurance that the outsourced service provider maintains readiness and preparedness for business continuity on an ongoing basis.

#### H. MANAGEMENT COMMITTEE

During the financial year ended 31 March, 2024, Nine (9) Management Committee Meetings were held on 23 May, 2023, 27 May, 2023, 9 June, 2023, 16 June, 2023, 23 June, 2023, 29 June, 2023, 18 September, 2023, 25 September, 2023 and 23 December, 2023.

The composition and attendance of each member of Management Committee is as under:

Sr. No.	Name of Director	Member of Committee since	Capacity/Category of Directors	Number of Meetings Held	Number of Meetings Attended
1	Mr. Manish Jaiswal	22 October, 2021	Chairperson, Managing Director and Chief Executive Officer	9	9
2	Mr. Nitin Gupta	8 September, 2023	Member, Non-Executive Director	3	2
3	Mr. Sanjeev Mehra	8 September, 2023	Member, Non-Executive Non-Independent Director	3	3
5	Ms. Bhama Krishnamurthy <sup>1</sup>	11 May, 2022	Member, Non-Executive Independent Director	6	6
4	Mr. Amar Deshpande <sup>2</sup>	20 July, 2021	Member, Non-Executive Non-Independent Director	6	6

#### Notes:

<sup>1</sup>Ceased to be a Member w.e.f. 8 September, 2023. <sup>2</sup>Ceased to be a Member w.e.f. 26 July, 2023.

#### Terms of Reference:

1. To do all such acts, deeds and things and decide on all such matters relating to signing and filing of application / execution / registration of Lease Agreement/ Leave & License Agreement/ Electricity/ telephone connection/ State Electricity Board / obtaining Trade License and Certificate under Shops and Establishment Act / telephone etc. and transferring old as well as new connection for the purpose of the business of the Company and for this purpose issue various Power of Attorneys in favour of the Officials of the Company for legal and administrative purposes as per the business requirement from time to time.
2. To authorise officials of the Company in relation to Provident Fund, Labour Welfare Fund, Employee State Insurance matters, Professional Tax, National Pension System and also to comply with statutory matters in relation to Goods and Services Tax or other applicable taxes and other statutory authorities.
3. To decide on matters relating to filing, application / execution / registration of VAT/Sales Tax / Income Tax, Service Tax and such other tax and / or defending of cases in various Courts of law in India with reference to the abovementioned matter and for this purpose issue Power of Attorneys in favour of the Officials/ Authorised Representative of the Company for legal and administrative purposes from time to time.
4. To do all such acts, deeds and things and decide on all such matters relating to Opening and Closing of Current/Cash Credit/Demat/ Fixed Deposit/ CSDL Account and Inclusion and Deletion of the Authorised Signatories to the said Current/Cash Credit/Demat/ Fixed Deposit/ CSDL Account opened in the name of the Company for the purpose of the business requirement of the Company and for availing various services viz. viewing right facility, cash management services etc. in respect of the Accounts as mentioned above.
5. To enter into Non-Disclosure Agreements and various other type of Agreements with various entities from time to time relating to the business of the

Company including- Rental / Lease Agreements for obtaining premises for maintaining the operations of the Company across the country, entering into Memorandum of understandings / tie-ups with various builders/agencies, in the context of Company's business etc., and to authorise officials of the Company from time to time to sign and execute such Agreements and documents on behalf of the Company.

6. To issue authorisation and/or Power of Attorney(s) in favour of such persons as it may be deemed to be fit and expedient to act as true and lawful Attorney of the Company to, inter alia, represent, the Company before the courts of law - civil or criminal, tribunals (including but not limited to arbitration tribunals), quasi-judicial, Lok Adalat and other statutory authorities and such other forums (the 'Judicial Authorities'), to verify all complaints, written statements, writs petition and other pleadings, applications, petitions or documents to be submitted to such Judicial Authorities; to receive and acknowledge notice(s) and to consent or submit to or appeal against, any judgment, order or award in any such suit, criminal case including complaints, action or proceedings before such Judicial Authorities; to compromise or discontinue any such suit, criminal cases including complaints, action or proceedings; to deposit, withdraw and receive documents and any money or monies to and from the court or any such suit, or any such authorities either in execution of decree or otherwise and sign and deliver proper receipts thereof and to engage and appoint any solicitor, advocate or counsel to act and plead and otherwise conduct the cases / legal proceedings instituted by or against the Company, for all the offices of the Company from time to time as may be required.
7. To issue authorisation and/or Power of Attorney(s) in favour of such persons as may be deemed fit and expedient, to act as true and lawful Attorney of the Company to, inter alia, sign and execute Mortgage Deeds, Memorandum of Entry, Release Deeds etc. as may be required from time to time with respect to loan facilities granted by the Company; to get the

- Memorandum of Entry, Mortgage Deeds, etc. as may be required, registered with the Registrar/Sub-Registrar of Assurance in the respective states; to cancel the said Mortgage Deeds, Memorandum of Entry etc., after repayment of loan/dues by the customer; to issue satisfaction letters to customers upon receipt of loan/ dues from the customer and to do every other necessary and lawful act as deemed necessary in the matters as mentioned aforesaid.
8. To discuss, negotiate, accept and/or convey the acceptance of such Terms and Conditions in connection with the Term Loans, Credit Facilities of any type, inter corporate deposits, Issuance of Commercial Papers, other borrowings etc. on such terms and conditions to be contained in the Agreements and/ or any other document to be issued/made by any Banks, Foreign Banks, Financial Institutions, Finance Companies, Foreign Institutional Investors (FII) and/or any other Lenders / Investor, Body Corporates, Firms and Individuals and to sign and execute the, Loan Agreements, Deed of Hypothecation and / or any other related documents, Agreement as may be required by Banks, Foreign Banks, Financial Institutions, Finance Companies, Foreign Institutional Investors (FII) and /or any other Lenders / Investor, Body Corporates, Firms and Individuals in connection with the Term Loans, Credit facilities of any type, inter corporate deposits, other borrowings, to appoint Issuing and Paying Agent and also to modify the same as may be required, upto the overall borrowing limits as approved by the Shareholders' of the Company under Section 180(1)(c) of the Companies Act, 2013 from time to time.
  9. To consider and transact the matter of issue and allotment of Non Convertible Redeemable Debentures to the proposed allottees on private placement basis upto the overall limits as approved by the Shareholders' of the Company.
  10. Authorisation to Management Committee of the Board of Directors of the Company to deal with the matter relating to any amendment, modification or change in the terms of issue of the instruments (i.e. issue of Debentures, Bonds, Commercial Papers etc.) including, if necessary, the agreements already entered by the Company.
  11. To deal with the matters relating to the Investments of the Company in Debentures including investment of surplus funds in short term liquid schemes of mutual funds, Term fixed deposits with banks including scheduled banks, small finance banks etc. as envisaged in detail in the Investment Policy of the Company and to do all such acts, deeds, and things and decide on all such matters as may be necessary to deal with in this regard on behalf of the Company.
  12. Delegation authority to Signing of No Objection Certificate, System generated statements, Letters for release of charge on mortgaged property to the builder/ Society, Letters to the customers in response to their queries and Rate Drop Letters to the customer for the cases in which rate drop is considered appropriate by senior management team of the Company in accordance with established decision grid from time to time.
  13. To do all such acts, deeds and things and decide on all such matters relating to securitisation and Direct Assignment deal with various Banks, NBFCs and HFCs from time to time.
  14. To approve any scheme of arrangement or amalgamation, which is in the interest of the Company, between the entities to whom the Company has extended various loan facilities, authorise any person of the Company to sign and issue No Objection Certificate (NOC) as required under various laws for the amalgamation or arrangement of one entity with the other entity, to appear before the competent authority on behalf of the Company as and when required and to do any other acts, deeds and matters incidental thereto.
  15. Consider and approve for and on behalf of the Company such borrowings (Inter Corporate Loans for an amount as approved by the Board at such rate of interest as may be mutually decided between Lender and the Company from time to time) including fixing the other terms and conditions.
  16. To issue authorisation in favour of officials for matters pertaining to SARFAESI for the purpose of the business of the Company.
  17. To issue authorisation in favour of officials for matters pertaining to Trademark/Copyright for the purpose of the business of the Company and availing various services including but not limited to obtaining external consultancy/support.
  18. To issue authorisation in favour of officials for matters pertaining to Depositories for the purpose of the business of the Company and availing various services.
  19. To consider, evaluate and finalise write-off of assets/ portfolio (excluding fraud cases) basis approved Policy on Provisioning for NPAs and Write-off wherein write-off is required due to reasons other than delays in the portfolio
  20. Exercise such powers which may be delegated by the Board from time to time subject to provisions of the Companies Act, 2013 and the rules made thereunder as amended from time to time, Memorandum and Articles of Association of the Company.

## I. REVIEW COMMITTEE

During the financial year ended 31 March, 2024, no meeting of Review Committee was held. The composition of the Review Committee constituted pursuant to RBI HFC Master Directions and other applicable provisions and laws is as under:

Sr. No.	Name of Director	Member of Committee since	Capacity/Category of Directors
1	Mr. Manish Jaiswal	27 June, 2017	Chairperson, Managing Director and Chief Executive Officer
2	Mr. Prem Manjooran	8 September, 2023	Member, Non-Executive Independent Director
3	Ms. Richa Arora	22 March, 2024	Member, Non-Executive Independent Director
4	Mr. Nitin Gupta <sup>1</sup>	8 September, 2023	Member, Non-Executive Independent Director
5	Mr. Prabhakar Dalal <sup>2</sup>	31 January, 2022	Member, Non-Executive Independent Director
6	Ms. Bhama Krishnamurthy <sup>2</sup>	11 June, 2021	Member, Non-Executive Independent Director
7	Mr. Amar Deshpande <sup>3</sup>	20 July, 2021	Member, Non-Executive Non- Independent Director

### Notes:

<sup>1</sup>Ceased to be a Member w.e.f. 22 March, 2024. <sup>2</sup>Ceased to be a Member w.e.f. 8 September, 2023. <sup>3</sup>Ceased to be a Member w.e.f. 26 July, 2023.

### Terms of Reference:

The terms of reference of the Review Committee are in line with the applicable laws and these broadly include:

- Review the order passed by the Identification Committee (IC) w.r.t. classification of wilful defaulters;
- Seek necessary information from the IC;
- Give the borrower, opportunity of being heard, where it deems fit;
- Pass the final order, as to whether to classify a borrower as wilful defaulter or not, after due consideration of all the facts of the case. The order so passed shall be treated binding on the borrower and the Chairman will report to the Board after each Committee meeting and circulate the minutes of the Committee;

### Senior Management

During the year under review, Mr. Siddharth Berry was appointed as Head Operations w.e.f. 30 June, 2023; Mr. Gaurav Khurana, Chief Information Officer(CIO) ceased to be CIO w.e.f. 4 May, 2023 and thereafter, Mr. Varun Guliani was appointed as CIO w.e.f. 1 June, 2023; Mr. Ramdas Acharya, Chief Credit Officer (CCO) ceased to be CCO w.e.f. 29 April, 2023 and thereafter, Mr. Pankaj Maduskar was appointed as CCO w.e.f. 1 June, 2023 and Mr. Sachin Saxena, was appointed as Head Collections w.e.f. 21 April, 2023 and ceased to be the Head Collections w.e.f. 19 January, 2024. The said appointments were as per the Remuneration Policy of the Company and in compliance with the revised RBI guidelines issued for KMPs and SMPs prescribed under the Scale Based Regulations read with RBI Circular No. RBI/2022-23/36 DOR.GOV.REC. No.29/18.10.002/2022-23 dated 29 April, 2022.

Further, the appointments of Senior Management Personnels (SMPs) are approved by the Board of Directors upon recommendation of NRC and any changes thereto are placed in quarterly NRC and Board Meetings respectively.

### Directors and Officers Insurance ('D&O')

In terms of Regulation 25 of the SEBI Listing Regulations, 2015, the Company has taken a D&O Insurance Policy with the adequate quantum and coverage.

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

The Company has adopted and made applicable Code of Conduct for the Board Members and Senior Management Personnel of the Company ("the Code"). The Senior Management Personnel of the Company have made disclosures to the Board confirming that there are no material financial and/or commercial transactions between them and the Company that could have potential conflict of interest with the Company. All the Board Members and Senior Management Personnel have confirmed compliance with the Code during the financial year under review.

**GENERAL MEETING****Annual General Meeting**

The details of date, time and location of the Annual General Meetings (AGM) held in the last 3 years are as under:

AGM	Date and Time	Venue / Deemed Venue	Special resolutions passed
19 <sup>th</sup>	2 June, 2023 at 05:00 p.m.	Registered office of the Company through Video Conferencing / Other Audio-Visual Means	1. Increase in borrowing limit under section 180(1)(c) of the Companies Act, 2013 upto ₹ 8,000 Crores.
18 <sup>th</sup>	21 June, 2022 at 11:30 a.m.	Registered office of the Company through Video Conferencing / Other Audio-Visual Means	1. Reappointment of Mr. Manish Jaiswal as Managing Director and Chief Executive Officer of the Company.
17 <sup>th</sup>	18 August, 2021 at 10:00 a.m.	Registered office of the Company through Video Conferencing / Other Audio Visual Means	1. Alteration of Articles of Association of the Company. 2. Shifting of Registered Office of the Company from the state of West Bengal to state of Maharashtra, under the jurisdiction of Registrar of Companies, Pune and consequent amendments to the Memorandum of Association of the Company. 3. Approval of Employee Stock Option Plan 2021. 4. Grant of employee stock options equal to or exceeding 1% of the issued share capital of the Company to identified employees of the Company. 5. Extension of the Employee Stock Option Plan - 2021 to the employees of the holding & subsidiary company(ies) of the Company. 6. Grant of employee stock options equal to or exceeding 1% of the issued share capital of the Company to identified employees the holding & subsidiary company(ies).

**Extraordinary General Meeting**

The details of date, time and location of the Extra ordinary General Meetings (EGM) held during the year under review are as follows:

EGM	Date and Time	Venue / Deemed Venue	Resolutions passed
37 <sup>th</sup>	22 <sup>nd</sup> March, 2024 at 01:45 p.m.	Registered office of the Company through Video Conferencing / Other Audio Visual Means	1. To appoint Ms. Richa Arora (DIN: 07144694) as a Non-Executive Independent Director of the Company 2. To consider and approve increase in Authorised Share Capital of the Company and the consequent amendment in the Memorandum of Association 3. To consider and approve Issue of Compulsorily Convertible Preference Shares (CCPS) by way of Bonus Issue 4. To consider and approve amendment in Grihum Housing Employee Stock Option Plan 2021 of the Company
36 <sup>th</sup>	9 <sup>th</sup> November, 2023 at 2:00 p.m.	Registered office of the Company through Video Conferencing / Other Audio Visual Means	1. Approval for change of name of the Company from Poonawalla Housing Finance Limited to Grihum Housing Finance Limited and consequential alteration of the Memorandum and Articles of Association of the Company
35 <sup>th</sup>	3 <sup>rd</sup> October, 2023 at 5:30 p.m.	Registered office of the Company through Video Conferencing / Other Audio Visual Means	1. To appoint Mr. Puneet Bhatia (DIN: 00143973) as a Non-Executive Non-Independent Director of the Company 2. To appoint Mr. Sanjeev Mehra (DIN: 07491208) as a Non-Executive Non-Independent Director of the Company 3. To appoint Mr. Prem Manjooran (DIN: 10310018) as a Non-Executive Independent Director of the Company 4. To appoint of Mr. Nitin Gupta (DIN: 02404862) as a Non-Executive Independent Director of the Company 5. To approve amendment in the object clause of the Memorandum of Association of the Company. 6. Revision in remuneration of Mr. Manish Jaiswal (DIN: 07859441), Managing Director & Chief Executive Officer of the Company.
34 <sup>th</sup>	26 <sup>th</sup> July, 2023 at 6:00 p.m.	Registered office of the Company through Video Conferencing / Other Audio Visual Means	1. Approval for Increase in Authorised Share Capital of the Company and the consequent amendment of Memorandum of Association of the Company pursuant to Section 13 of the Companies Act, 2013. 2. Amendment in the Articles of Association of the Company.

**POSTAL BALLOT**

During the year, no transaction was approved by postal ballot by the Members of the Company.

**Means of Communication**

- a) Financial Results:** The quarterly and annual results of the Company are duly submitted to the Stock Exchange after they are approved by the Board.
- b) News Releases:** In terms of Regulation 52 of SEBI Listing Regulations, the quarterly and annual results of the Company are published in the prescribed format within 48 hours of the conclusion of the meeting of the Board in which they are considered and approved, in English newspaper circulating in the whole or substantially the whole of India (usually Business Standard).
- c) Website:** The Company's website <https://grihumhousing.com/> has a separate dedicated section 'Investors' where latest information required under Regulation 62 and other applicable provisions of the SEBI Listing Regulations is available. Other than the quarterly and annual results, information about the Company, its business and operations etc. are hosted on the website.
- d)** During the financial year 2023-24, no presentations were made to analysts or investors.
- e) BSE Listing Centre (Listing Centre):** Listing Centre is a web-based application designed by BSE for corporates. All periodical and other compliance filings are filed electronically on the Listing Centre.
- f) News and Media releases:** Official news and media releases are disseminated to stock exchanges and displayed on the Company's website.

**General Shareholder Information**

- a) Annual General Meeting:** Annual General Meeting is held within the stipulated time period under the Companies Act, 2013
- b) Financial year:** The Company follows the financial year starting from April 01 to March 31, every year. The reporting period for the FY 2023-24 was from 1 April, 2023 to 31 March, 2024

k) Distribution of Shareholding:

Sr. No.	Category (No. of Shares)	Equity Shares				Compulsory Convertible Preference Shares (CCPS)			
		Number of Holders	% To Total Holders	Number of Shares	% To Total Equity	Number of Holders	% To Total Holders	Number of Shares	% To Total Equity
1	1 - 5,000	6	43%	6	0.00%	-	-	-	-
2	5,001 - 10,000	-	-	-	-	2	25%	14,025	0.01%
3	10,001 - 20,000	2	14%	28,050	0.01%	2	25%	20,925	0.01%
4	20,001 - 30,000	2	14%	41,850	0.01%	1	13%	27,675	0.02%
5	30,001 - 40,000	-	-	-	-	-	-	-	-
6	40,001 - 50,000	-	-	-	-	1	13%	42,295	0.03%
7	50,001 - 1,00,000	2	14%	1,39,940	0.04%	-	-	-	-
8	1,00,001 & above	2	14%	32,46,16,678	99.94%	2	25%	16,23,08,339	99.94%
	<b>Total</b>	<b>14</b>	<b>100%</b>	<b>32,48,26,524</b>	<b>100.00%</b>	<b>8</b>	<b>100%</b>	<b>16,24,13,259</b>	<b>100.00%</b>

**c) Dividend payment date:** Not Applicable

- d)** The Company's non-convertible debentures are listed on the BSE Limited having registered office address as PJ Towers, Dalal Street, Fort, Mumbai - 400 001 and the Company's Security code is 10828. The Company has duly paid the annual listing fees to BSE Limited.
- e)** None of the listed securities of the Company are suspended from trading.
- f)** The Company's equity shares are not listed on stock exchanges. Hence, the details of market price data and comparison to broad-based indices is not applicable to the Company.
- g)** Registrar and Share Transfer Agent:

Equity & CCPS	Non-Convertible Debentures (NCDs)
<b>Link Intime India Private Limited</b>	<b>Niche Technologies Private Limited</b>
Address: C-101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai-400083.	Address: 7th Floor, Room No.7A & 7B, 3A, Auckland Place, Kolkata - 700 017
	<b>Link Intime India Private Limited</b>
	Address: C-101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai-400083.

- h)** Dematerialisation of shares: All the securities issued by the Company are in dematerialised mode and are not listed on stock exchanges.
- i)** No physical share transfer requests were received by the Company during the year under review.
- j)** Share Transfer System: The Company obtains from a Company Secretary in Practice, a yearly certificate of compliance with the transfer formalities of Non-Convertible Debentures as required under Regulation 40(9) read with Regulation 61(4) of SEBI Listing Regulations and files a copy of the certificate with the BSE Limited.

- l) Outstanding GDRs / ADRs or Warrants or any Convertible Instrument, conversion dates and likely impact on equity: NIL
- m) Commodity price risk or foreign exchange risk and hedging activities: Company does not have exposure to foreign exchange risk and Commodity price risk. Hence no hedging activities were performed during the financial year 2023-24
- n) Address for correspondence: Registered Office - 602, 6th Floor, Zero One IT Park, Survey No. 79/1, Ghorpadi, Mundhwa Road, Pune 411036, Maharashtra
- o) The Credit Rating obtained by the Company forms part of the Board's Report.

#### Other Disclosures

- a) During the year, the Company had no materially significant related party transactions which were considered to have potential conflict with the interests of the Company at large.
- b) The Company has complied with the requirements of the stock exchanges, SEBI, RBI and other statutory authorities or regulators on all matters related to capital markets during the last three years and accordingly no penalties or strictures were imposed on the Company by the stock exchanges, SEBI, RBI or any other statutory or regulatory authority.
- c) The Board of Directors of the Company has adopted a Vigil Mechanism/Whistle Blower Policy for the Directors and employees. The employees are encouraged to report to the Whistle-blower Administrator, if they observe any fraudulent financial or other information or conduct that results in the instances of unethical behavior, actual or suspected violation of the Company's Code of Conduct and the Ethics Policy. This policy and practices provide adequate safeguards against victimisation of employees who report to the Whistle-blower Administrator. No Personnel have been denied access for making disclosure or report under the Policy to the Vigilance Officer and/or Audit Committee.
- d) Adoption/non-adoption of nonmandatory requirements of Regulation 27 read with part E of Schedule II of the SEBI Listing Regulations
- The Company does not send Half-yearly financial performance to each of the shareholders, as it is displayed on Company's website.
  - The Audit qualifications, if any, are displayed in the financial reports of the Company. There are no audit qualifications for the year under review.
  - The internal auditor of the Company presents his report and observations to the Audit Committee on a regular basis.
- e) The Company does not have any subsidiary and hence, the policy for determining material subsidiaries is not applicable to the Company.
- f) Policy on dealing with related party transaction has been disclosed on the Company's website at <https://grihumhousing.com/pdf/investor-governance/Grihum-Related-Party-Transaction-Policy.pdf>
- g) Policy on dealing with Policy on Diversity of Board has been disclosed on the Company's website at <https://grihumhousing.com/pdf/investor-governance/Grihum-Policy-on-Diversity-of-Board.pdf>
- h) The Company has complied with the provisions of the Companies Act, 2023 including accounting and secretarial standards.
- i) There has been no instance of breach of covenant of loan availed or debt securities issued by the Company.
- j) Certificate from a Company Secretary in Practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is forming the part of this Corporate Governance Report.
- k) During the year under review, all the recommendations of the Committees of the Board were considered and approved by the Board of Directors of the Company.
- l) The Company has in place a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace (POSH) in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, one complaint was received and disposed off under the said Act and there are no complaints pending during the year under review.
- m) During the year under review, the Company has not granted any Loans and advances in the nature of loans to firms/companies in which directors are interested.
- n) During the financial year 2023-24, all the recommendations of the Committees of the Board were considered and approved by the Board of Directors of the Company.
- o) The Company is in compliance with the requirements stipulated under Regulation 17 to 27 of SEBI Listing Regulations.
- p) The Company also complies with the provisions of the Secretarial Standards on Board Meetings and General Meetings as issued by The Institute of Company Secretaries of India.
- q) There were no proceedings for Corporate Insolvency Resolution Process initiated under Insolvency and Bankruptcy Code, 2016.
- r) There was no failure to implement any Corporate Action.

## Affirming Compliance with Code of Conduct

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

#### For and on behalf of the Board of Directors of

#### Manish Jaiswal

Managing Director and Chief Executive Officer  
DIN: 07859441

Date: 3 May, 2024

Place: Pune

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

pursuant to Regulation 53 and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,  
The Members of  
**Grihum Housing Finance Limited**  
602, 6<sup>th</sup> Floor Zero One IT Park,  
Survey No79/1, Ghorpadi, Mundhwa Road,  
Pune Maharashtra,  
India-411036.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Grihum Housing Finance Limited (Formerly, Poonawalla Housing Finance Limited) bearing CIN U65922PN2004PLC208751 and having registered office at 602, 6<sup>th</sup> Floor, Zero One IT Park, Survey No79/1, Ghorpadi, Mundhwa Road, Pune, Maharashtra, India-411036 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 53 read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Notice No. 20220107-16 dated 7 January, 2022 issued by BSE Limited.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal of the Ministry of Corporate Affairs at www.mca.gov.in as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31 March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Directors	DIN	Date of appointment in Company
1	Puneet Bhatia	00143973	08/09/2023
2	Nitin Gupta	02404862	08/09/2023
3	Sanjeev Mehra	07491208	08/09/2023
4	Prem Manjoooran	10310018	08/09/2023
5	Manish Jaiswal	07859441	26/06/2017
6	Richa Arora	07144694	13/03/2024
7	Adar Poonawalla*	00044815	08/07/2021
8	Amar Deshpande*	07425556	20/07/2021
9	Prabhakar Dalal**	00544948	18/08/2021
10	Bhama Krishnamurthy**	02196839	18/08/2021

\*Resigned w.e.f. 26/07/2023

\*\* Resigned w.e.f. 08/09/2023

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For M Siroya and Company**  
Company Secretaries

**Mukesh Siroya**

Proprietor

FCS No.: 5682

CP No.: 4157

UDIN: F005682F000298920

PR No. : 1075/2021

Date: 3 May, 2024

Place: Mumbai

## Independent Auditor's Report on the Financial Statements

**The Members of Grihum Housing Finance Limited**  
**(Formerly known as Poonawalla Housing Finance Limited)**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Grihum Housing Finance Limited (Formerly known as Poonawalla Housing Finance Limited) ('the Company'), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including 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 the material accounting policies and other explanatory information. (Herein after referred to as 'financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, 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 including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at March 31, 2024, and its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key audit matter	Audit Procedures
1.	<b>Impairment losses on loans assets:</b> Refer Note No. 2 (h) (v) of material accounting policies and Note No. 40 A for credit risk disclosures. As at March 31, 2024, the Company has reported gross loan assets of ₹ 7,155.74 Crore against which expected credit loss of ₹ 66.31 Crore has been recorded. The accounting policies in respect of impairment losses on loans is given vide Note No. 2 (h) (v) to the financial statements. Determination of fair and adequate impairment losses is a complex process and is based on application of significant management judgement and the use of different modelling techniques and assumptions which could have a material impact on reported profits.	<b>Significant audit procedures included the following:</b> <ul style="list-style-type: none"> <li>Our audit approach was a combination of test of internal controls and substantive procedures.</li> <li>Obtained an understanding of the ECL modelling techniques adopted by the Company including the key inputs and assumptions. Ensured completeness and the appropriateness of data on which the calculation is based.</li> <li>The Probability of Default and the Loss given Default ratios are computed based on the recoveries of the loan accounts using its own historical data. Further, changes in macro-economic environment / CPI factors are also applied to PDs. We reviewed and ensured that there is no management intervention and bias in computing these fundamental parameters for provisioning.</li> <li>Carried out audit procedures for ensuring the correctness of DPD days and categorisation of Stages of ECL. Tested the existence and effectiveness of controls over completeness and accuracy of the key inputs and reviewed the completeness of ECL by comparing the loan dumps with the books of account and the financial statements and also with the ECL schedules in order to ensure that the entire loan portfolio is subjected to application of ECL provision. We also carried out analytical procedures to satisfy that no unusual trends exist.</li> </ul>

#### Basis for Opinion

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

#### 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, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Sr. No.	Key audit matter	Audit Procedures
	Considering the significance of the above matter to the overall financial statements, and extent of management's estimates and judgements involved, we have identified this as a key audit matter for the audit of current year.	<ul style="list-style-type: none"> <li>Tested the assumptions underlying the impairment identification and quantification including the forecast of future cash flows with reference to the agreed repayment schedules of the borrowers which included the impact of restructuring in the applicable cases.</li> <li>We have examined, on a test basis, data inputs to the discounted cash flow models, including the latest collateral valuations supporting the estimation of future cash flows and present value. We also carried out review of collection efficiency of the company.</li> <li>Compared the provision for ECL vis-à-vis provision as per the Reserve Bank of India (RBI) IRAC norms and confirmed that there is no shortfall of ECL when compared to the IRAC norms to ensure compliance with the mandated provisions prescribed by the RBI.</li> <li>Evaluated the appropriateness of the Company's impairment methodologies as required under Ind AS 109, "Financial Instruments" and reasonableness of assumptions used, including post model adjustments ensuring that the adjustment to ECL Model was in conformity with the approved policy of the Company.</li> </ul>
<b>2.</b>	<p><b>Information Technology system for the financial reporting process:</b></p> <p>The Company is highly dependent on its Information Technology ("IT") systems for carrying on its operations which require large volume of transactions to be processed in numerous locations.</p> <p>The Company's accounting and financial reporting processes are dependent on automated controls enabled by IT systems which impacts key financial accounting and reporting including loans, interest income and impairment.</p> <p>The controls implemented by the Company in its IT environment determine the integrity, accuracy, completeness and validity of data that is processed by the applications and is ultimately used for financial reporting.</p> <p>Accordingly, we have determined key IT systems and controls as a key audit matter for current year audit.</p>	<p><b>Significant audit procedures included the following:</b></p> <ul style="list-style-type: none"> <li>We involved our internal IT expert to carry out the testing of IT general controls and other controls relevant for financial reporting.</li> <li>Obtained an understanding of the Company's IT related control environment, IT applications and databases relevant for the purpose of our audit of the financial statements.</li> <li>Also, obtained an understanding of the changes that were made to the IT applications during the audit period.</li> <li>Tested the design and operating effectiveness of the Company's IT controls over the IT applications and databases. Tested IT general controls particularly, logical access, segregation of duties, change management and other aspects of IT operational controls.</li> <li>Tested that request for access to systems were appropriately reviewed and authorised; tested controls around Company's periodic review of access rights; inspected requests of changes to systems for appropriate approval and authorisation.</li> </ul>

### Information other than the Financial Statements and Auditor's Report thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report Including Annexures to the Annual Report and Management Discussion and Analysis report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

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

The accompanying financial statements have been approved by the Company's Board of Directors. 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act 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 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 is 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 Standards on Auditing (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 Standards on Auditing (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 of the for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless Law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
- Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
  - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;

- 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 Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
- e. On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.
- g. As required by section 197 (16) of the Act, based on our examination of the books of the accounts and other records of the company and to the best of our information and according to the explanations given to us, the company has paid / provided for the managerial remuneration after obtaining approval of the members in the extra-ordinary general meeting held on 3rd October 2023 for remuneration in excess of limits provisions laid down under section 197 read with Schedule V to the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigation on its financial position in its financial statements vide note No. 46 to the financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2024;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024;
- iv. The management has represented that to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies) including foreign entities (intermediaries) with the understanding,

whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- v. The management has represented that to the best of its knowledge or belief, no funds (which are material either individually or in aggregate) have been received by the company from any other person(s) or entity(ies) including foreign entities (funding parties) with the understanding, whether recorded in writing or otherwise, that the company shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- vi. Based on the audit procedures considered reasonable and appropriate in the circumstances carried out by us, nothing has come to our notice that has caused us to believe that the representation under sub-clause (i) & (ii) of Rule 11 (e) as provided under clause (iv) & (v) above contain any material misstatements.
- vii. The company has not declared or paid any dividend during the year and as such the compliance of section 123 of the Act has not been commented upon.
- viii. Based on our examination which included test checks, the company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

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

**For, G.D. Apte & Co**  
Chartered Accountants  
Firm Registration No: 100 515W  
UDIN: 24017532BKESDA6772

**C. M. Dixit**  
Partner  
Membership No.: 017532

Pune  
Date: May 3, 2024

## Annexure A referred to in Paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of the Grihum Housing Finance Limited (Formerly, Poonawalla Housing Finance Limited) for the year ended March 31, 2024

In terms of the information and explanations sought by us and given by the Company and on the basis of our examination of the books of accounts and records of the company in the normal course of audit and to the best of our knowledge and belief, we report that:

- i. (a) (A) The company has maintained proper records showing full particulars including quantitative details and situation of Property, plant and equipment.  
(B) The company has maintained proper records showing full particulars of Intangible assets.
- (b) Property, plant and equipment including the Information Technology assets have been physically verified by the management during the year and no material discrepancies were observed in such verification.
- (c) The company in the process of updating its changed name "Grihum Housing Finance Limited" on the title deed in respect of the immovable property.
- (d) The Company has not revalued its property, plant and equipment or intangible assets during the year.
- (e) According to the information and explanations given to us and based on the examination of the records of the company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. (a) The Company is a housing finance company primarily engaged in the business of lending towards housing loans and does not hold any inventories. Accordingly, reporting under Paragraph 3(ii)(a) of the said Order is not applicable.
- (b) During the year, the company has availed working capital limits from banks in excess of Rs. 5 Crores on the basis of security of current assets. On the basis of audit procedures carried out by us we report that the quarterly statements filed by the company with banks were in agreement with the books of account of the company of the respective periods.
- iii. (a) The Company is a housing finance company primarily engaged in the business of lending. Accordingly reporting under Paragraph 3(iii) (a) of the Order is not applicable.
- (b) During the year the Company has not provided any advances in the nature of loans, guarantee or security to any other entity. The company has not made any investments in companies, firms, limited liability partnerships or any other parties. Further, the investments made and the terms and conditions of the grant of loans during the year, are not prima facie prejudicial to the interest of the Company.

- (c) According to the information and explanations given to us and on the basis of our examination of books of account and other records of the company, we report that the schedule of repayment of principal and payment of interest has been stipulated in respect of loans granted by the Company. We further report that the repayments or receipts in respect of loans are regular except 3,384 number of loan accounts where the overdues as at March 31, 2024 were aggregating to Rs. 26.49 Crore.
- (d) According to the information and explanations given to us and on the basis of our examination of books of account and other records of the company, we report that the loans overdue for more than 90 days aggregated to Rs.19.10 Crore as at March 31, 2024 in respect of 790 number of loan accounts. In our opinion, reasonable steps have been taken by the Company for recovery of principal and interest.
- (e) The Company is a housing finance company primarily engaged in the business of lending towards housing loans. Accordingly reporting under Paragraph 3(iii) (e) of the Order is not applicable.
- (f) According to the information and explanations given to us and based on the audit procedures performed by us, the company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year.
- iv. The Company has not granted any loans, made investments or provided guarantees and securities which attract the provisions of section 185 and section 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- v. The Company is registered with National Housing Bank (NHB) to carry on the business of housing finance without accepting public deposits as such provisions of section 73 are not applicable to the company. The company has not accepted any public deposits and amounts deemed to be deposits as per the provisions of Companies Act and rules made thereunder. Further the Company has not accepted any deposits before the commencement of the Act. As such provisions of Section 74, 75 & 76 of the Act are not applicable to the Company. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- vi. The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the companies Act, 2013 in respect of Company's services. Accordingly, the provisions of Paragraph 3(vi) of the Order are not applicable to the company.

vii. (a) The company is generally regular in depositing the undisputed statutory dues including provident fund, income tax, employees state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and services Tax, Cess and other material statutory dues as applicable with appropriate authorities except for few delays in respect of state profession taxes and labour welfare fund. We further report that there were no undisputed statutory dues as at the last day of the financial year which were outstanding for a period of more than six months except as stated above.

(b) According to the information and explanations given to us and on the basis of examination of books of account and records of the company, we report that there are no dues in respect of provident fund, income tax, employees state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and services Tax, cess and other material statutory dues which have not been deposited on account of any dispute except as stated under:

Name of the Statute	Nature of dues	Amount (Rs. In Crore)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Demands	1.93	Commissioner of Income Tax, Appeals
Goods and Service Tax Act, 2017	Central Goods and Service Tax Demand (Chhattisgarh)	0.24	Appellate Authority

viii. There are no transactions, which were not recorded in the books of account but have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) The company has not defaulted in repayment loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us and on the basis of examination of books of account and other records of the company and representations received from the management of the company, we report that the company has not been declared to be a wilful defaulter by any bank, financial institution or other lender.

(c) According to the information and explanations given to us and on the basis of overall examination of books of account and other records of the company, we report that the term loans availed by the Company were applied for the purpose for which the loans were obtained. However, funds which were not required for immediate utilisation were invested on a short-term basis.

(d) According to the information and explanations given to us and on the basis of overall examination of books of account and other records of the company, funds raised on short term basis have prima facie not been utilised during the year for long term purposes.

(e) The company does not have any subsidiaries, associates or joint ventures and as such reporting on the Paragraph 3 (ix) (e) whether the company has taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures is not applicable.

(f) The company does not have any subsidiaries, associates or joint ventures and as such reporting on the Paragraph 3 (ix) (f) whether the company has raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies is not applicable.

x. (a) During the year, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). As such, reporting under Paragraph 3(x)(a) is not be applicable.

(b) During the year, the Company has made private placement of shares and the requirement of section 42 and section 62 of the Companies Act, 2013 have been complied with and on the basis of overall examination of books of account and other records of the company, the funds raised have been used for the purposes for which the same were raised.

xi. (a) According to the information and explanations given to us and based on our examination of books and records, no material frauds by the company or on the company have been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed during the year in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) According to the information and explanations given to us and on the basis of examination of records of the company, there were no complaints of whistle-blower received during the year by the Company.

xii. The Company is not a Nidhi Company within the meaning of Section 406 of the Act. As such, reporting under clause 3 (xii) (a) to (c) is not applicable.

xiii. Based on the audit procedures performed, we report that the transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details as required by the applicable Indian Accounting Standards have been disclosed in the Note No. 38 to the Financial Statements.

xiv. (a) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports issued to the company during the year have been considered by us during the course of our audit.

xv. Based upon the audit procedures performed by us and according to the information and explanations given to us, we report that the Company has not entered into any non-cash transactions of the nature as described in Section 192 of the Act. As such, reporting under clause 3 (xv) is not applicable.

xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

(b) The company is a housing finance company and it holds a Certificate of Registration (CoR) from the Reserve Bank of India and has accordingly conducted housing finance activities during the year.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) According to the information and explanations given to us and based on the representation received from the management, we report that there is no core investment company within the group.

xvii. The Company has not incurred any cash losses in the current financial year FY 2023-2024 and during immediately preceding financial year, FY 2022-2023.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under Paragraph 3(xviii) of the order is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to

believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. (a) As disclosed in note No. 47 to the financial statements, the Company does not have unspent amounts which are required to be transferred to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.

(b) The Company does not have any amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, which is required to be transferred to special account in compliance with the proviso to sub-section (6) of section 135 of the said Act;

xxi. The reporting under Paragraph 3(xxii) of the Order is applicable in respect of audit of consolidated financial statements. As such not applicable for the reporting in standalone financial statements.

**For, G.D. Apte & Co**

Chartered Accountants  
Firm Registration No: 100 515W  
UDIN: 24017532BKESDA6772

**C. M. Dixit**

Partner  
Membership No.: 017532

Pune  
Date: May 3, 2024

## Annexure B referred to in Paragraph 2 (f) of the Independent Auditor's Report of even date to the members of Grihum the Housing Finance Limited (Formerly, Poonawalla Housing Finance Limited) for the year ended March 31, 2024

### Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. We have audited the internal financial controls with reference to financial statements of Grihum Housing Finance Limited (Formerly, Poonawalla Housing Finance Limited) ('the Company') as of 31st March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Responsibilities of Management for Internal Financial Controls

2. The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by The Institute of Chartered Accountants of India ('ICAI'). 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 the Company's 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

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

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

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

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

#### Meaning of Internal Financial Controls with reference to the financial statements

6. A company's internal financial controls with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the financial statements include those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls with reference to the financial statements

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

#### Opinion

8. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls with

reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at 31st March 2024, based on internal financial controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

**For, G.D. Apte & Co**  
Chartered Accountants  
Firm Registration No: 100 515W  
UDIN: 24017532BKESDA6772

**C. M. Dixit**  
Partner  
Membership No: 017532

Pune  
Date: May 3, 2024

**Independent Auditor's Additional Report for the year ended 31<sup>st</sup> March 2024 pursuant to the requirements of Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 issued by the Reserve Bank of India**

To  
The Board of Directors,  
**Grihum Housing Finance Limited**  
(Formerly Poonawalla Housing Finance Limited)  
602, Zero One IT Park, Survey No. 79/1,  
Ghorpadi, Mundhwa Road, Pune 411036

- This report is issued in accordance with the terms of our engagement with Grihum Housing Finance Limited (Formerly Poonawalla Housing Finance Limited), (the 'Company') and pursuant to the paragraph 70 and 71 of Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 ('Master Directions') issued by the Reserve Bank of India ('the RBI') and amended from time to time.
- We have audited the accompanying financial statements of the Company which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "Financial Statements") annexed thereto and have issued an unmodified opinion on these financial statements vide our report dated May 3, 2024.

**Management's Responsibility for the financial statements**

- The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of the financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- The management of the Company is also responsible for compliance with the applicable provisions of Reserve Bank of

India Act, 1934 ('the RBI Act'), National Housing Bank Act, 1987 ('the NHB Act'), the Master Directions, and other circulars and directions issued by the RBI thereunder and for providing all the required information to the RBI and the National Housing Bank ('the NHB').

**Auditor's Responsibility**

- Pursuant to the requirements of the Master Directions, it is our responsibility to provide reasonable assurance on the matters specified in paragraph 70 of the Master Directions, to the extent applicable to the Company, on the basis of our audit of the financial statements of the Company for the year ended March 31, 2024 and from the examination of books of accounts and other records maintained by the Company for the year then ended.
- We conducted our examination of the audited books of accounts other records of the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
- We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by the ICAI.

**Opinion**

- Based on our audit of the financial statements for the year ended March 31, 2024 and examination on test check basis as mentioned above, evidences obtained and the information and explanations, along with the representations provided by the management, we report that:
  - The Company is holding Certificate of Registration (no. DOR-00155) issued by Department of Regulation, Reserve Bank of India (RBI) dated 02 August 2021 (issued in lieu of earlier certificate dated 12 July 2017 issued by NHB) to carry on business of a housing finance institution without accepting public deposits, as required under Section 29A of the NHB Act, 1987. The Company meets the 'Principal Business Criteria' as laid down under Paragraph 4.1.17 of the Master Directions. As disclosed in Note No. 60 of the Financial Statements, the 'percentage of total assets towards housing finance'

and 'percentage of total assets towards housing finance for individuals' as at 31st March 2024 are 62.24% and 62.23% respectively as against the minimum regulatory requirement of 60% and 50% respectively. As such the conditions specified in paragraph 4.1.17 of the Master Directions, dated February 17, 2021, in respect of Principal Business Criteria are met.

- The Company as on 31st March 2024 has met the requirements in respect of Net Owned Fund ('NOF') as prescribed under Section 29A of the National Housing Bank Act, 1987;
- The Company has complied with the provisions of Section 29C of the NHB Act relating to 'Reserve Fund';
- The total borrowings of the Company are within the limits prescribed under paragraph 27.2 of the Master Directions;
- The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification, loan to value ratio, provisioning requirements, disclosure in balance sheet, investment in real estate, exposure to capital market and engagement of brokers, and concentration of credit/investments as specified in the Master Directions;
- The capital adequacy ratio as disclosed in the half yearly statutory returns for the period ended 30 September 2023, submitted to the NHB, as per directions issued by the NHB has been correctly determined and such ratio is in compliance with the prescribed minimum capital to risk weighted asset ratio (CRAR);
- The Company has furnished the half-yearly statutory return to the NHB, as specified in the directions issued by NHB, within the stipulated period;
- The Company has neither accepted any public deposits nor it is holding any public deposits. Accordingly, submission of quarterly statutory returns on Statutory Liquid Assets to the NHB in format as per in Schedule III, as specified in the directions issued by NHB, is not applicable;
- Based on our review on sample basis of the intimations to NHB in respect of opening of new branches / closure of existing branches, the Company has complied with the requirements of the Master Directions in respect of new branches/offices opened and closed during the year.

- During the year ended 31st March 2024, the Company has not granted any loan against security of shares or security of single product - gold jewellery in terms of paragraph 3.1.3 and 3.1.4 of the Master Directions. Further, during the year ended March 31, 2024 the Company has not granted any loan against its own shares in terms of paragraph 18 of the Master Directions.
- The Board of Directors of the Company has passed a resolution by circulation dated April 5, 2023 for non-acceptance of any public deposits for the financial year 01 April 2023 to 31 March 2024; and
- The Company has not accepted any public deposits during the year ended 31 March 2024.

**Restriction on distribution or use**

- Our work was performed solely to assist you for ensuring compliance of the Company with the Master Directions. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by any other role we may have as statutory auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are subject of this report, will extend any duty of care we may have in our capacity as statutory auditors of the Company.
- This report is addressed to and provided to the Board of Directors of the Company pursuant to our obligations under the Master Directions requiring us to submit a report on the additional matters as stated in the aforesaid directions and should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**For, G.D. Apte & Co**  
Chartered Accountants  
Firm Registration No: 100 515W  
UDIN: 24017532BKESDB9281

**C. M. Dixit**  
Partner  
Membership No.: 017532

Pune  
Date: May 3, 2024

# Balance Sheet

as at 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>Financial Assets</b>			
(i) Cash and cash equivalents	3	640.48	154.81
(ii) Bank balances other than cash and cash equivalents	4	94.93	40.38
(iii) Loans	5	7,089.43	5,438.57
(iv) Investments	6	207.71	97.35
(v) Other financial assets	7	191.74	143.96
		<b>8,224.29</b>	<b>5,875.07</b>
<b>Non-financial Assets</b>			
(i) Current tax assets (net)	8	4.44	0.99
(ii) Property, plant and equipment	9	20.91	15.01
(iii) Intangible assets under development	10	2.79	1.28
(iv) Other intangible assets	11	4.64	3.05
(v) Right of use assets	12	56.32	48.86
(vi) Other non-financial assets	13	33.03	26.51
		<b>122.13</b>	<b>95.70</b>
<b>Total Assets</b>		<b>8,346.42</b>	<b>5,970.77</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial Liabilities</b>			
(i) Payables			
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	14	0.04	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	14	2.59	6.26
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises	14	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		14.99	15.02
(ii) Debt securities	15	933.77	283.49
(iii) Borrowings (other than debt securities)	16	4,731.06	4,227.45
(iv) Subordinated liabilities	17	99.82	99.71
(v) Lease liabilities	12	61.78	51.31
(vi) Other financial liabilities	18	66.05	43.24
		<b>5,910.10</b>	<b>4,726.48</b>
<b>Non-financial Liabilities</b>			
(i) Provisions	19	3.79	2.61
(ii) Deferred tax liabilities (net)	20	25.38	15.55
(iii) Other non-financial liabilities	21	17.27	17.55
		<b>46.44</b>	<b>35.71</b>
<b>EQUITY</b>			
(i) Equity share capital	22A	324.83	252.29
(ii) Instruments entirely equity in nature	22B	162.41	-
(iii) Other equity	23	1,902.64	956.29
		<b>2,389.88</b>	<b>1,208.58</b>
<b>Total Liabilities and Equity</b>		<b>8,346.42</b>	<b>5,970.77</b>

Notes 1 to 67 form an integral part of these financial statements

This is the Balance Sheet referred to in our report of even date

**For G. D. Apte & Co.**  
Chartered Accountants  
Firm Registration no : 100515W

**C. M. Dixit**  
Partner  
Membership No: 017532

Place : Pune  
Date : 03 May 2024

For and on behalf of the Board of Directors  
**Grihum Housing Finance Limited**  
(Formerly Poonawalla Housing Finance Limited)

**Manish Jaiswal**  
Managing Director & Chief Executive Officer  
(DIN: 07859441)

Place : Pune  
Date : 03 May 2024

**Pankaj Rathi**  
Chief Financial Officer

Place : Pune  
Date : 03 May 2024

**Sanjeev Mehra**  
Director  
(DIN: 07491208)

Place : Mumbai  
Date : 03 May 2024

**Vaishnavi Suratwala**  
Company Secretary

Place : Pune  
Date : 03 May 2024

# Statement of Profit and Loss

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

Particulars	Note No.	Year ended 31 March 2024	Year ended 31 March 2023
<b>Revenue from operations</b>			
(i) Interest income	24	931.42	635.30
(ii) Fees and commission income	25	24.52	20.19
(iii) Net gain on fair value changes	26	7.84	-
(iv) Net gain on de-recognition of financial instruments	27	60.50	48.13
<b>Total revenue from operations</b>		<b>1,024.28</b>	<b>703.62</b>
Other income	28	21.37	12.43
<b>Total income</b>		<b>1,045.65</b>	<b>716.05</b>
<b>Expenses</b>			
(i) Finance costs	29	443.86	279.77
(ii) Net loss on fair value changes	30	1.00	0.53
(iii) Impairment on financial instruments	31	37.95	36.39
(iv) Employee benefits expenses	32	259.25	168.69
(v) Depreciation, amortisation and impairment	33	19.23	8.97
(vi) Other expenses	34	101.11	67.51
<b>Total expenses</b>		<b>862.40</b>	<b>561.86</b>
<b>Profit before tax</b>		<b>183.25</b>	<b>154.19</b>
<b>Tax expense:</b>	35		
(i) Current tax		33.19	31.40
(ii) Deferred tax (credit)/charge		10.02	7.63
(iii) Tax expense of earlier years		0.08	(0.06)
		<b>43.29</b>	<b>38.97</b>
<b>Profit for the year</b>		<b>139.96</b>	<b>115.22</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or (loss)</b>			
(i) Remeasurement benefits of the defined benefit plans		(0.78)	0.19
(ii) Income tax relating to these items		0.19	(0.05)
		<b>(0.59)</b>	<b>0.14</b>
<b>Other comprehensive income</b>		<b>(0.59)</b>	<b>0.14</b>
<b>Total comprehensive income for the year</b>		<b>139.37</b>	<b>115.36</b>
<b>Earnings per equity share (Face value : ₹ 10 per share)</b>	36		
Basic (₹)		5.03	4.57
Diluted (₹)		3.15	2.77
Notes 1 to 67 form an integral part of these financial statements			

This is the Profit and Loss referred to in our report of even date

**For G. D. Apte & Co.**  
Chartered Accountants  
Firm Registration no : 100515W

For and on behalf of the Board of Directors  
**Grihum Housing Finance Limited**  
(Formerly Poonawalla Housing Finance Limited)

**Manish Jaiswal**  
Managing Director & Chief Executive Officer  
(DIN: 07859441)

Place : Pune  
Date : 03 May 2024

**Pankaj Rathi**  
Chief Financial Officer

Place : Pune  
Date : 03 May 2024

**Sanjeev Mehra**  
Director  
(DIN: 07491208)

Place : Mumbai  
Date : 03 May 2024

**Vaishnavi Suratwala**  
Company Secretary

Place : Pune  
Date : 03 May 2024

# Statement of Cash Flows

For the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>A. Cash flow from operating activities</b>		
Profit before tax	183.25	154.19
<b>Adjustments for:</b>		
Interest Income	(920.31)	(634.24)
Depreciation and amortisation expense	19.23	8.97
Net loss/(gain) on financial instruments at fair value through profit or loss	0.83	3.32
Allowance for impairment loss	37.95	36.39
Liability no longer required written back	(0.52)	(0.76)
Loss on sale of property, plant and equipment	0.04	0.05
Net (gain)/ loss on derecognition of financial instruments	(60.50)	(48.13)
Finance cost	443.86	279.77
Interest Income on investments	(11.10)	(1.06)
Interest on income tax refund	-	(0.40)
Gain on redemption of mutual fund	(7.67)	(2.79)
Expense on employee stock option scheme	3.54	10.86
	<b>(311.40)</b>	<b>(193.83)</b>
Finance cost paid	(414.64)	(279.40)
Interest Income Received on loans	916.26	634.24
<b>Operating profit before working capital changes</b>	<b>190.22</b>	<b>161.01</b>
<b>Changes in working capital:</b>		
(Increase) in loans	(1,645.78)	(1,249.92)
(Increase) in other financial assets	(48.78)	(60.49)
(Increase)/Decrease in other non financial assets	(31.86)	0.58
Decrease in held for sale assets	-	1.08
(Increase)/Decrease in other bank balances	(54.55)	1.57
(Decrease)/Increase in derivative financial instrument	-	0.24
(Decrease)/Increase in trade and other payables	(4.18)	12.55
Increase/(Decrease) in other financial liabilities	81.20	(8.25)
(Decrease) in other non financial liabilities	(0.28)	(1.30)
Increase in provisions	1.18	1.00
<b>Cash (used in) operating activities</b>	<b>(1,512.83)</b>	<b>(1,141.93)</b>
Income tax paid (net of refunds)	(36.72)	(21.58)
<b>Net cash (used in) operating activities (A)</b>	<b>(1,549.55)</b>	<b>(1,163.51)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment including capital advances	(12.04)	(10.09)
Sale of property, plant and equipment	0.01	0.01
Purchase in intangible assets and intangible assets under development	(5.60)	(3.30)
Purchase of Investments measured at amortised cost	(236.38)	(121.30)
Sale of investments measured at amortised cost	126.46	25.00
Purchase of Investments measured at FVTPL	(2,794.86)	(1,289.94)
Sale of investments measured at FVTPL	2,802.53	1,292.76
Interest received on investments	10.33	1.06
<b>Net cash (used in) investing activities (B)</b>	<b>(109.55)</b>	<b>(105.80)</b>

# Statement of Cash Flows

For the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>C. Cash flow from financing activities*</b>		
Proceeds from issue of equity shares including securities premium (net of issue expenses)	1,037.40	0.49
Proceeds from debt securities	900.00	-
Repayment of debt securities	(280.00)	(10.00)
Proceeds from borrowings other than debt securities	2,736.82	3,369.96
Repayment of borrowings other than debt securities	(2,235.84)	(1,949.32)
Payment of lease liability	(13.61)	(6.54)
<b>Net cash generated from financing activities (C)</b>	<b>2,144.77</b>	<b>1,404.59</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>485.67</b>	<b>135.28</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>154.81</b>	<b>19.53</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>640.48</b>	<b>154.81</b>
<b>Components of cash and cash equivalents:</b>		
Cash on hand	-	-
<b>Balances and deposits with banks</b>		
In Current Accounts	239.15	154.81
Fixed Deposit (with original maturity of 3 months or less)	401.33	-
	<b>640.48</b>	<b>154.81</b>

\* Refer note 45 for reconciliation of liabilities arising from financing activities

All figures in brackets indicate cash outflow

The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, "Statement of Cash Flows".

This is the Statement of Cash Flows referred to in our report of even date

**For G. D. Apte & Co.**  
Chartered Accountants  
Firm Registration no : 100515W

For and on behalf of the Board of Directors  
**Grihum Housing Finance Limited**  
(Formerly Poonawalla Housing Finance Limited)

**Manish Jaiswal**  
Managing Director & Chief Executive Officer  
(DIN: 07859441)

**Sanjeev Mehra**  
Director  
(DIN: 07491208)

Place : Pune  
Date : 03 May 2024

Place : Mumbai  
Date : 03 May 2024

**C. M. Dixit**  
Partner  
Membership No: 017532

**Pankaj Rathi**  
Chief Financial Officer

**Vaishnavi Suratwala**  
Company Secretary

Place : Pune  
Date : 03 May 2024

Place : Pune  
Date : 03 May 2024

Place : Pune  
Date : 03 May 2024

# Statement of Changes in Equity

For the year ended 31 March 2024

## A. Equity share capital

### (1) Current reporting period

(All amounts ₹ in crores unless otherwise stated)				
Balance at the beginning of the current reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
252.29	-	252.29	72.54	324.83

### (2) Previous reporting period

(All amounts ₹ in crores unless otherwise stated)				
Balance at the beginning of the current reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
251.79	-	251.79	0.49	252.29

## B. Instruments entirely Equity in nature

### (1) Current reporting period

(All amounts ₹ in crores unless otherwise stated)				
Balance at the beginning of the current reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Issued during the year	Balance at the end of the current reporting period
-	-	-	162.41	162.41

### (2) Previous reporting period

(All amounts ₹ in crores unless otherwise stated)				
Balance at the beginning of the current reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Issued during the year	Balance at the end of the current reporting period
-	-	-	-	-

# Statement of Changes in Equity

For the year ended 31 March 2024

## C. Other equity

### (1) Current reporting period

Particulars	Reserves & Surplus				Items of Other Comprehensive Income		Total
	Securities premium	Statutory reserves	Share option reserve account	Retained earnings	Cash flow hedge reserve	Remeasurement of defined benefit plans	
<b>Balance as at 01 April 2023</b>	501.72	97.13	13.06	344.59	-	(0.21)	956.29
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-
<b>Restated balance at the beginning of the current reporting period</b>	501.72	97.13	13.06	344.59	-	(0.21)	956.29
Adjustments to General Reserve	-	-	-	-	-	-	-
Profit for the year	-	-	-	139.96	-	-	139.96
Employee Stock Options Expense	-	-	3.54	-	-	-	3.54
Proceeds from Private placement cum preferential allotment	498.66	-	-	-	-	-	498.66
Proceeds from Rights issue	466.20	-	-	-	-	-	466.20
Utilised for Compulsorily convertible preference shares (Bonus issue)	(162.41)	-	-	-	-	-	(162.41)
Exercise of Employee stock option plans (Refer Note 23)	3.86	-	(3.86)	-	-	-	-
Proceeds from share issued under ESOP and RSOP schemes	0.99	-	-	-	-	-	0.99
Other Comprehensive Income (Net of taxes)	-	-	-	-	-	-	-
- Remeasurement of defined benefit plans	-	-	-	-	-	(0.59)	(0.59)
- Transfer to statutory reserves in terms of section 29C of the NHB Act, 1987 (including special reserve u/s 36 (1) (viii) of Income Tax Act, 1961)	-	27.99	-	(27.99)	-	-	0.00
<b>Balance as at 31 March 2024</b>	1,309.02	125.12	12.74	456.56	-	(0.80)	1,902.64



(2) Previous reporting period

(All amounts ₹ in crores unless otherwise stated)

Particulars	Reserves & Surplus			Items of Other Comprehensive Income		Total
	Securities premium	Statutory reserves	Share option reserve account	Retained earnings	Cash flow hedge reserve	
<b>Balance as at 01 April 2022</b>	500.91	74.09	3.01	252.42	(0.06)	829.99
Changes in accounting policy/prior period errors	-	-	-	-	-	-
<b>Restated balance at the beginning of the current reporting period</b>	500.91	74.09	3.01	252.42	(0.06)	829.99
Profit for the year	-	-	-	115.22	-	115.22
Employee Stock Options Expense	-	-	10.86	-	-	10.86
Exercise of Employee stock option plans (Refer Note 23)	0.81	-	(0.81)	-	-	-
Other Comprehensive Income (Net of taxes)	-	-	-	-	-	-
- Remeasurement of defined benefit plans	-	-	-	-	-	0.17
- Cash flow hedge reserve	-	-	-	-	0.06	0.06
Transfer to statutory reserves in terms of section 29C of the NHB Act, 1987 (including special reserve u/s 36 (I) (viii) of Income Tax Act, 1961)	-	23.04	-	(23.05)	-	(0.01)
<b>Balance as at 31 March 2023</b>	501.72	97.13	13.06	344.59	(0.21)	956.29

Notes 1 to 67 form an integral part of these financial statements

This is the Statement of Changes in Equity referred to in our report of even date

**For G. D. Apte & Co.**

Chartered Accountants

Firm Registration no : 100515W

For and on behalf of the Board of Directors  
**Grihum Housing Finance Limited**  
(Formerly Poonawalla Housing Finance Limited)

**Manish Jaiswal**

Managing Director & Chief Executive Officer

(DIN: 07859441)

Place : Pune

Date : 03 May 2024

**Pankaj Rath**

Chief Financial Officer

Place : Pune

Date : 03 May 2024

**Sanjeev Mehra**

Director

(DIN: 07491208)

Place : Mumbai

Date : 03 May 2024

**Vaishnavi Suratwala**

Company Secretary

Place : Pune

Date : 03 May 2024

**C. M. Dixit**

Partner

Membership No.: 017532

Place : Pune

Date : 03 May 2024

## Summary of Material Accounting Policies and Other Explanatory Information

For the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### Note 1: Company Overview:

Grihum Housing Finance Limited (Formerly Poonawalla Housing Finance limited) ("PHF", or "the Company") was incorporated on 21 April 2004 under the provisions of Companies Act, 1956, to carry on the business of housing finance in India. The Company was registered as a non-deposit taking housing finance company with the National Housing Bank ("NHB") in October 2004 vide certificate no. DOR-00155 on 08 December 2023. The Company commenced business operations in November 2004. The company's product basket is mainly comprised of home loans and loans against property. The non-convertible debentures (NCDs) of the Company are listed on the Bombay Stock Exchange. Under the scale based regulation for the NBFCs, the Company has been classified as NBFC-ML (Middle layer) by the RBI vide press release dated 30 September 2022.. The Company is domiciled in India and its registered office is situated at 602, 6th floor, Zero One IT Park, Sr. No. 79/1, Ghorpadi, Mundhwa Road, Pune - 411036

### Note 2: Material accounting policies and key accounting estimates and judgements

#### a) Statement of compliance and Basis of preparation

The Financial Statements for the year ended 31 March 2024 have been prepared by the Company in accordance with the recognition and measurement principle of Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 (the "Act"), read with relevant rules issued thereunder and other accounting principles generally accepted in India, requirements prescribed under the Schedule III - Division III of the Act, the circulars and guidelines issued by the Reserve Bank of India (the "RBI") and National Housing Bank (the "NHB") from time to time to the extent applicable. The company uses the accrual basis of accounting except in case of significant uncertainties.

The Balance Sheet, Statement of Profit and Loss and Statement of changes in Equity of the Company are prepared and presented in the format prescribed in the Division III of Schedule III of the Act applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7.

The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only where it has legally enforceable right to offset the recognised amounts and the Company intends to either settle on a net basis or to realise the asset and settle the liability simultaneously as permitted by Ind AS. Similarly, the Company offsets incomes and expenses and reports the same on a net basis where the netting off reflects the substance of the transaction or other events as permitted by Ind AS.

These financial statements have been approved and adopted by the Board of Directors in their meeting held on 03 May 2024.

#### b) Functional and Presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All amounts have been denominated in crores and rounded off to the nearest two decimal, except when otherwise indicated.

#### c) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following material items:

- Financial instruments at Fair value through profit and loss (FVTPL) that is measured at fair value
- Net defined benefit (asset)/ liability - fair value of plan assets less present value of defined benefit obligation

#### d) Property, Plant and Equipment

##### Recognition and measurement

Property, plant and equipment (PPE) is an asset held for use or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. The cost includes non-refundable taxes, duties, freight, and other incidental expenses related to the acquisition and installation of the respective assets. PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company. Subsequent expenditure on PPE after its purchase is capitalised if it is probable that the future economic benefits will flow to the enterprise.

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/loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

##### Depreciation:

Depreciation on each part of an item of property, plant and equipment is provided using the Straight-Line Method as prescribed in Schedule II to the Act. Depreciation is calculated on a pro-rata basis from the put to use date upto the end of the useful life of the assets/ date of disposal.

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

The estimated useful life considered by the Company are as under:

Sl. No	Item	Life (in Years)
1	Buildings	60
2	Furniture and Fixtures	10
3	Office Equipment	5,10
4	Computers & Accessories	3,4,6
5	Leasehold Improvements	10

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of Property, Plant and Equipment.

### De-recognition:

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit or loss.

### Capital work-in-progress:

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

### e) Intangible assets

#### Recognition and Measurement:

Intangible assets with finite useful lives that are acquired separately are capitalised and carried at cost less accumulated amortisation and accumulated impairment losses. Cost includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company.

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

### Amortisation:

Intangible assets are amortised over their estimated useful lives, not exceeding six years, on a straight-line basis, commencing from the date the asset is available to the Company for its use.

### De-recognition:

The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognised in the Statement of Profit and Loss when the asset is derecognised.

### f) Assets held for sale (Repossession)

To mitigate the credit risk on financial assets, the company seeks to use collateral, as per the powers conferred under the SARFAESI Act, 2002. In its normal course of business, the Company does not physically repossess properties or other assets in its retail portfolio, but generally engages external or internal agents to recover funds through auction process. Any surplus funds over the contractual receivables are returned to the customer/obligors. Accordingly, the properties which are repossessed and where there is a reasonable certainty to recover the amount in the foreseeable future, are recorded on the balance sheet as assets held for sale at (i) fair value less cost to sell or (ii) loan outstanding, whichever is lower.

### g) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or the cash generating unit is estimated. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If, at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

### h) 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.

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### i) Initial recognition and measurement:

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs and revenues of financial assets or financial liabilities carried at fair value through the profit or loss account are recognised immediately in the Statement of Profit or Loss. Trade Receivables are measured at transaction price. Trade receivables and debt securities issued are initially recognised when they are originated.

### ii) Classifications:

#### Financial assets

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

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

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

#### Business model assessment

The business model in respect of any portfolio or sub-portfolio is not static, and therefore, may emerge over time. Therefore, PHFL has adopted the approach of reviewing the business model classification based on the frequency and value of disposal of loan assets during the year. In this regard, there may be requirements to re-classify the portfolio and the basis of the same has been laid down as below:

#### Re-classification from FVTOCI to Amortised Cost

If there has been a considerable time period elapsed since the past sale transaction and the management

estimates that there is very limited probability of selling down the portfolio other than stressed portfolio then such portfolio can be re-classified from FVTOCI to Amortised Cost category.

#### Re-classification from Amortised Cost to FVTOCI

If there has been multiple sale transaction of portfolios except as allowed under Ind AS 109 i.e. for stress case scenarios, and the management estimates that the Company may continue to sell down the loan assets for the purpose of meeting other business objectives then such part of the loan assets (if specifically identified) shall be re-classified to FVTOCI measurements from Amortised Cost Category.

#### Financial instruments at Amortised Cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

- It is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

#### Financial assets at Fair Value through Other Comprehensive Income ('FVTOCI')

A financial asset is measured at FVTOCI only if both of the following conditions are met:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

#### Financial assets at Fair Value through Profit and Loss (FVTPL)

Any financial instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

#### Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

# Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or amortised cost, as appropriate.

## Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs."

### iii) Subsequent measurement:

#### Amortised cost

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the EIR method of discount or premium on acquisition and fees or costs that are an integral part of the EIR and, for financial assets, adjusted for any loss allowance.

#### FVTPL

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

#### FVTOCI

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

### iv) Derecognition of financial assets and financial liabilities:

#### Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. The Company continues to recognise the assets on finance on books which has been securitised under pass through arrangement and does not meet the de-recognition criteria.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset de-recognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

#### Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

#### Securitisation and Assignment

In case of transfer of loans through securitisation and direct assignment transactions, the transferred loans are de-recognised and gains/losses are accounted for, only if the Company transfers substantially all risks and rewards specified in the underlying assigned loan contract.

In accordance with the Ind AS 109, on de-recognition of a financial asset under assigned transactions, the difference between the carrying amount and the consideration received are recognised in the Statement of Profit and Loss.

# Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### v) Impairment of Financial Assets:

The Company recognises loss allowances for Expected Credit Loss (ECL) on all the financial assets that are not measured at FVTPL:

ECL are probability weighted estimate of future credit losses based on the staging of the financial asset to reflect its credit risk. They are measured as follows:

- **Stage 1: financial assets that are not credit impaired** – as the present value of all cash shortfalls that are possible within 12 months after the reporting date.
- **Stage 2: financial assets with significant increase in credit risk but not credit impaired** – as the present value of all cash shortfalls that result from all possible default events over the expected life of the financial asset.
- **Stage 3: financial assets that are credit impaired** – as the difference between the gross carrying amount and the present value of estimated cash flows.

The Company's policy for determining significant increase in credit risk is set out in Note 43(A)(f).

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Financial assets are fully provided for or written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

However, financial assets that are written off could still be subject to enforcement activities under the company's recovery procedures, taking into account legal advice wherever appropriate. Any recoveries made are credited to impairment loss on actual realisation from customer.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

### Presentation of ECL allowance for financial asset:

ECL allowance for financial asset measured at Amortised Cost or is shown as a deduction from the gross carrying amount of the assets

### i) Fair value of financial instruments

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. 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.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy that categorises into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

**Level 1:** quoted (unadjusted) market prices in active markets for identical assets or liabilities

**Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

**Level 3:** inputs that are unobservable for the asset or liability

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 at the end of each reporting period and discloses the same."

### j) Revenue recognition

#### Interest Income:

Interest income from financial assets (assets on finance) is recognised on accrual basis using Effective Interest Rate ('EIR') method. EIR is applied on future principal of amortised cost of assets on finance. Interest income on stage 3 assets is recognised on net basis.

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

The EIR is the rate that discounts the estimated future cash flows through the expected life of the financial instrument to the gross carrying amount of the financial asset. The interest income is recognised on EIR method on a time proportion basis applied on the carrying amount for financial assets including credit impaired financial assets.

The calculation of the effective interest rate include transaction costs and fees paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

The 'amortised cost' of a financial asset is the amount at which the financial asset is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount adjusted for any expected credit loss allowance.

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

Income from direct assignment (sale) transactions represents the present value of excess interest spread receivables on derecognised assets computed by discounting net cash flows from such assigned pools on the date of transactions.

Overdue interest and other charges are treated to accrue on realisation, due to uncertainty of realisation and is accounted for accordingly.

Income from collection and support services is recognised over time as the services are rendered as per the terms of the contract.

### Other revenue from operations:

All other items of income are accounted for on accrual basis.

Dividend is recognised when the right to receive the dividend is established.

### Net gain or loss on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss. Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVTOCI is recognised in net gain / loss on fair value changes.

### Recoveries of financial assets written off

The Company recognises income on recoveries of financial assets written off on realisation basis.

### Net gain or loss on derecognition of financial instruments under amortised cost category

Net gain or loss on derecognition of financial instruments under amortised cost category is recognised upfront in the statement of profit and loss, being the difference between the carrying amount (measured at the date of recognition) and the consideration received (including any new asset obtained less any new liability assumed).

## k) Finance cost

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortised cost. Financial instruments include bank term loans, non- convertible debentures, commercial papers, subordinated debts, Interest expense on lease liabilities is computed by applying the notional borrowing rate and has been included under finance costs. It also includes discounting charges paid for securitisation transactions entered under 'pass-through' arrangement.

## l) Income Taxes

Income-tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of temporary differences between tax base and book base). It is recognised in statement of profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

### Current tax:

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Current tax comprises the tax payable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

The amount of current tax reflects the best estimate of the tax amount expected to be paid after considering the uncertainty, if any, related to income taxes.

### Deferred tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

Deferred tax assets are reviewed at each reporting date and based on management's judgement, are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income, in which case, the current and deferred tax income/ expense are recognised in Other Comprehensive Income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis

## m) Provisions and contingencies related to claims, litigation, etc.

A provision is recognised if, as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date

### Contingencies related to claims, litigation, etc.

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised

when it is probable that a liability has been incurred, and the amount can be estimated reliably. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

## n) Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

The Company does not recognise contingent assets in the financial statements.

## o) Foreign Currency Transactions

Transactions in currencies other than Company's operational currency are recorded on initial recognition using the exchange rates prevailing on the date of the transaction. The foreign currency borrowing being a monetary liability is restated to INR (being the functional currency of the Company) at the prevailing rates of exchange at the end of every reporting period with the corresponding exchange gain/ loss being recognised in statement of profit or loss. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise.

## p) Goods and Services Input Tax Credit

Expenses and assets are recognised net of the goods and services tax/ value added taxes paid, except when the tax incurred on a purchase of assets or availing of services is not recoverable from the taxation authority, in such case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

## q) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### r) Employee Benefits

#### I) Short Term Employee Benefits:

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. This includes performance linked incentives. Short term employee obligations are measured at undiscounted basis.

#### II) Post-employment benefit:

##### a. Defined contribution plans:

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligations to pay further amounts.

##### Provident Fund:

Contributions paid / payable to the recognised provident fund, which is a defined contribution scheme, are expensed as the related service is provided and recognised as personnel expenses in statement of profit or loss.

##### Recognition and measurement of defined contribution plans:

Company's Provident fund and Pension fund contributions are paid to EPFO, no actuarial assumptions are required to measure the obligation or the expense and there is no possibility of any actuarial gain or loss. Moreover, the obligations are measured on an undiscounted basis, except where they are not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service.

If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognised as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund."

### b. Defined benefits plans:

#### Gratuity:

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Accrued Benefit Method (same as Projected Unit Credit Method), which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan.

The change in defined benefit plan liability is split into changes arising out of service, interest cost and re-measurements and the change in defined benefit plan asset is split between interest income and re-measurements. Changes due to service cost and net interest cost/ income is recognised in the statement of profit and loss. Re-measurements of net defined benefit liability/ (asset) which comprise of the below are recognised in other comprehensive income:

- Actuarial gains and losses;
- The return on plan assets, excluding amounts included in net interest on the net defined benefit liability / (asset).

Remeasurements of the net defined benefit liability (Assets) recognised in other

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

comprehensive income are not reclassified to profit or loss in subsequent period.

Other long-term employee benefits:

#### Compensated absences:

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation based by using projected unit credit method on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. The expenses and actuarial gain / loss on account of the above benefit plans are recognised in the statement of profit and loss on the basis of actuarial valuation.

#### Share based payment:

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in other equity.

In case, the company modifies the terms and condition on which the equity instruments were granted in a manner that is beneficial to the employees, the incremental cost will be recognised over the period starting from the modification date till the date of vesting if the modification occurs during the vesting period. In case, modification occurs after the vesting period, the incremental cost will be recognised immediately.

### s) Leases

#### I) The Company as a lessee

##### i) Right to use assets and Lease liability:

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

conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset
- the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- the Company has the right to direct the use of the asset.

#### Recognition and initial measurement:

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. At the lease commencement date, the Company recognises a right-of-use ("RoU") asset and equivalent amount of lease liability. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

#### Subsequent measurement:

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the notional borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments). Subsequent to initial measurement,

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in the in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset or is recorded in statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Key sources of estimation uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amount of assets and liabilities within the next financial year are included in the following notes:

### Note 31 - Impairment of financial instruments:

This includes determining the relevant inputs into the Expected Credit Loss (ECL) model, including incorporation of forward-looking information and assumptions used in estimating recoverable cash flows. Also, the management regularly assesses the adequacy of provisions and if required necessary additional provisions are created over above ECL Model.

### Note 39 - Determination of the fair value of financial instruments with significant unobservable inputs:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques which requires a degree of judgment. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility.

### Note 32 - Measurement of defined benefit obligations:

The cost of the defined benefit gratuity plan 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.

### Note 20 - Recognition of deferred tax assets:

Key assumption is availability of future taxable profit against which carry-forward tax losses can be utilised.

### Note 9 - Determining useful lives of depreciable assets:

Key assumption is the estimation of the useful lives of depreciable assets, based on the expected utility of the assets.

### t) Earnings per equity share

Basic earnings per share have been computed by dividing net income attributable to ordinary equity holders by the weighted average number of shares outstanding during the year. Partly paid-up equity share, if any, is included as fully paid equivalent according to the fraction paid up.

Diluted earnings per share have been computed using the weighted average number of shares and dilutive potential shares, except where the result would be anti-dilutive

### u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. The Company is in a single business segment (primary segment) of providing financial services to customers in India.

### Significant areas of estimation uncertainty, critical judgements and assumptions in applying accounting policies:

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities and assets) as on the date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 3. Cash and cash equivalents

Particulars	As at	As at
	31 March 2024	31 March 2023
Cash on hand	-	-
<b>Balances with banks</b>		
In current accounts	239.15	154.81
In deposits with original maturity of 3 months or less	401.33	-
	<b>640.48</b>	<b>154.81</b>

### 4. Bank balances other than cash and cash equivalents

Particulars	As at	As at
	31 March 2024	31 March 2023
In deposits with original maturity of more than 3 months*	94.93	40.38
	<b>94.93</b>	<b>40.38</b>

\*Includes cash collateral for securitisation of receivables amounting to ₹ 17.46 crores (FY 2022-23: ₹ 22.93 crores) and term deposits amounting to ₹ 76.08 crore (FY 2022-23: ₹ 17.44 crores) under lien towards bank guarantee issued.

### 5. Loans

Particulars	As at 31 March 2024			As at 31 March 2023		
	At Amortised Cost (AC)	At Fair Value Through other comprehensive income (FVTOCI)	Total	At Amortised Cost (AC)	At Fair Value Through other comprehensive income (FVTOCI)	Total
<b>(A)</b>						
(i) Term loans						
- Housing Loans <sup>1</sup>	5,423.89	-	5,423.89	3,967.84	-	3,967.84
- Loan against properties	1,783.02	-	1,783.02	1,564.63	-	1,564.63
<b>Total (A) - Gross</b>	<b>7,206.91</b>	<b>-</b>	<b>7,206.91</b>	<b>5,532.47</b>	<b>-</b>	<b>5,532.47</b>
Less: Impairment loss allowance	66.31	-	66.31	59.28	-	59.28
<b>Loans net of impairment loss allowance</b>	<b>7,140.60</b>	<b>-</b>	<b>7,140.60</b>	<b>5,473.19</b>	<b>-</b>	<b>5,473.19</b>
Add: Unamortised loan sourcing costs	47.81	-	47.81	33.59	-	33.59
Less : Unamortised loan sourcing fees	98.98	-	98.98	68.21	-	68.21
<b>Total (A) - Net</b>	<b>7,089.43</b>	<b>-</b>	<b>7,089.43</b>	<b>5,438.57</b>	<b>-</b>	<b>5,438.57</b>
<b>(B)</b>						
(i) Secured by tangible assets	7,206.91	-	7,206.91	5,532.47	-	5,532.47
(ii) Covered by government guarantee	-	-	-	-	-	-
(iii) Unsecured	-	-	-	-	-	-
<b>Total (B) - Gross</b>	<b>7,206.91</b>	<b>-</b>	<b>7,206.91</b>	<b>5,532.47</b>	<b>-</b>	<b>5,532.47</b>
Less: Impairment loss allowance	66.31	-	66.31	59.28	-	59.28
<b>Loans net of impairment loss allowance</b>	<b>7,140.60</b>	<b>-</b>	<b>7,140.60</b>	<b>5,473.19</b>	<b>-</b>	<b>5,473.19</b>
Add: Unamortised loan sourcing costs	47.81	-	47.81	33.59	-	33.59
Less : Unamortised loan sourcing fees	98.98	-	98.98	68.21	-	68.21
<b>Total (B) - Net</b>	<b>7,089.43</b>	<b>-</b>	<b>7,089.43</b>	<b>5,438.57</b>	<b>-</b>	<b>5,438.57</b>

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 5. Loans (Contd.)

Particulars	As at 31 March 2024			As at 31 March 2023		
	At Amortised Cost (AC)	At Fair Value Through other comprehensive income (FVTOCI)	Total	At Amortised Cost (AC)	At Fair Value Through other comprehensive income (FVTOCI)	Total
<b>(C) Loans in India</b>						
(i) Public Sector	-	-	-	-	-	-
(ii) Others	7,206.91	-	7,206.91	5,532.47	-	5,532.47
<b>Total (C) - Gross</b>	<b>7,206.91</b>	<b>-</b>	<b>7,206.91</b>	<b>5,532.47</b>	<b>-</b>	<b>5,532.47</b>
Less: Impairment loss allowance	66.31	-	66.31	59.28	-	59.28
<b>Loans net of impairment loss allowance</b>	<b>7,140.60</b>	<b>-</b>	<b>7,140.60</b>	<b>5,473.19</b>	<b>-</b>	<b>5,473.19</b>
Add: Unamortised loan sourcing costs	47.81	-	47.81	33.59	-	33.59
Less: Unamortised loan sourcing fees	98.98	-	98.98	68.21	-	68.21
<b>Total (C) - Net</b>	<b>7,089.43</b>	<b>-</b>	<b>7,089.43</b>	<b>5,438.57</b>	<b>-</b>	<b>5,438.57</b>

\*It includes receivables amounting to ₹ 195.06 crores as at 31 March 2024 (₹132.41 crores as at 31 March 2023) towards the insurance premium funded by the Company for the insurance cover availed by its customers.

The company has not granted any loans and advances that are repayable on demand or without specifying any terms or period of repayment to promoters, directors, KMPs and the related parties either severally or jointly with any other person.

### 6. Investments

Particulars	As at 31 March 2024	As at 31 March 2023
<b>(i) At fair value through profit or loss</b>		
In mutual funds	-	-
Add: Fair value gain/(loss)	-	-
	-	-
<b>(ii) At Amortised cost*</b>		
In Government Securities/ T-Bill	207.71	97.35
	<b>207.71</b>	<b>97.35</b>
<b>Out of above:</b>		
In India	207.71	97.35
Outside India	-	-
	<b>207.71</b>	<b>97.35</b>

\*The fair value of the investments including interest accrued but not due continues to be higher than the book value of the investment. Hence, the Company carries Nil provision on investments. (refer note 39(b).2)

### 7. Other financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Measured at Amortised cost:</b>		
Receivables on assigned loans*	138.89	87.88
Security deposits	5.36	4.81
Others receivables	11.23	6.35
<b>Measured at Fair value through profit or Loss:</b>		
Security receipt	36.85	45.29
<b>Total</b>	<b>192.33</b>	<b>144.33</b>
Less: Impairment loss allowance on receivable on assigned loans	0.59	0.37
	<b>191.74</b>	<b>143.96</b>

\*Represents present value of excess interest spread receivables on derecognised assets.

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 8. Current tax asset (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Income tax assets (net of provision ₹ 69.95 crores)(31 March 2023: ₹ 60.44 crores)	4.44	0.99
	<b>4.44</b>	<b>0.99</b>

### 9. Property, plant and equipment

Particulars	Buildings	Furniture and fixtures	Office equipment	Leasehold improvements	Total
<b>Cost</b>					
<b>As at 31 March 2022</b>	<b>0.21</b>	<b>0.86</b>	<b>8.12</b>	<b>0.42</b>	<b>9.61</b>
Additions for the year	-	3.61	6.48	-	10.09
Disposals/adjustments	-	0.01	0.06	0.04	0.11
<b>As at 31 March 2023</b>	<b>0.21</b>	<b>4.46</b>	<b>14.54</b>	<b>0.38</b>	<b>19.59</b>
Additions for the year	-	2.11	8.02	1.84	11.97
Disposals/adjustments	-	2.55	0.58	(1.98)	1.15
<b>As at 31 March 2024</b>	<b>0.21</b>	<b>4.02</b>	<b>21.98</b>	<b>4.20</b>	<b>30.41</b>
<b>Accumulated Depreciation</b>					
<b>As at 31 March 2022</b>	<b>0.03</b>	<b>0.24</b>	<b>0.77</b>	<b>0.22</b>	<b>1.26</b>
Additions	0.01	0.74	2.58	0.06	3.39
Disposals/adjustments	-	0.01	0.04	0.02	0.07
<b>As at 31 March 2023</b>	<b>0.04</b>	<b>0.97</b>	<b>3.31</b>	<b>0.26</b>	<b>4.58</b>
Additions for the year	0.01	1.02	4.74	0.36	6.13
Disposals/adjustments	-	0.26	0.80	0.15	1.21
<b>As at 31 March 2024</b>	<b>0.05</b>	<b>1.73</b>	<b>7.25</b>	<b>0.47</b>	<b>9.50</b>
<b>Net Block</b>					
<b>As at 31 March 2023</b>	<b>0.17</b>	<b>3.49</b>	<b>11.23</b>	<b>0.12</b>	<b>15.01</b>
<b>As at 31 March 2024</b>	<b>0.16</b>	<b>2.29</b>	<b>14.73</b>	<b>3.73</b>	<b>20.91</b>

The company is in the process of updating its changed name "Grihum Housing Finance Limited" on the title deed for the immovable property. No assets were revalued during FY 2023-24 and FY 2022-23.

### 10. Intangible assets under development

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Opening Balance as at</b>	<b>1.28</b>	<b>-</b>
Additions during the year	5.12	1.28
Deductions/Adjustments	3.61	-
<b>As at 31 March 2024</b>	<b>2.79</b>	<b>1.28</b>

#### Intangible assets under development ageing schedule

As at 31 March 2024

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Projects in progress	2.79	-	-	-	2.79
ii) Projects temporarily suspended	-	-	-	-	-

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 10. Intangible assets under development (Contd.)

As at 31 March 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Projects in progress	1.28	-	-	-	1.28
ii) Projects temporarily suspended	-	-	-	-	-

The Company closely monitors all the projects and there are no significant delays / over-runs observed during the year with respective timelines or overall costs.

### 11. Other intangible assets

Particulars	Computer software
<b>Cost</b>	
<b>As at 31 March 2022</b>	<b>3.20</b>
Additions	2.02
Disposals/adjustments	-
<b>As at 31 March 2023</b>	<b>5.22</b>
Additions	4.19
Disposals/adjustments	1.73
<b>As at 31 March 2024</b>	<b>7.68</b>
<b>Accumulated amortisation</b>	
<b>As at 31 March 2022</b>	<b>1.67</b>
Amortisation for the year	0.50
Disposals/adjustments	-
<b>As at 31 March 2023</b>	<b>2.17</b>
Amortisation for the year	2.50
Disposals/adjustments	1.63
<b>As at 31 March 2024</b>	<b>3.04</b>
<b>Net Block</b>	
<b>As at 31 March 2023</b>	<b>3.05</b>
<b>As at 31 March 2024</b>	<b>4.64</b>

### 12. Right of use assets

Information on Lease transactions as required by Ind AS - 116 - Leases are as follows :

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Office Premises</b>		
<b>(i) Movement in the carrying value of the ROU assets</b>		
<b>Opening Balance</b>	<b>48.86</b>	<b>15.72</b>
Depreciation charge for the Period	(10.61)	(5.09)
Additions during the Period	25.10	39.28
Termination	(7.33)	(1.05)
Adjustment	0.30	-
<b>Closing Balance</b>	<b>56.32</b>	<b>48.86</b>
<b>(ii) Movement in the carrying value of the Lease Liability</b>		
<b>Opening Balance</b>	<b>51.31</b>	<b>16.99</b>
Interest Expense	6.19	2.63
Lease Payments	(13.61)	(6.54)
Additions during the year	25.10	39.28

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 12. Right of use assets (Contd.)

Particulars	As at 31 March 2024	As at 31 March 2023
Termination	(8.19)	(1.05)
Adjustment	0.98	-
<b>Closing Balance</b>	<b>61.78</b>	<b>51.31</b>
<b>(iii) The following are the amount recognised in the Profit or Loss statement</b>		
Depreciation expense of right-of-use assets	10.61	5.09
Interest expense on lease liabilities	6.19	2.63
<b>Total amount recognised in profit or loss</b>	<b>16.80</b>	<b>7.72</b>
<b>(iv) Classification of current and non current liabilities of the lease liabilities</b>		
Current liabilities	12.12	9.22
Non Current Liabilities	49.66	42.09
<b>Total Lease liabilities</b>	<b>61.78</b>	<b>51.31</b>

### 13. Other non-financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Prepaid expenses	20.03	10.08
Gratuity (excess of plan assets over obligation)	-	1.24
Balances with government authorities	7.17	4.90
Balances with insurance company	5.82	9.35
Others	0.01	0.94
<b>Total</b>	<b>33.03</b>	<b>26.51</b>

### 14. Payables

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Trade Payables</b>		
Total outstanding dues of micro enterprises and small enterprises*	0.04	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	2.59	6.26
<b>Total</b>	<b>2.63</b>	<b>6.26</b>

Particulars	As at 31 March 2024	As at 31 March 2023
Principal amount due to suppliers under MSMED Act, as at the year end	0.04	-
Interest accrued and due to suppliers under MSMED Act, on the above amount as at the year end	-	-
Interest paid to suppliers under MSMED Act (other than section 16)	-	-
Interest paid to suppliers under MSMED Act (section 16)	-	-
Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
Interest accrued and remaining unpaid at the year end to suppliers under MSMED Act	-	-
Interest accrued and remaining unpaid at the year end to suppliers under MSMED Act	-	-
<b>Total</b>	<b>14.99</b>	<b>15.02</b>

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Other Payables</b>		
Total outstanding dues of micro enterprises and small enterprises*	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	14.99	15.02
<b>Total</b>	<b>14.99</b>	<b>15.02</b>



## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 14. Payables (Contd.)

#### Trade Payables ageing schedule

As at 31 March 2024

Particulars	Not Due	Unbilled	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
			(i) MSME	-	-	0.04	
(ii) Others	-	-	1.43	0.91	0.25	-	2.59
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-

As at 31 March 2023

Particulars	Not Due	Unbilled	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
			(i) MSME	-	-	-	
(ii) Others	-	-	5.67	0.56	0.03	-	6.26
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-

\*The Company has dues amounting to ₹ 0.04 Crores (31 March 2023: NIL) to micro, small and medium enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006. The payments have been kept on hold due to delays in updation of GST credit from the respective vendor.

This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, and has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

### 15. Debt securities

#### (Measured at amortised cost)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Debt securities in India*</b>		
Secured Redeemable non-convertible debentures [refer notes (a) & (b) below]	933.77	283.49
<b>Total</b>	<b>933.77</b>	<b>283.49</b>
<b>Debt securities outside India</b>	-	-
<b>Total</b>	<b>933.77</b>	<b>283.49</b>

\* Includes interest accrued but not due

#### (a) Nature of security

During the Year, the Company has repaid 2700 number of debentures amounting to ₹ 270 crores as per their respective due dates of redemption. These debentures were secured by exclusive first charge hypothecation over the Company's book debt & standard receivables.

Further, the Company has issued 90000 number of debentures amounting to ₹ 900 crores, out of which 10000 number of debentures having face value of ₹ 1 lac were redeemed during the year for face value of ₹ 10,000 (Outstanding face value as on 31 March 2024 is ₹ 90,000 for the said debentures). All the debentures outstanding as on 31 March 2024 are secured under pari-passu arrangement by way of hypothecation over loan receivables of the Company which are classified as standard. The total asset cover is one hundred and ten percent of the outstanding amount of the said debentures.

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 15. Debt securities (Contd.)

#### (b) Terms of repayment for Secured redeemable non-convertible debentures

As at 31 March 2024

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Total
Non convertible debentures	8.45% - 8.65%	903.83	29.94	-	933.77

As at 31 March 2023

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Total
Non convertible debentures	8.75% - 9.00%	283.49	-	-	283.49

The Company has not defaulted/delayed in repayment of any principal and interest during the year.

### 16. Borrowings (other than debt securities)

#### (Measured at amortised cost)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Borrowings in India*</b>		
<b>(Secured)</b>		
(a) Term loans from banks (refer note (a)(ii) & (b)(i) below)	4,638.27	3,879.57
(b) Securitisation liability (refer note (a)(i) & (b)(ii) below)	59.76	72.88
(c) Loans repayable on demand from banks (refer note (a)(ii) & (b)(iii) below)	33.03	275.00
	<b>4,731.06</b>	<b>4,227.45</b>
<b>Borrowings outside India</b>	-	-
<b>Total</b>	<b>4,731.06</b>	<b>4,227.45</b>

\* Includes interest accrued but not due

#### (a) Nature of security

- Securitisation liability represents amounts received in respect of securitisation transactions (net of repayments & investment therein) as these transactions do not meet the de-recognition criteria specified under Ind AS.
- As at 31 March 2024, the term loans from Banks and loans repayable on demand from banks are secured under pari-passu arrangement by way of hypothecation over standard receivables of the Company (except for Refinance availed from National Housing Bank which is secured by way of exclusive charge over standard receivables of the Company).

As at 31 March 2023, the term loan, cash credit facilities and working capital demand loans from banks are secured under pari-passu arrangement by way of hypothecation over standard receivables of the Company (except for Term Loan from Bank of Baroda and National Housing Bank which is secured by way of exclusive charge over standard receivables of the Company).

#### (b) Terms of repayment

##### (i) Schedule of repayment for term loans from banks and financial institutions

As at 31 March 2024

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Total
Term loan from banks	Floating*	1,916.52	1,017.36	323.12	3,257.00
Term Loan from National Housing Bank	2.80% - 8.50%	647.62	418.51	315.14	1,381.27
<b>Total</b>		<b>2,564.14</b>	<b>1,435.87</b>	<b>638.26</b>	<b>4,638.27</b>

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 16. Borrowings (other than debt securities) (Contd.)

#### As at 31 March 2023

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Total
Term loan from banks <sup>^</sup>	Floating*	1,684.77	1,033.98	532.94	3,251.69
Term Loan from National Housing Bank	2.80% - 8.05%	343.35	220.11	64.42	627.88
<b>Total</b>		<b>2,028.12</b>	<b>1,254.09</b>	<b>597.36</b>	<b>3,879.57</b>

<sup>^</sup> Includes Term loan amounting to ₹ 37.50 crore with fixed interest rate pricing

\* (Linked with Repo/ T-Bill/ MCLR/ Base Rate of respective banks)

The Company has not defaulted/delayed in repayment of any principal and interest during the year

#### (ii) Terms and repayment of securitisation liability

##### As at 31 March 2024

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Total
Securitisation liability	Floating*	21.48	11.03	27.25	59.76

##### As at 31 March 2023

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Total
Securitisation liability	Floating*	32.41	14.87	25.6	72.88

\* (Linked with MCLR of respective banks)

- (iii) The interest rates for working capital facilities during the financial year 2023-24 carried interest rates ranging from 8.15% p.a. to 8.50% p.a. As per the prevalent practice, working capital facilities are renewed on a year to year basis and therefore, are revolving in nature.

The interest rates for working capital facilities during the financial year 2022-23 carried interest rates ranging from 6.13% p.a. to 8.65% p.a. As per the prevalent practice, cash credit facilities and working capital demand loans are renewed on a year to year basis and therefore, are revolving in nature.

The quarterly stock and receivable statements submitted by the company to banks are in agreement with the books of accounts.

### 17. Subordinated liabilities

(Measured at amortised cost)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Subordinated Liabilities In India*</b>		
(Unsecured)(Tier II Capital):		
From banks	99.82	99.71
<b>Total</b>	<b>99.82</b>	<b>99.71</b>
<b>Subordinated liabilities outside India</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>99.82</b>	<b>99.71</b>

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 17. Subordinated liabilities (Contd.)

#### (i) Terms of repayment of subordinated liabilities

Frequency	Interest rate	Repayment due	No. of instalments payable	As at 31 March 2024	As at 31 March 2023
On maturity	12.50%	Mar-26	Bullet repayment	99.82	99.71
				<b>99.82</b>	<b>99.71</b>

The Company has not defaulted/delayed in repayment of any principal and interest during the year

\* Includes interest accrued but not due

### 18. Other financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Amount payable on assigned loans	26.62	24.76
Employee expenses payable	39.43	18.48
	<b>66.05</b>	<b>43.24</b>

### 19. Provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits		
- Provision for compensated absences	3.79	2.61
	<b>3.79</b>	<b>2.61</b>

### 20. Deferred tax liabilities (net)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Deferred tax liability arising on account of:</b>		
Statutory reserve	21.62	17.10
Fair valuation of financial assets	35.35	22.50
Depreciation and amortisation on property, plant and equipment and Intangible assets	0.65	0.78
Others	(0.02)	0.46
	<b>57.60</b>	<b>40.84</b>
<b>Deferred tax asset arising on account of:</b>		
Impairment loss allowance on loan assets	16.85	15.02
Amortisation of transaction cost/income on assets on finance as per EIR model	10.98	7.18
Fair valuation of financial assets	2.05	1.82
Provision for expenses	2.34	1.27
	<b>32.22</b>	<b>25.29</b>
<b>Total deferred tax liability (net)</b>	<b>25.38</b>	<b>15.55</b>

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 20. Deferred tax liabilities (net) (Contd.)

#### i) Movement in deferred tax liabilities for year ended 31 March 2024:

Particulars	As at 01 April 2023	Statement of Profit or Loss	Other Comprehensive Income	As at 31 March 2024
<b>Deferred tax liabilities for taxable temporary differences on:</b>				
Statutory reserve	17.10	4.52	-	21.62
Fair valuation of financial assets	22.50	12.85	-	35.35
Depreciation and amortisation on property, plant and equipment and Intangible assets	0.78	(0.13)	-	0.65
Others	0.46	(0.29)	(0.19)	(0.02)
<b>Total</b>	<b>40.84</b>	<b>16.95</b>	<b>(0.19)</b>	<b>57.60</b>
<b>Deferred tax assets for deductible temporary differences on:</b>				
Impairment loss allowance on loan assets	15.02	1.83	-	16.85
Amortisation of transaction cost/income on assets on finance as per EIR model	7.18	3.80	-	10.98
Fair valuation of financial assets	-	-	-	-
- Cash Flow Hedge Reserve	-	-	-	-
- Security deposits	0.39	0.01	-	0.40
- Security receipt (measured at FVTPL)	1.17	0.26	-	1.43
- Assets held for sale	0.26	(0.04)	-	0.22
Provision for expenses	1.27	1.07	-	2.34
<b>Total</b>	<b>25.29</b>	<b>6.93</b>	<b>-</b>	<b>32.22</b>
<b>Deferred tax liabilities, net</b>	<b>15.55</b>	<b>10.02</b>	<b>(0.19)</b>	<b>25.38</b>

#### ii) Movement in deferred tax liabilities for year ended 31 March 2023:

Particulars	As at 01 April 2022	Statement of Profit or Loss	Other Comprehensive Income	As at 31 March 2023
<b>Deferred tax liabilities for taxable temporary differences on:</b>				
Statutory reserve	12.38	4.72	-	17.10
Fair valuation of financial assets	19.80	2.70	-	22.50
Amortisation of transaction cost/income on assets on finance as per EIR model	-	-	-	-
Depreciation and amortisation on property, plant and equipment and Intangible assets	0.51	0.27	-	0.78
Others	0.26	0.15	0.05	0.46
<b>Total</b>	<b>32.95</b>	<b>7.84</b>	<b>0.05</b>	<b>40.84</b>
<b>Deferred tax assets for deductible temporary differences on:</b>				
Impairment loss allowance on loan assets	18.37	(3.35)	-	15.02
Amortisation of transaction cost/income on assets on finance as per EIR model	3.82	3.36	-	7.18
Recognition/de-recognition of income and expenses pertaining to direct assignment transactions	1.03	(1.03)	-	-
Fair valuation of financial assets	-	-	-	-
- Cash Flow Hedge Reserve	0.02	(0.02)	-	-
- Portfolio Valuation	-	-	-	-
- Security deposits	0.13	0.26	-	0.39
- Security receipt (measured at FVTPL)	0.60	0.57	-	1.17
- Assets held for sale	-	0.26	-	0.26
Provision for expenses	0.87	0.40	-	1.27
<b>Total</b>	<b>24.84</b>	<b>0.45</b>	<b>-</b>	<b>25.29</b>
<b>Deferred tax liabilities, net</b>	<b>8.11</b>	<b>7.39</b>	<b>0.05</b>	<b>15.55</b>

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 21. Other non-financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Advances from customers	9.51	9.75
Statutory dues payable	7.23	7.80
Gratuity (excess of obligation over plan assets)	0.53	-
	<b>17.27</b>	<b>17.55</b>

### 22. Share capital

#### A. Equity share capital

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
<b>Authorised share capital</b>				
Equity shares of ₹ 10 each	50,00,00,000	500.00	27,50,00,000	275.00
<b>Total</b>	<b>50,00,00,000</b>	<b>500.00</b>	<b>27,50,00,000</b>	<b>275.00</b>
<b>Issued, subscribed and fully paid up</b>				
Equity shares of ₹ 10 each	32,48,26,524	324.83	25,22,87,783	252.29
	<b>32,48,26,524</b>	<b>324.83</b>	<b>25,22,87,783</b>	<b>252.29</b>

#### (a) Reconciliation of the number of shares outstanding and the amount of share capital:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
Balance at the beginning of the reporting year	25,22,87,783	252.29	25,17,94,450	251.79
Equity share capital issued during the year through:				
(i) Private placement cum preferential allotment	3,74,84,321	37.49	-	-
(ii) Rights issue	3,39,62,286	33.96	-	-
(iii) Employees Stock Option (ESOP) /Restricted Stock option (RSOP) Scheme	10,92,134	1.09	4,93,333	0.49
<b>Balance at the end of the reporting year</b>	<b>32,48,26,524</b>	<b>324.83</b>	<b>25,22,87,783</b>	<b>252.29</b>

During the year 2023-24, the authorised share capital of the Company increased from ₹ 2,75,00,00,000/- (Rupees Two Hundred Seventy-Five Crore only) comprising of 27,50,00,000 (Twenty-Seven crore Fifty Lakhs only) Equity Shares of ₹ 10/- (Rupees Ten) each to ₹ 5,00,00,00,000/- (Rupees Five Hundred Crore only) comprising of 50,00,00,000 (Fifty Crore only) equity shares of ₹ 10/- (Rupees Ten only) each and ₹ 2,00,00,00,000/- (Rupees Two Hundred Crore only) comprising of 20,00,00,000 (Twenty Crore only) preference shares of ₹ 10/- (Rupees Ten only) each pursuant to the approval of the shareholders of the Company.

Further, during the year 2023-24, the divestment of all of the 24,98,21,117 equity shares held by Poonawalla Fincorp Limited ("PFL"), the erstwhile Holding Company of the Company and its nominees in the Company, in favour of Perseus SG Pte. Ltd., an entity affiliated with TPG ("Perseus"), was consummated on 26 July 2023, post receipt of approval of relevant regulatory authorities including the Reserve Bank of India ("RBI") and fulfilment of other terms and conditions as specified in the Share Purchase Agreement dated 14 December 2022, executed by the Company. As a result of the aforesaid divestment, the Company ceased to be a subsidiary of PFL and Perseus holds a controlling equity stake in the Company with effect from 26 July 2023.

The Company on 7 August 2023, allotted to Perseus, 3,74,84,321 Equity Shares for a total consideration of ₹ 537.70 Crores on a private placement cum preferential allotment basis. The equity shares issued and allotted as aforesaid rank pari passu with the existing equity shares of the Company in all respects.

The Company on 28 March 2024, allotted 3,39,62,286 equity shares of the face value of ₹ 10/- each to the existing shareholders of the Company in the ratio of 1:8.46 on a Rights basis for a total consideration of ₹ 500.16 Crores. The equity shares issued and allotted as aforesaid rank pari passu with the existing equity shares of the Company in all respects.

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 22. Share capital (Contd.)

During the previous year, the Company on 13 July 2022, allotted 4,93,333 equity shares of the face value of ₹ 10/- each to the eligible employee of the Company under Restricted Stock Option Plan 2018 (RSO Plan 2018), as amended from time to time. On 19 December 2023, the Company allotted 65,300 and 84,000 equity shares of the face value of ₹ 10/- each to the eligible employees of the Company under Employee Stock Option Plan 2021 (ESOP Plan 2021) and Employee Stock Option Plan 2018 (ESOP Plan 2018), respectively. Further, on 3 January 2024, the Company allotted 8,93,334 and 49,500 equity shares of face value of ₹ 10/- each to the eligible employees of the Company under RSO Plan 2018 and ESOP Plan 2021, respectively.

#### (b) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 each. Each shareholder of the Company is entitled to one vote per share. The dividend as and when proposed by the Board of Directors will be subject to the approval of the shareholders to be obtained in the Annual General Meeting, which shall be paid in Indian rupees. In the event of liquidation of the Company, the equity shareholders of the Company are entitled to receive the remaining assets of the Company after discharging all liabilities and after distribution of all the preferential amounts of the Company in proportion to the number of equity shares held by the equity shareholders. Dividend on shares is recorded as a liability on the date of approval by the shareholders at the Annual General Meeting.

#### (c) Shares held by Holding company and details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	Percentage	Number	Percentage
<b>Equity shares of ₹ 10 each:</b>				
Perseus SG Pte. Ltd.	32,12,56,684	98.90%	-	-
Poonawalla Fincorp Ltd.	-	-	24,98,21,117	99.02%

#### (d) Shares held by the promoters in the Company

##### Shares held by promoters at the end of the year (31 March 2024)

S. No.	Promoter name	No. of Shares	% of total shares	% Change during the year*
1	Perseus SG Pte. Ltd.#	32,12,56,684	98.90%	28.59%
	<b>Total</b>	<b>32,12,56,684</b>	<b>98.90%</b>	

\* Includes 6 Shares held by nominee shareholders, the beneficial interest of which, lies with Perseus SG Pte. Ltd.

##### Shares held by promoters at the end of the year (31 March 2023)

S. No.	Promoter name	No. of Shares	% of total shares	% Change during the year*
1	Poonawalla Fincorp Ltd.#	24,98,21,117	99.02%	(-)0.20%
	<b>Total</b>	<b>24,98,21,117</b>	<b>99.02%</b>	

\* Includes 50 Shares held by nominee shareholders, the beneficial interest of which, lies with Poonawalla Fincorp Limited.

### B. Instruments entirely equity in nature

Compulsorily Convertible Preference Share Capital ('CCPS')	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
<b>Authorised share capital</b>				
Compulsorily convertible preference shares of ₹ 10 each	20,00,00,000	200.00	-	-
<b>Total</b>	<b>20,00,00,000</b>	<b>200.00</b>	-	-
<b>Issued, subscribed and fully paid up</b>				
Compulsorily convertible preference shares of ₹ 10 each	16,24,13,259	162.41	-	-
	<b>16,24,13,259</b>	<b>162.41</b>	-	-

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 22. Share capital (Contd.)

#### (a) Reconciliation of the number of shares outstanding and the amount of share capital:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
Balance at the beginning of the reporting year	-	-	-	-
Issued during the year				
Compulsorily convertible preference shares (Bonus issue)	16,24,13,259	162.41	-	-
<b>Balance at the end of the reporting year</b>	<b>16,24,13,259</b>	<b>162.41</b>	-	-

During the year 2023-24, the authorised share capital of the Company increased from ₹ 2,75,00,00,000/- (Rupees Two Hundred Seventy-Five Crore only) comprising of 27,50,00,000 (Twenty-Seven crore Fifty Lakhs only) Equity Shares of ₹ 10/- (Rupees Ten) each to ₹ 5,00,00,00,000/- (Rupees Five Hundred Crore only) comprising of 50,00,00,000 (Fifty Crore only) equity shares of ₹ 10/- (Rupees Ten only) each and ₹ 2,00,00,00,000/- (Rupees Two Hundred Crore only) comprising of 20,00,00,000 (Twenty Crore only) preference shares of ₹ 10/- (Rupees Ten only) each pursuant to the approval of the shareholders of the Company.

On 28 March 2024, the Company allotted 16,24,13,259 Fully paid-up 0.001% Compulsorily Convertible Preference Shares (CCPS) of ₹ 10 each, as bonus shares in the ratio of 1:2 to the existing equity shareholders of the Company.

#### (b) Terms and rights attached to CCPS

The Company has one class of CCPS having a par value of ₹ 10 each. Each CCPS shall be a non-cumulative compulsorily convertible preference share. Each CCPS shall, at all times, rank pari-passu in all respects and without any preference or priority among themselves. Each CCPS shall carry a preferential right vis-à-vis the equity shares of the Company with respect to payment of dividend and repayment of capital, subject to the articles of association of the Company. Each CCPS shall be entitled to a preferential dividend on a non-cumulative basis at the rate of 0.001% per annum from the Company in accordance with the applicable laws. Subject to compliance with applicable laws, each CCPS shall, at the option of the holder of the CCPS, stand converted into equity shares in the ratio of 1:1 upon the earlier of: (i) 10 (ten) days from the receipt of notice from the holder of CCPS requesting for conversion of the CCPS into equity shares; (ii) 1 (one) day prior to the expiry of 5 (five) years from the date of allotment of the CCPS; and (iii) immediately prior to the consummation of an initial public offering of the shares of the Company. CCPS will not carry any voting rights except in case of any resolution placed before the Company (a) which directly affects the rights attached to such CCPS; (b) for winding up of the Company; (c) for the repayment or reduction of Company's equity or preference share capital; or as otherwise provided in the Companies Act, 2013 and other applicable law. CCPS shall also be subject to other terms and conditions as approved by the shareholders of the Company vide the special resolution passed on 22 March 2024.

#### (c) Shares held by Holding company and details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	Percentage	Number	Percentage
<b>Compulsorily convertible preference shares of ₹ 10 each:</b>				
Perseus SG Pte. Ltd.	16,06,28,339	98.90%	-	-

#### (d) Shares held by the promoters in the Company

##### Shares held by promoters at the end of the year (31 March 2024)

S. No.	Promoter name	No. of Shares	% of total shares	% Change during the year*
1	Perseus SG Pte. Ltd.	16,06,28,339	98.90%	100.00%
	<b>Total</b>	<b>16,06,28,339</b>	<b>98.90%</b>	

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 22. Share capital (Contd.)

#### Shares held by promoters at the end of the year (31 March 2023)

S. No.	Promoter name	No. of Shares	% of total shares	% Change during the year*
		NIL		

\* % change during the year are computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue.

### 23. Other equity

Particulars	As at 31 March 2024	As at 31 March 2023
<b>(i) Retained earnings</b>		
Balance as at the beginning of the year	344.59	252.42
Profit for the year	139.96	115.22
	<b>484.55</b>	<b>367.64</b>
<b>Less: Appropriations</b>		
Transfer to statutory reserve in terms of Section 29C of the NHB Act, 1987	9.95	4.27
Transfer to Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	18.04	18.77
<b>Total appropriations</b>	<b>27.99</b>	<b>23.05</b>
<b>Balance as at the end of the year (i)</b>	<b>456.56</b>	<b>344.59</b>
<b>(ii) Statutory reserves</b>		
Balance as at the beginning of the year		
(a) Statutory Reserve u/s 29C of the NHB Act, 1987	28.68	24.41
(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	68.45	49.68
<b>Addition / appropriation / withdrawal during the year</b>		
Add:		
(a) Amount transferred u/s 29C of the NHB Act, 1987	9.95	4.27
(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	18.04	18.77
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 taken into account which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
<b>Balance as at the end of the year</b>		
(a) Statutory Reserve u/s 29C of the NHB Act, 1987	38.63	28.68
(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	86.49	68.45
<b>Balance as at the end of the year (ii)</b>	<b>125.12</b>	<b>97.13</b>
<b>(iii) Securities premium</b>		
Balance as at the beginning of the year	501.72	500.91
Add: Received during the year through		
Private placement cum preferential allotment	498.66	-
Rights issue	466.20	-
Transfer from Share option reserve account	3.86	0.81
Proceeds from share issued under ESOP and RSOP schemes	0.99	-
Less: Utilised for Compulsorily convertible preference shares (Bonus issue)	(162.41)	-
<b>Balance as at the end of the year (iii)</b>	<b>1,309.02</b>	<b>501.72</b>

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 23. Other equity (Contd.)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>(iv) Share options outstanding account</b>		
Balance as at the beginning of the year	13.06	3.01
Add: Additions during the year (net of reversal)	3.54	10.86
Less: Transferred to Share Premium account	(3.86)	(0.81)
<b>Balance as at the end of the year (iv)</b>	<b>12.74</b>	<b>13.06</b>
<b>(v) Other comprehensive income</b>		
Balance as at the beginning of the year	(0.21)	(0.38)
Add: Additions during the year	(0.59)	0.17
Less: Utilised during the year	-	-
<b>Balance as at the end of the year (v)</b>	<b>(0.80)</b>	<b>(0.21)</b>
<b>Total [(i)+(ii)+(iii)+(iv)+(v)]</b>	<b>1,902.64</b>	<b>956.29</b>

#### (a) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfer to general reserves, statutory reserve, dividends and other distributions made to the shareholders.

#### (b) Statutory reserves

Statutory reserve represents the Reserve Fund created under section 29C of the National Housing Bank Act, 1987. Under section 29C, the Company is required to transfer a sum not less than twenty percent of its net profit for the financial year to the statutory reserve. The statutory reserve can be utilised for the purposes as may be specified by the National Housing Bank from time to time.

#### (c) Securities premium

Securities premium represents premium received on issue of shares. This amount can be utilised in accordance with the provisions of the Companies Act 2013.

#### (d) Share options outstanding account

The Company instituted the Grihum Housing Finance Limited - Employee Stock Option Plan (ESOP 2018) in 2018, and Grihum Housing - Restricted Stock Option Plan 2018 (RSO 2018) in 2018 as amended and Grihum Employee Stock Option Plan 2021 (ESOP 2021) in 2021, which were approved by the Board of Directors and shareholders of the Company. The reserve is used to recognise the fair value of the options issued to the employees of the Company under the Plan.

Refer Note 42 for further details on employee stock options.

#### (e) Other comprehensive income

During FY 2023-24 and FY 2022-23, the Company has recognised remeasurement benefits of the defined benefit plans as per actuarial valuation.

### 24. Interest income

Particulars	Year ended 31 March 2024			Year ended 31 March 2023		
	On financial assets measured at fair value through OCI	On financial assets measured at Amortised Cost	Total	On financial assets measured at fair value through OCI	On financial assets measured at Amortised Cost	Total
Interest on loans	-	871.20	871.20	-	617.84	617.84
Interest income from investments	-	11.10	11.10	-	1.06	1.06
Interest on deposits with banks	-	48.80	48.80	-	16.20	16.20
Other interest Income	-	0.32	0.32	-	0.20	0.20
	-	<b>931.42</b>	<b>931.42</b>	-	<b>635.30</b>	<b>635.30</b>

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 25. Fees and commission income

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Collection and support services	1.79	1.67
Foreclosure charges	2.61	6.56
Login fees	12.64	10.14
Others	7.48	1.82
	<b>24.52</b>	<b>20.19</b>

### 26. Net gain on fair value changes

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>(A) Net gain on financial instruments at fair value through profit or loss</b>		
On trading portfolio:		
Realised gain on investment at FVTPL	7.67	-
Unrealised gain/(loss) on investment at FVTPL	-	-
<b>(B) Others</b>		
Investment in mutual funds	-	-
Unrealised gain on security receipts	-	-
Provision reversal Asset held for sale	0.17	-
	<b>7.84</b>	<b>-</b>

### 27. Net gain on de-recognition of financial instruments

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Gain from de-recognition on account of direct assignment transactions	66.00	42.71
Gain from de-recognition on account of financial assets	-	6.53
(Net of reversal of provision of ₹ NIL)(31 March 2023 : ₹ 25.85 Crores)		
Loss on sale of non performing assets	(5.50)	(1.11)
(Net of reversal of provision of ₹ 8.76 crores)(31 March 2023 : ₹ 1.38 Crores)		
	<b>60.50</b>	<b>48.13</b>

### 28. Other income

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Liabilities no longer required written back	0.52	0.76
Income from other services	20.37	11.21
Gain from sale of repossessed assets*	-	0.05
Interest on Income Tax Refund	-	0.40
Miscellaneous income	0.48	0.01
	<b>21.37</b>	<b>12.43</b>

\*The gain from sale of repossessed assets represents recoveries against overdue loans written off by the company. Any excess recovery is accounted for as a financial liability and refunded to the borrower.

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 29. Finance cost (on Financials liabilities measured at Amortised Cost)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest on debt securities	67.03	25.36
Interest on borrowings (other than debt securities)	348.08	235.57
Interest on subordinated liabilities	12.64	12.61
Other borrowing costs	9.92	3.60
Interest on lease liability	6.19	2.63
	<b>443.86</b>	<b>279.77</b>

### 30. Net loss on fair value changes

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>(A) Net loss on financial instruments at fair value through profit or loss</b>		
On trading portfolio:		
Realised gain on investment at FVTPL	-	(2.79)
<b>(B) Others</b>		
Unrealised loss on security receipts	1.00	2.29
Provision on Asset held for sale	-	1.03
<b>Total</b>	<b>1.00</b>	<b>0.53</b>

### 31. Impairment on financial instruments

Particulars	Year ended 31 March 2024			Year ended 31 March 2023		
	On financial assets measured at fair value through OCI	On financial assets measured at Amortised Cost	Total	On financial assets measured at fair value through OCI	On financial assets measured at Amortised Cost	Total
Impairment on loans	-	16.01	16.01	-	13.88	13.88
Bad debts written-off (net of recoveries)*	-	21.94	21.94	-	22.51	22.51
	-	<b>37.95</b>	<b>37.95</b>	-	<b>36.39</b>	<b>36.39</b>

\*During the year bad debts recovery for ₹ 18.45 Crores on financial assets measured at amortised cost has been netted off with bad debts written off. (31st March 2023: bad debts recovery for ₹ 7.63 Crores on financial assets measured at amortised cost has been netted off with bad debts written off)

**Note:** Also refer Note 48

### 32. Employee benefits expenses

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Salaries	236.55	143.45
Contribution to provident and other funds	11.31	8.58
Share based payments to employees	3.54	10.86
Staff welfare expense	7.85	5.80
	<b>259.25</b>	<b>168.69</b>

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 32. Employee benefits expenses (Contd.)

#### (a) Defined contribution plans:

Eligible employees of the Company receive benefits under the Provident Fund which is a defined contribution plan wherein both the employee and the Company make monthly contributions equal to a specific percentage of covered employees' salary. These contributions are made to the Fund administered and managed by the Government of India and the Company has no further obligation beyond making its contribution. The Company's monthly contributions are charged to Statement of profit and loss in the period in which they are incurred.

#### (b) Defined benefits plans:

##### Gratuity (Funded)

Gratuity is a post employment benefit and is a defined benefit plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. The liability recognised in the Balance Sheet represents the present value of the defined benefit obligation at the Balance Sheet date, less the fair value of plan assets (if any), together with adjustment for unrecognised actuarial gains or losses and past service cost. Independent actuaries calculate the defined benefit obligation annually using the Projected Unit Credit Method. Actuarial gains/losses are credited/charged to the Statement of Other Comprehensive Income in the year in which such gains or losses arise.

The following table summarises the components of defined benefit expense recognised in the Statement of Profit and Loss/Other Comprehensive Income ('OCI') and the funded status and amounts recognised in the Balance Sheet for the respective plans:

#### (i) Change in present value of the defined benefit obligation:

Particulars	As at 31 March 2024	As at 31 March 2023
Present value of the obligations at the beginning of the year	3.81	3.41
Current service cost	1.09	1.08
Interest cost	0.26	0.23
Actuarial loss arising from financials assumptions	0.03	(0.08)
Actuarial (gain) from demographic assumptions	-	(0.26)
Actuarial (gain)/loss arising from experience adjustments	0.64	0.15
Benefits paid	(0.62)	(0.72)
<b>Present value of the obligations at the end of the year</b>	<b>5.21</b>	<b>3.81</b>

#### (ii) Change in fair value of plan assets:

Particulars	As at 31 March 2024	As at 31 March 2023
Plan assets at the beginning of the year	5.05	4.34
Expected return on plan assets	0.37	0.30
Actual company contributions	-	1.13
Benefits paid	(0.62)	(0.72)
Actuarial Gain/(Loss) on Plan Assets	(0.12)	-
<b>Plan assets at the end of the year</b>	<b>4.68</b>	<b>5.05</b>

#### (iii) Reconciliation of present value of defined benefit obligation and the fair value of plan assets

Particulars	As at 31 March 2024	As at 31 March 2023
Present value obligation as at the end of the year	5.21	3.81
Fair value of plan assets as at the end of the year	4.68	5.05
<b>Net (asset) recognised in balance sheet</b>	<b>0.53</b>	<b>(1.24)</b>

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 32. Employee benefits expenses (Contd.)

#### (iv) Components of net cost charged to the Statement of profit and loss

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Employee benefits expense:		
Service cost	1.09	1.08
Interest costs	0.26	0.23
Interest income	(0.37)	(0.30)
<b>Net impact on profit before tax</b>	<b>0.98</b>	<b>1.01</b>

#### (v) Components Remeasurement losses in other comprehensive income

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Actuarial loss arising from assumption changes	0.03	(0.34)
Actuarial loss arising from experience adjustments	0.64	0.15
Return on plan assets (greater)/(less) than discount rate	0.12	-
<b>Remeasurement (gains)/losses in other comprehensive income</b>	<b>0.79</b>	<b>(0.19)</b>

(vi) The Company's gratuity scheme for permanent employees is administered through a trust with the Life Insurance Corporation of India. The funding requirements are based on the gratuity funds actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purpose for which assumptions are same as set out below. Employees do not contribute to the plan.

#### (vii) Assumptions used

With the objective of presenting plan assets and obligations of the defined benefit plans at their fair value at Balance Sheet date, assumptions used under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Discount rate (per annum)	7.17%	7.30%
Salary escalation rate (per annum)	5.00%	5.00%
Expected average remaining working lives of employees (years)	4.79	4.77
Mortality	"IALM(2012-14) ultimate table"	"IALM(2012-14) ultimate table"

#### (viii) Sensitivity analysis

A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
DBO with discount rate +0.25pt	5.14	3.77
DBO with discount rate -0.25pt	5.27	3.86
DBO with +0.5% salary escalation	5.35	3.92
DBO with -0.5% salary escalation	5.06	3.71
DBO with +2% withdrawal rate	5.19	3.80
DBO with -2% withdrawal rate	5.22	3.82
DBO with +1% mortality rate	5.20	3.81
DBO with -1% mortality rate	5.20	3.81

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 32. Employee benefits expenses (Contd.)

#### Methods and assumptions used in preparing sensitivity analysis and their limitations:

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance Sheet.

#### (ix) Maturity analysis of the benefit payments:

Particulars	As at 31 March 2024	As at 31 March 2023
Year 1	0.67	0.49
2 to 5 years	2.93	2.14
6 to 10 years	2.30	1.79
More than 10 years	1.30	0.92

### (c) Aforesaid defined benefit plans typically expose the Company to actuarial risks:

#### Investment risk

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

#### Market Risk (Interest Rate)

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

#### Longevity Risk

The impact of longevity risk will depend on whether the benefits are paid before retirement age or after. Typically for the benefits paid on or before the retirement age, the longevity risk is not very material.

#### Actuarial Risk

**Salary Increase Assumption:** Actual Salary increase that are higher than the assumed salary escalation, will result in increase to the Obligation at a rate that is higher than expected.

**Attrition/Withdrawal Assumption:** If actual withdrawal rates are higher than assumed withdrawal rates, the benefits will be paid earlier than expected. Similarly if the actual withdrawal rates are lower than assumed, the benefits will be paid later than expected. The impact of this will depend on the demography of the company and the financials assumptions.

#### Regulatory Risk

Any Changes to the current Regulations by the Government, will increase (in most cases) or Decrease the obligation which is not anticipated. Sometimes, the increase is many fold which will impact the financials quite significantly.

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 33. Depreciation, amortisation and impairment

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation on property plant and equipment	6.11	3.38
Depreciation on Right of use asset	10.61	5.09
Amortisation of Intangible assets	2.51	0.50
	<b>19.23</b>	<b>8.97</b>

### 34. Other expenses

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Rent, taxes and energy costs	3.58	4.11
Information technology expenses	36.69	12.76
Repairs and maintenance expenses - Others	1.13	0.64
Communication costs	3.25	3.24
Printing and stationery	3.33	2.09
Advertisement and publicity	7.19	4.02
Directors fees, allowances and expenses	0.60	0.77
Auditor's fees and expenses*	0.50	0.42
Legal Expenses	4.13	2.24
Professional fees	17.50	17.27
Travelling and conveyance	12.50	10.01
Corporate social responsibility expenditure (refer note 47)	1.68	0.85
Outsourcing expense	0.31	2.91
Office maintenance	2.44	1.02
Record retention charges	2.80	2.74
Insurance expenses	0.13	0.15
Business promotion expenses	2.52	-
Miscellaneous expenses	0.83	2.27
	<b>101.11</b>	<b>67.51</b>

#### \*Payment to auditors

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Statutory Audit fees	0.23	0.20
Limited review	0.09	0.08
Other Services	0.17	0.14
Reimbursement of expenses	0.01	-
	<b>0.50</b>	<b>0.42</b>

#### Foreign exchange earnings and outgo

During FY 2023-24, the Company did not have any foreign exchange earnings in terms of actual inflow and the foreign exchange outgo in terms of actual outflow amounted to ₹ 1.14 Crore (During FY 2022-23, the Company did not have any foreign exchange earnings in terms of actual inflow and the foreign exchange outgo in terms of actual outflow amounted to ₹0.07 Crore).



## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 35. Tax expenses

#### (a) Income tax recognised in the Statement of Profit and Loss:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Current tax	33.19	31.40
Deferred tax	10.02	7.63
Tax expenses of earlier years	0.08	(0.06)
	<b>43.29</b>	<b>38.97</b>

#### (b) Income tax recognised in other comprehensive income:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Tax impact on remeasurement of defined benefit plans	0.19	(0.05)
	<b>0.19</b>	<b>(0.05)</b>

#### (c) Reconciliation of income tax expense and the accounting profit for the year:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Profit before tax	183.25	154.19
Enacted tax rates (%)	25.17%	25.17%
Income tax expense calculated at corporate tax rate	46.05	38.81
Tax expenses allowable/(disallowable) under IT act	(2.82)	0.22
Impact of tax relating to earlier years	0.06	(0.06)
<b>Income tax expense recognised in statement of profit and loss</b>	<b>43.29</b>	<b>38.97</b>

### 36. Earnings per equity share (EPS)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Net profit attributable to equity shareholders	139.96	115.22
Nominal value of equity share (₹)	10	10
Weighted average number of equity shares for basic earning per share	27,84,62,563	25,21,48,568
Add : Diluting effect of potential equity shares issued as employee stock options	16,57,35,527	16,44,29,282
Weighted average number of equity shares for diluted earning per share	44,41,98,090	41,65,77,850
Earnings per share		
- Basic earnings per share (₹)	5.03	4.57
- Diluted earnings per share (₹)*	3.15	2.77

\*The EPS for all the prior periods presented have been restated to this effect as required by "Ind AS 33: Earnings Per Share".

### 37. Segment reporting

The Company is primarily engaged in mortgage-based finance and as such no separate information is required to be furnished in terms of Ind AS 108 "Operating segments" specified under section 133 of the Act. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. The Company is in a single business segment of providing financial services to customers in India. The entire revenues are billable within India and there is only one geographical segment.

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 38. Related party disclosures

Information on related party transactions as required by "Ind AS - 24 - Related Party Disclosures" are as follows :

#### (A) List of related parties with whom transactions have been entered

##### (i) Parties where control exists

Name of the related party	Nature of Relationship	Country of incorporation	% of holding as on 31 Mar 2024	% of holding as on 31 Mar 2023
(a) Perseus SG PTE Ltd. <sup>1</sup>	Holding Company (w.e.f. 26.07.2023)	Singapore	98.90%	-
(b) Rising Sun Holdings Pvt. Ltd. <sup>1</sup>	Ultimate Holding Company (Up to 25.07.2023)	India	-	-
(c) Poonawalla Fincorp Ltd. <sup>1</sup>	Holding Company (Up to 25.07.2023)	India	-	99.02%

##### (ii) Subsidiary of holding company to which Company is also a subsidiary

Poonawalla Finance Private Ltd.<sup>1</sup> (Up to 25.07.2023)

##### (iii) Entities Under Common Control

Magma HDI General Insurance Company Ltd.<sup>2</sup> (Up to 25.07.2023)

TPG Asia VIII Management LLC (w.e.f. 26.07.2023)

TPG Asia Advisory Services, LLC (w.e.f. 26.07.2023)

##### (iv) Director & Key management personnel

Name of the related party	Nature of Relationship
Puneet Bhatia	Non-Executive Director (w.e.f 08.09.2023)
Sanjeev Mehra	Non-Executive Director (w.e.f 08.09.2023)
Prem Manjooran	Independent Director (w.e.f 08.09.2023)
Nitin Gupta	Independent Director (w.e.f 08.09.2023)
Richa Arora	Independent Director (w.e.f 13.03.2024)
Manish Jaiswal	Managing Director and Chief Executive Officer
Pankaj Mahesh Kumar Rathi	Chief Financial Officer (w.e.f 01.07.2021)
Vaishnavi Bhupendra Surawala	Company Secretary (w.e.f 20.05.2023)
Adar Poonawalla	Chairman & Non-Executive Director (up to 26.07.2023)
Bhama Krishnamurthy	Non Executive Independent Director (up to 08.09.2023)
Prabhakar Ramchandra Dalal	Non Executive Independent Director (up to 08.09.2023)
Amar Deshpande	Non Executive Director (up to 26.07.2023)
Priti Saraogi	Company Secretary (up to 05.04.2023)

#### (B) Transactions with related parties

Name of the party	Nature of transactions	Year ended 31 March 2024	Year ended 31 March 2023
<b>(i) Holding Company</b>	Perseus SG PTE Ltd. <sup>1</sup>		
	Equity share Capital	71.44	-
	Share Premium	966.42	-
	Compulsorily Convertible Preference Shares	160.63	-
	Capital (Bonus Issue)		
Poonawalla Fincorp Ltd. <sup>1</sup>	Common cost allocation (expense)	-	5.47
	Purchase of Fixed Assets	0.08	-
	Inter Corporate Loan Taken	300	-
	Inter Corporate Loan Refunded	300	-
	Interest paid on Inter Corporate Loan Taken	4.80	-
	Direct Assignment Servicing Fees received	0.04	0.21

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 38. Related party disclosures (Contd.)

Name of the party	Nature of transactions	Year ended 31 March 2024	Year ended 31 March 2023
<b>(ii) Entities Under Common Control</b>			
Magma HDI General Insurance Company Ltd. <sup>2</sup>	Advance recoverable	-	8.78
	Premium adjusted against advance given	0.08	15.32
	Insurance Premium advances for Medical Policies	0.25	-
	Advance Insurance premium paid (Including Mediclaim)	0.04	0.88
	Premium for Employees Mediclaim	-	2.69
TPG Asia Advisory Services, LLC	Advisory Services	0.76	-
<b>(iii) Directors &amp; Key Managerial Personnel</b>			
Manish Jaiswal <sup>3,4</sup>	Directors' remuneration	4.25	4.05
	Equity Share Capital	0.89	0.49
	Issuance of Compulsorily Convertible Preference Shares Capital (Bonus Issue)	1.68	-
Pankaj Rathi <sup>4</sup>	Salary	2.19	1.52
Priti Saraogi	Salary (Net of Recovery)	0.01	0.27
Vaishnavi Bhupendra Suratwala <sup>4</sup>	Salary	0.24	-
Prem Manjooran	Sitting Fees	0.09	-
Richa Arora	Sitting Fees	0.01	-
Adar Poonawalla	Sitting Fees	0.01	0.01
Amar Deshpande	Sitting Fees	0.14	0.25
Bhama Krishnamurthy	Sitting Fees	0.18	0.23
Prabhakar Ramchandra Dalal	Sitting Fees	0.16	0.22

### (C) Balances with related parties

Name of the party	Nature of balance	As at 31 March 2024	As at 31 March 2023
<b>(i) Holding Company</b>			
Poonawalla Fincorp Ltd. <sup>1</sup>	Collection fees receivable	-	0.01
<b>(ii) Entities Under Common Control</b>			
Magma HDI General Insurance Company Ltd. <sup>2</sup>	Loans and advances given	-	0.08
	Premium for Employees Mediclaim	-	2.69
	Insurance Premium for policies underwritten	-	0.06

### (D) Compensation of key Managerial Personnel

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Short-term employee benefits (including remuneration)	6.59	5.76
Post-employment benefits <sup>4</sup>	0.10	0.09

<sup>1</sup> The Equity Shares held by Poonawalla Fincorp Ltd. were transferred to Perseus SG Pte. Ltd. on 26.07.2023 and consequently, the Company became a subsidiary of Perseus SG Pte. Ltd., Poonawalla Fincorp Ltd. ceased to be holding Company, Further subsequent to such share transfer Rising Sun Holdings Pvt. Ltd. ceased to be ultimate holding company and Poonawalla Finance Private Ltd. ceased to be fellow subsidiary w.e.f. 26.07.2023

<sup>2</sup> MHDH ceased to be a Joint Venture of Poonawalla Fincorp Ltd. with effect from 09.06.2022, however MHDH continued to be related party of the Company as per IND AS. Subsequent to share transfer between Poonawalla Fincorp Ltd. and Perseus SG Pte. Ltd. MHDH ceases to be related party w.e.f. 26.07.2023.

<sup>3</sup> The remuneration excludes perquisites value of ₹ 12.10 crores (FY 2022-23 - ₹ 3.05 crores) on account of 8,93,334 (FY 2022-23 - 4,93,333 number) number of Restricted Stock Options exercised during the year.

<sup>4</sup> As provisions for gratuity and leave benefits are made for the company as a whole, the amount pertaining to key management personnel is not specifically identified and hence are not included above. All KMP remuneration have been reported basis benefits paid during the year ended.

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 39. Fair value measurements

#### a Financial assets and liabilities

The carrying amounts and fair values of financial instruments by category as follows:

Particulars	Note	As at 31 March 2024	As at 31 March 2023
<b>(i) Financial assets measured at amortised cost</b>			
- Cash and cash equivalents	3	640.48	154.81
- Other bank balances	4	94.93	40.38
- Loans	5	7,089.43	5,438.57
- Investments	6	207.71	97.35
- Other financial assets	7	154.89	98.67
<b>(ii) Financial assets measured at fair value through profit and loss</b>			
- Other financial assets (Security receipts)	7	36.85	45.29
<b>Total</b>		<b>8,224.29</b>	<b>5,875.07</b>
<b>(i) Financial liabilities measured at amortised cost</b>			
- Trade payables	14	2.63	6.26
- Other payables	14	14.99	15.02
- Debt securities	15	933.77	283.49
- Borrowings (other than debt securities)	16	4,731.06	4,227.45
- Subordinated liabilities	17	99.82	99.71
- Lease liabilities	12	61.78	51.31
- Other financial liabilities	18	66.05	43.24
<b>Total</b>		<b>5,910.10</b>	<b>4,726.48</b>

#### b Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the Statement of Profit and Loss and other comprehensive income are grouped into three levels of a fair value hierarchy. These three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** Quoted prices (unadjusted) for identical instruments in an active market;

**Level 2:** Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

**Level 3:** Inputs which are not based on observable market data (unobservable inputs).

#### b.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

As at 31 March 2024	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<b>Financial assets at fair value through profit and loss</b>				
Other financial assets - Security receipts	-	36.85	-	36.85

As at 31 March 2023	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<b>Financial assets at fair value through profit and loss</b>				
Other financial assets - Security receipts	-	45.29	-	45.29

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 39. Fair value measurements (Contd.)

#### b.2 Fair value of financial instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

Particulars	Year ended 31 March 2024		Year ended 31 March 2023	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>				
Cash and cash equivalents	640.48	640.48	154.81	154.81
Other bank balances	94.93	90.62	40.38	39.20
Loans	7,089.43	7,144.02	5,438.57	5,473.39
Investments	207.71	207.77	97.35	97.38
Other financial assets	154.89	154.89	98.67	98.67
<b>Total</b>	<b>8,187.44</b>	<b>8,237.78</b>	<b>5,829.78</b>	<b>5,863.45</b>
<b>Financial liabilities</b>				
Trade payables	2.63	2.63	6.26	6.26
Other payables	14.99	14.99	15.02	15.02
Debt securities	933.77	957.46	283.49	282.81
Borrowings (other than debt securities)	4,731.06	4,722.84	4,227.45	4,227.45
Subordinated liabilities	99.82	99.82	99.71	99.71
Lease liabilities	61.78	61.78	51.31	51.31
Other financial liabilities	66.05	66.05	43.24	43.24
<b>Total</b>	<b>5,910.10</b>	<b>5,925.57</b>	<b>4,726.48</b>	<b>4,725.80</b>

The management assessed that fair values of cash and cash equivalents, other financial assets, trade payables, other payables, borrowings (other than debt securities), subordinated liabilities and other financial liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments. Lease liabilities are recognised as per Ind-AS 116. 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:

#### Financial instruments measured at fair value and fair value of financial instruments carried at amortised cost

Type	Valuation technique	Significant unobservable input	Inter-relationship between significant unobservable inputs and fair value and sensitivity
Financial assets and liabilities measured at amortised cost	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rate For Investments Net Asset Value based method has been considered after adjusting interest accrued if any	Not applicable	Not applicable
Financial assets measured at FVTPL	Net Asset Value based method	Not applicable	Not applicable

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 40. Financial risk management

The Company assumes credit risk, operational risk, market risk, compliance risk and reputational risk in the normal course of its business. This exposes the Company to a substantial level of inherent financial risk.

#### Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors have established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies.

Efficient and timely management of risks involved in the Company's activities is critical for the financial soundness and profitability of the Company. Risk management involves the identifying, measuring, monitoring, managing and reporting of risks on a regular basis. The objective of risk management is to increase shareholders' value and achieve a return on equity that is commensurate with the risks assumed. To achieve this objective, the Company employs leading risk management practices and recruits skilled and experienced people.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

#### A) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's asset on finance.

The carrying amounts of financial assets represent the maximum credit risk exposure.

#### a) Credit risk management

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit impaired asset and significant increase in credit risk is assessed by the following observable data:

- a breach of contract such as a default or past due event;
- when a borrower becomes 90 days past due in its contractual payments;

The risk management committee has established a credit policy under which each new customer is analysed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, background verification, financial statements, income tax returns, credit agency information, industry information, etc.

#### b) Probability of default (PD)

Days past due (DPD) analysis is the primary input into the determination of the term structure of PD for exposures. The Company collects performance and default information about its credit risk exposures analysed by jurisdictions or region and type of product or borrower as well as by DPD. The Company employs statistical models to analyse the data collected and generate estimates of the PD of exposures and how these are expected to change as a result of passage of time.

#### c) Definition of default and cure

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for Expected Credit Loss (ECL) calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

The Company considers probability of default upon initial recognition of asset and whether there has been any significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on the asset as at the reporting date with the risk of default

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024  
(All amounts ₹ in crores unless otherwise stated)

### 40. Financial risk management (Contd.)

as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Following indicators are incorporated:

- DPD analysis as on each reporting date
- significant increase in credit risk on other financial instruments of same borrower
- significant changes in value of the collateral supporting the obligation or in the quality of third party guarantees or credit enhancements.

An asset migrates down the ECL Stage based on the change in the risk of a default occurring since initial recognition. If in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the loan loss provision stage reverses to 12-months ECL from lifetime ECL.

#### d) Exposure at default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation;

To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

#### e) Loss given default (LGD)

Loss given default (LGD) represents estimated financial loss the Company is likely to suffer in respect of default account and it is used to calculate provision requirement on EAD along with PD. The Company uses collection details on previously defaulted cases for calculating LGD including estimated direct cost of collection from default cases. Appropriate discounting rates are applied to calculate present value of future estimated collection net of direct collection cost. LGD thus calculated is used for all Stages, i.e. Stage 1, Stage 2 and Stage 3.

#### f) Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or life time ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition; if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

The Company has applied a three-Stage approach to measure expected credit losses (ECL) on loans and other credit exposures accounted for at amortised cost and FVOCI. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive Stages of delinquency to write-off. Assets migrate through following three Stages based on the changes in credit quality since initial recognition:

- (a) Stage 1:** 12- months ECL: For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12- months is recognised.
- (b) Stage 2:** Lifetime ECL, not credit-impaired: For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognised.
- (c) Stage 3:** Lifetime ECL, credit-impaired: Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024  
(All amounts ₹ in crores unless otherwise stated)

### 40. Financial risk management (Contd.)

#### g) Expected credit loss on Loans

The Company assesses whether the credit risk on a financial asset has increased significantly on collective basis. For the purpose of collective evaluation of impairment, financial assets are grouped on the basis of shared credit risk characteristics, taking into account instrument type, product type, collateral type, and other relevant factors.

The Company considers defaulted assets as those which are contractually past due 90 days, other than those assets where there is empirical evidence to the contrary. Financial assets which are contractually past due 30 days are classified under Stage 2 - life time ECL, not credit impaired, barring those where there is empirical evidence to the contrary. An asset migrates down the ECL stage based on the change in the risk of a default occurring since initial recognition. If in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the loan loss provision stage reverses to 12-months ECL from lifetime ECL.

The Company measures the amount of ECL on a financial instrument in a way that reflects an unbiased and probability-weighted amount. The Company considers its historical loss experience and adjusts the same for current observable data. The key inputs into the measurement of ECL are the probability of default, loss given default and exposure at default. These parameters are derived from the Company's internally developed statistical models and other historical data. In addition, the Company uses reasonable and supportable information on future economic conditions including macroeconomic factors. Since incorporating these forward looking information increases the judgment as to how the changes in these macroeconomic factor will affect ECL, the methodology and assumptions are reviewed regularly.

#### Forward looking information

In its ECL models, the Company relies on a broad range of forward looking information such as macro economic inputs. As required by Ind AS 109, Macro Economic (ME) overlays are required to be factored in ECL Model. Overtime, new ME variable may emerge to have a better correlation and may replace ME being used now.

The following table provides information about the exposure to credit risk and expected credit loss for loans :

#### Loans measured at amortised cost\*

Particulars	Gross carrying amount	Weighted average loss rate	Loss allowance	Whether credit - impaired
<b>As at 31 March 2024</b>				
Current (not past due)(Stage 1)	6,809.89	0.23%	15.68	No
1-30 days past due(Stage 1)	136.55	2.19%	2.99	No
31-60 days past due(Stage 2)	109.08	12.17%	13.28	No
61-90 days past due(Stage 2)	32.20	19.75%	6.36	No
More than 90 days past due(Stage 3)	68.02	41.16%	28.00	Yes
	<b>7,155.74</b>	<b>0.93%</b>	<b>66.31</b>	

Particulars	Gross carrying amount	Weighted average loss rate	Loss allowance	Whether credit - impaired
<b>As at 31 March 2023</b>				
Current (not past due)(Stage 1)	5,150.47	0.31%	15.90	No
1-30 days past due(Stage 1)	168.20	3.22%	5.41	No
31-60 days past due(Stage 2)	113.60	10.55%	11.99	No
61-90 days past due(Stage 2)	28.50	18.39%	5.24	No
More than 90 days past due(Stage 3)	37.08	55.93%	20.74	Yes
	<b>5,497.85</b>	<b>1.08%</b>	<b>59.28</b>	

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 40. Financial risk management (Contd.)

#### Expected credit loss on other financial assets

Other financial assets primarily includes excess interest spread receivable and security receipts. Credit risk on excess interest spread receivable is low as it primarily falls in Stage 1. Security receipts are measured at FVTPL and hence the credit risk is already factored in the fair value.

#### Cash and cash equivalents and other Bank Balance

The Company has cash and cash equivalents and bank balance of ₹ 735.41 crores (₹195.19 crores at 31 March 2023). These are held with bank and financial institution counterparties with acceptable credit ratings to reduce the credit risk.

An analysis of changes in gross carrying amount and corresponding ECL allowances is as follows :

#### (h) Movements in the gross carrying amount in respect of loans and other financial assets

##### (i) Loans measured at amortised cost\*

Reconciliation of gross carrying amount	Gross carrying amount	Loss allowance	Whether credit - impaired
<b>Gross carrying amount on 31 March 2022</b>	<b>3,859.56</b>	<b>349.26</b>	<b>40.84</b>
Transfer to Stage 1	159.14	(156.76)	(2.38)
Transfer to Stage 2	(63.67)	64.87	(1.20)
Transfer to Stage 3	(19.50)	(11.38)	30.88
Loans assets originated or purchased	2,313.96	5.83	1.35
Net Financial assets that have been derecognised/ repaid(excluding write offs)	(920.35)	(97.82)	(32.27)
Write offs (net of recoveries)	(10.47)	(11.90)	(0.14)
<b>Gross carrying amount on 31 March 2023</b>	<b>5,318.67</b>	<b>142.10</b>	<b>37.08</b>
Transfer to Stage 1	68.69	(65.61)	(3.08)
Transfer to Stage 2	(101.07)	101.99	(0.92)
Transfer to Stage 3	(43.29)	(11.61)	54.90
Loans assets originated or purchased	2,842.97	8.11	2.85
Net Financial assets that have been derecognised/ repaid(excluding write offs)	(1,132.96)	(25.81)	(15.33)
Write offs (net of recoveries)	(6.57)	(7.89)	(7.48)
<b>Gross carrying amount on 31 March 2024</b>	<b>6,946.44</b>	<b>141.28</b>	<b>68.02</b>

##### (ii) Movements in the allowance for impairment in respect of loans and other financial assets

The movement in the allowance for impairment in respect of asset on finance is as follows:

#### Loans measured at amortised cost\*

Reconciliation of loss allowance	Loss allowance measured at life-time expected losses		
	Loss allowance measured at 12 month expected losses(Stage 1)	Financial assets for which credit risk has increased significantly and not credit-impaired(Stage 2)	Financial assets for which credit risk has increased significantly and credit-impaired(Stage 3)
<b>Loss allowance on 31 March 2022</b>	<b>12.45</b>	<b>45.05</b>	<b>15.29</b>
Transfer to Stage 1	13.79	(13.67)	(0.12)
Transfer to Stage 2	(8.09)	8.23	(0.14)
Transfer to Stage 3	(7.30)	(10.26)	17.56
Loans assets originated or purchased	2.24	0.71	0.48
Loans assets that have been derecognised/ repaid(excluding write offs)	18.68	(0.93)	(12.19)

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 40. Financial risk management (Contd.)

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses(Stage 1)	Loss allowance measured at life-time expected losses	
		Financial assets for which credit risk has increased significantly and not credit-impaired(Stage 2)	Financial assets for which credit risk has increased significantly and credit-impaired(Stage 3)
Write offs (net of recoveries)	(10.46)	(11.90)	(0.14)
<b>Loss allowance on 31 March 2023</b>	<b>21.31</b>	<b>17.23</b>	<b>20.74</b>
Transfer to Stage 1	9.19	(7.52)	(1.68)
Transfer to Stage 2	(1.88)	2.40	(0.51)
Transfer to Stage 3	(0.42)	(1.43)	1.85
Loans assets originated or purchased	2.95	1.28	1.10
Loans assets that have been derecognised/ repaid(excluding write offs)	(11.73)	10.57	19.76
Write offs (net of recoveries)	(0.75)	(2.89)	(13.26)
<b>Loss allowance on 31 March 2024</b>	<b>18.67</b>	<b>19.64</b>	<b>28.00</b>

##### (i) Concentration risk

Pursuant to the guidelines of the National Housing Bank, credit exposure of banks to an individual borrower must not exceed 15% of owned fund and 25% of owned fund of the Company to any single group of borrower. The Company is in compliance with these guidelines.

In addition, the Company views the concentration of risk on the basis of below product type category:

Loans	As at 31 March 2024	As at 31 March 2023
Housing Loans	5,385.45	3,941.18
Loan against property	1,770.29	1,556.67

#### Assets obtained by taking possession of collateral

Details of financial and non-financial assets obtained by the Company during the year by taking possession of collateral held as security against loans held at the year end, are shown below:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Property	129	23
Principal outstanding and installment overdue*	11.01	2.19

\*The above amount includes principal and other dues (after factoring retention ratio).

##### B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 40. Financial risk management (Contd.)

#### Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows:

31 March 2024	Less than 1 year	1-3 year	More than 3 years	Total
<b>Non-derivatives</b>				
Debt Securities	566.40	426.30	32.23	1,024.93
Borrowings (other than debt securities)	1,247.92	2,117.50	2,453.84	5,819.26
Subordinated liabilities	12.53	112.50	-	125.03
Payables	17.62	-	-	17.62
Other financial liabilities	66.05	-	-	66.05
Lease liabilities	12.12	19.57	30.09	61.78
<b>Total</b>	<b>1,922.64</b>	<b>2,675.87</b>	<b>2,516.16</b>	<b>7,114.67</b>

31 March 2023	Less than 1 year	1-3 year	More than 3 years	Total
<b>Non-derivatives</b>				
Debt Securities	288.14	-	-	288.14
Borrowings (other than debt securities)	916.00	1,793.18	2,217.04	4,926.22
Subordinated liabilities	12.53	124.97	-	137.50
Payables	21.28	-	-	21.28
Other financial liabilities	43.24	-	-	43.24
Lease liabilities	9.23	17.09	24.99	51.31
<b>Total</b>	<b>1,290.42</b>	<b>1,935.24</b>	<b>2,242.03</b>	<b>5,467.69</b>

### C) Market risk

Market risk is the risk that changes in market prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Risk Management Committee. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Company – primarily INR. In addition, interest on borrowings is denominated in the currency of the borrowing.

### D) Interest rate risk

Exposure to interest rate risk:

The interest rate profile of the Company's interest-bearing financial instruments is as follows:

Particulars	As at 31 March 2024		As at 31 March 2023	
<b>Fixed rate instruments</b>				
Financial assets	2,222.79		996.20	996.20
Financial liabilities	1,726.02		928.21	
<b>Variable rate instruments</b>				
Financial assets	6,001.50	6,001.50	4,878.87	4,878.87
Financial liabilities	4,184.08		3,798.27	

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs.

The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations. The Company also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short-term loans.

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 40. Financial risk management (Contd.)

#### Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rate at the reporting date would have increased or decreased equity and profit or loss by the amounts shown below:

Particulars	Profit or loss	
	100 bp increase	100 bp decrease
<b>31 March 2024</b>		
Variable rate instruments	18.17	(18.17)
<b>Cash flow sensitivity (net)</b>	<b>18.17</b>	<b>(18.17)</b>
<b>31 March 2023</b>		
Variable rate instruments	10.81	(10.81)
<b>Cash flow sensitivity (net)</b>	<b>10.81</b>	<b>(10.81)</b>

The model assumes that interest rate changes are instantaneous parallel shifts in the yield curve. Although some assets and liabilities may have similar maturities or periods to re-pricing, these may not react correspondingly to changes in market interest rates. Also, the interest rates on some types of assets and liabilities may fluctuate with changes in market interest rates, while interest rates on other types of assets may change with a lag.

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period. This analysis assumes that all other variables remain constant.

### E) Legal and operational risk

#### Legal risk

Legal risk is the risk relating to losses due to legal or regulatory action that invalidates or otherwise precludes performance by the end user or its counterparty under the terms of the contract or related netting agreements.

The Company has developed preventive controls and formalised procedures to identify legal risks so that potential losses arising from non-adherence to laws and regulations, negative publicity, etc. are significantly reduced. The Company also has well established legal procedures to scrutinise product offerings and manage risks arising out of its transactions.

As at 31 March 2024, there were legal cases pending against the Company aggregating ₹ 0.87 Crores (31 March 2023: ₹ 0.04 crores). Based on the opinion of the Company's legal advisors, the management believes that no liability is likely to arise from these cases.

#### Operational risk

Operational risk framework is designed to cover all functions and verticals towards identifying the key risks in the underlying processes.

The framework, at its core, has the following elements

1. Documented Operational Risk Management Policy
2. Well defined Governance Structure
3. Use of Identification & Monitoring tools such as Loss Data Capture, Risk and Control Self Assessment, Key Risk Indicators
4. Standardised reporting templates, reporting structure and frequency
5. Regular workshops and training for enhancing awareness and risk culture

The Company has adopted the internationally accepted 3-lines of defense approach to operational risk management.

# Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

## 40. Financial risk management (Contd.)

First line - Each function/vertical undergoes transaction testing to evaluate internal compliance and thereby lay down processes for further improvement. Thus, the approach is "bottom-up", ensuring acceptance of findings and faster adoption of corrective actions, if any, to ensure mitigation of perceived risks.

Second line - Independent risk management vertical supports the first line in developing risk mitigation strategies and provides oversight through regular monitoring. All key risks are presented to the Risk Management Committee on a quarterly basis.

Third line - Internal Audit conducts periodic risk-based audits of all functions and process to provide an independent assurance to the Audit Committee.

### F) Foreign Currency Risk

The Company's activities expose it to the financial risks of changes in foreign exchange rates. The Company uses derivative contracts to hedge its exposure to movements in foreign exchange.

The Company uses hedging instruments that are governed by the policies of the Company which is approved by board of directors which provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Company. The Board constituted Risk Management Committee (RMC) of the company manages risk on the company's derivative portfolio. All derivative transactions that are entered into by the company are reported to the board, and the mark-to-market on its portfolio is monitored regularly by the senior management.

To hedge its risks on the principal and/ or interest amount for foreign currency borrowings on its balance sheet, the company has currently used foreign exchange forward contracts. 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.

## 41. Capital management

The Company maintains an actively managed capital base to cover risks inherent in the business and meets the Capital Adequacy Requirements (CRAR) requirement of the National Housing Bank (NHB) of India. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by NHB. The Company has complied in full with all its externally imposed capital requirements over the reported period. The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value. The funding requirements are met through equity, non-convertible debentures and other long-term/ short-term borrowings. The Company's policy is aimed at appropriate combination of short-term and long term borrowings. The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

### i. Regulatory capital

The Company's regulatory capital consists of the sum of the following elements :

Tier 1 capital, which includes ordinary share capital, retained earnings and reserves and deduction for intangible assets and other regulatory adjustments relating to items that are not included in equity but are treated differently for capital adequacy purposes.

Tier 2 capital, which includes qualifying subordinated liabilities and impairment provision in respect of standard assets.

Particulars	As at	As at
	31 March 2024	31 March 2023
CRAR (%)	47.31	34.83
CRAR -Tier I Capital (%)	46.68	32.60
CRAR -Tier II Capital (%)	0.63	2.23

**Note:** (i) In pursuant to RBI circular dated RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020, CRAR have been calculated with securitisation transaction being treated as zero risk weighted assets.

(ii) Restructured loans related to resolution framework for COVID-19-related Stress dated 06 August 2020 has been assigned normal weights considering it as regulatory dispensation given by RBI.

# Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

## 41. Capital management (Contd.)

### ii. Capital allocation

Management uses regulatory capital ratios to monitor its capital base. There is no allocation of capital required as Company is operating primarily in a single segment i.e. Financing. The Company's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

The Company monitors capital on the basis of total equity and debt on periodic basis. Equity comprises of all component of equity including the fair value impact. Debt includes long term loan and short term loan.

The Company is regular in payment of its debt service obligation and the company has not received any communication from its lenders for non compliance of any debt covenant.

## 42. Employee Stock Option Plan / Scheme (ESOP/ RSO)

### A Description of share-based payment arrangements

The Company instituted the Grihum Housing Finance Limited - Employee Stock Option Plan (ESOP 2018) in 2018, Grihum Housing - Restricted Stock Option Plan 2018 (RSO 2018) in 2018 and Grihum Employee Stock Option Plan 2021 (ESOP 2021) in 2021, which were approved by the Board of Directors and Shareholders of the Company. Implementation of ESOP 2018 and RSO 2018 is through Trust route with a view to efficiently manage the Stock Option Plans. The Company had set up the Grihum Housing Finance ESOP Trust (formerly Poonawalla Housing Finance ESOP Trust) on 31 March 2018. The ESOP Trust is managed by Independent Professionals as Trustees.

Pursuant to the resolutions passed by the Shareholders of the Company at the Extra-Ordinary General Meeting (EGM) held on 31 March 2018 and 24 October, 2018, the Company had approved the ESOP 2018 and RSO 2018, respectively. Further, pursuant to the resolution passed by the Shareholders of the Company at the Annual General Meeting (AGM) held on 18 August 2021, the Company had approved the ESOP 2021. Also, pursuant to the resolution passed by the Shareholders of the Company at the EGM held on 25 January, 2022, the Company had amended the RSO 2018. The Board of Directors at its meeting held on 11 May 2022 has approved the cancellation of 1,40,000 ungranted Options under the RSO 2018 based on the recommendation of the Nomination and Remuneration Committee (NRC). All the 33,60,000 Options granted under RSO 2018 to eligible employee remained operational with all its existing terms and conditions (as amended from time to time) and all the options have been exercised by the option holder and upon such exercise, the Company has allotted in aggregate 33,60,000 equity shares to the eligible employee in the following manner - 19,73,333 equity shares on 29 November 2021, 4,93,333 equity shares on 13 July 2022 and 8,93,334 equity shares on 03 January 2024.

During the year, the Company allotted 84,000 equity shares to the eligible employees under ESOP 2018 on 19 December 2023. The Company also allotted under ESOP 2021, 65,300 and 49,500 equity shares to the eligible employees under ESOP 2021 on 19 December 2023 and 3 January 2024, respectively.

Pursuant to the resolution passed by the shareholders of the Company at the EGM held on 22 March 2024, the Company had amended the definition of the term "Shares" appearing under ESOP 2021 to include the convertible securities.

On 28 March 2024, the Company allotted 16,24,13,259, 0.001% Compulsorily Convertible Preference Shares (CCPS) of ₹ 10 each, as bonus shares in the ratio of 1:2, i.e. 1 (one) CCPS for every 2 (two) Equity Shares held by the existing equity shareholders in the Company. On account of the same, the Company granted additional options aggregating to 25,54,975 to the existing option holders holding vested and unvested options under the ESOP 2018 and ESOP 2021 in the ratio of 1:2 (CCPS Options) and the same is in line with the ESOP

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 42. Employee Stock Option Plan / Scheme (ESOP/ RSO) (Contd.)

Plan 2018 and ESOP Plan 2021. Upon exercise of each equity Option, the Option Holders shall be entitled to receive 1 (One) CCPS on bonus issue basis.

Particulars	ESOP 2018	RSO 2018	ESOP 2021
Vesting conditions	Equity Options: The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options and such other conditions as mentioned in the ESOP Plan.  CCPS Options: The actual vesting of CCPS Options will depend on continuation to hold the services being provided to the Company at the time of exercise of options and such other conditions as mentioned in the ESOP Plan or the resolution passed by the NRC for grant of CCPS Options.	The vesting conditions are linked to profitability.	Equity Options: The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options and such other conditions as mentioned in the ESOP Plan.  CCPS Options: The actual vesting of CCPS Options will depend on continuation to hold the services being provided to the Company at the time of exercise of options and such other conditions as mentioned in the ESOP Plan or the resolution passed by the NRC for grant of CCPS Options.
Vesting period	Equity Options: The vesting period for Tranche 4 to 6 is as follows:  (a) 30% of the options shall vest on the expiry of one year from the date of the Grant.  (b) 30% of the options shall vest on the expiry of two years from the date of the Grant.  (c) 40% of the options shall vest on the expiry of three years from the date of the Grant. CCPS Options: The CCPS Options shall vest in the same proportion and the vesting schedule shall be the same as applicable to the original options granted to the option holders, subject to exercise of the respective Equity Options so vested from time to time.	Revised vesting criteria of RSO  a) 14,80,000 to be deemed vested effective FY 22 upon execution of necessary documents and resetting the AUM and RoE targets for FY'20 vesting.  b) Balance 14,80,000 in three tranches annually by FY'23 subject to performance conditions on AUM and ROE.  c) Enable catchup of unvested component in FY'23 if average actual RoE exceeds average target RoE by 1%	Equity Options: The vesting period for all three tranches i.e. Tranche 1 to 3 is as follows:  (a) 33% of the options shall vest on the expiry of one year from the date of the Grant.  (b) 33% of the options shall vest on the expiry of two years from the date of the Grant.  (c) 34% of the options shall vest on the expiry of three years from the date of the Grant. CCPS Options: The CCPS Options shall vest in the same proportion and the vesting schedule shall be the same as applicable to the original options granted to the option holders, subject to exercise of the respective Equity Options so vested from time to time.

### B Reconciliation of outstanding share options

The number and weighted average exercise prices of share options under the share option plans were as follows:

#### ESOP, 2018

Particulars	As at	As at
	31 March 2024	31 March 2023
	No. of options	No. of options
Outstanding at the beginning of the year	3,90,000	6,30,000
Granted during the year	-	-
Exercised during the year	84,000	-

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 42. Employee Stock Option Plan / Scheme (ESOP/ RSO) (Contd.)

Particulars	As at	As at
	31 March 2024	31 March 2023
	No. of options	No. of options
Lapsed during the year	20,000	2,40,000
Outstanding options at the end of the year	2,86,000	3,90,000
Exercisable at the end of the year	2,86,000	2,92,000

The options outstanding at 31 March 2024 have exercise price of ₹ 36.66 (Tranche 4 and 5), ₹ 58.39 (Tranche 6) and weighted average remaining contractual life of unvested options is NIL (31 March 2023: 0.83 years).

#### RSO 2018

Particulars	As at	As at
	31 March 2024	31 March 2023
	No. of options	No. of options
Outstanding options at the beginning of the year	8,93,334	13,86,667
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	8,93,334	4,93,333
Expired/ lapsed during the year	-	-
Outstanding options at the end of the year	-	8,93,334
Exercisable at the end of the year	-	4,00,000

The options outstanding at 31 March 2024 have an exercise price of ₹ 10 (31 March 2023: ₹ 10) and a weighted average remaining contractual life NIL (31 March 2023: 0.24 years).

#### ESOP 2021

Particulars	As at	As at
	31 March 2024	31 March 2023
	No. of options	No. of options
Outstanding options at the beginning of the year	58,15,000	-
Granted during the year	-	72,70,000
Exercised during the year	1,14,800	-
Expired/ lapsed during the year	8,06,250	14,55,000
Outstanding options at the end of the year	48,93,950	58,15,000
Exercisable at the end of the year	15,74,100	-

(i) The options outstanding at 31 March 2024 have an exercise price of ₹ 71.88 (31 March 2023: ₹ 71.88) and a weighted average remaining contractual life of 0.64 years (31 March 2023: 1.14 years).

(ii) There are no identified employees who were granted ESOP, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.

C The fair value of the options granted is determined on the date of the grant using the "Black-Scholes model" and the inputs used in the measurement of the fair value as on grant date as follows:

Particulars	As at	As at
	31 March 2024	31 March 2023
Fair market value of option as on the date of grant	20.89 - 31.76	20.89 - 31.76
Exercise price	10.00 - 71.88	10.00 - 71.88
Expected volatility (%) of share price	41.76% - 47.65%	41.76% - 47.65%



## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 42. Employee Stock Option Plan / Scheme (ESOP/ RSO) (Contd.)

Particulars	As at	As at
	31 March 2024	31 March 2023
Expected option life (weighted average)	up to 1 years	up to 1 years
Risk free interest rate (p.a.)	4.70% to 6.98%	4.70% to 6.98%

The stock based compensation expenses determined using fair value method and charged to statement of profit and loss account is ₹ 3.54 crores (March 31, 2023: ₹ 10.86 crores).

### D Reconciliation of outstanding CCPS share options

#### ESOP 2018

Particulars	As at	As at
	31 March 2024	31 March 2023
	No. of options	No. of options
Outstanding at the beginning of the year	-	-
Granted during the year	1,43,000	-
Exercised during the year	-	-
Lapsed during the year	-	-
Outstanding options at the end of the year	1,43,000	-
Exercisable at the end of the year	1,43,000	-

#### ESOP 2021

Particulars	As at	As at
	31 March 2024	31 March 2023
	No. of options	No. of options
Outstanding options at the beginning of the year	-	-
Granted during the year	24,11,975	-
Exercised during the year	-	-
Expired/ lapsed during the year	-	-
Outstanding options at the end of the year	24,11,975	-
Exercisable at the end of the year	7,75,500	-

43. The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the effective interest rate.

Particulars	As at 31 March 2024		As at 31 March 2023	
	Within 12 months	More than 12 months	Within 12 months	More than 12 months
<b>Financial assets</b>				
Cash and cash equivalents	640.48	-	154.81	-
Other bank balances	18.45	76.48	28.14	12.24
Loans	810.71	6,278.72	905.56	4,533.01
Investments	145.82	61.89	97.35	-
Other financial assets	71.02	120.72	46.96	97.00
<b>Total financial assets</b>	<b>1,686.48</b>	<b>6,537.81</b>	<b>1,232.82</b>	<b>4,642.25</b>
<b>Non-Financial assets</b>				
Current tax assets (net)	-	4.44	-	0.99
Property, plant and equipment	-	20.91	-	15.01
Intangible assets under development	-	2.79	-	1.28
Other intangible assets	-	4.64	-	3.05

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 43. (Contd.)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Within 12 months	More than 12 months	Within 12 months	More than 12 months
Right of use assets	10.93	45.39	8.64	40.22
Other non-financial assets	5.83	27.20	10.29	16.22
<b>Total non financial assets</b>	<b>16.76</b>	<b>105.37</b>	<b>18.93</b>	<b>76.77</b>
<b>TOTAL</b>	<b>1,703.24</b>	<b>6,643.18</b>	<b>1,251.75</b>	<b>4,719.02</b>
<b>Financial Liabilities</b>				
Payables				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	0.04	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2.59	-	6.26	-
Other payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	14.99	-	15.02	-
Debt securities	514.26	419.51	283.49	-
Borrowings (other than debt securities)	944.16	3,786.90	917.69	3,309.76
Subordinated liabilities	0.03	99.79	0.03	99.69
Lease liability	12.12	49.66	9.23	42.08
Other financial liabilities	66.05	-	43.24	-
<b>Total financial liabilities</b>	<b>1,554.24</b>	<b>4,355.86</b>	<b>1,274.96</b>	<b>3,451.53</b>
<b>Non-Financial Liabilities</b>				
Provisions	0.94	2.85	0.65	1.96
Deferred tax liabilities (net)	-	25.38	-	15.55
Other non-financial liabilities	7.23	10.04	17.55	-
<b>Total non financial liabilities</b>	<b>8.17</b>	<b>38.27</b>	<b>18.20</b>	<b>17.51</b>
<b>Total</b>	<b>1,562.41</b>	<b>4,394.13</b>	<b>1,293.16</b>	<b>3,469.04</b>
<b>Shareholders fund</b>	<b>-</b>	<b>2,389.88</b>	<b>-</b>	<b>1,208.58</b>

### 44. Transfer of financial assets

#### A Transferred financial assets that are not de-recognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

#### Securitisation transactions:

Particulars	As at	As at
	31 March 2024	31 March 2023
Carrying amount of transferred assets measured	66.89	81.06
Carrying amount of associated liabilities	59.76	72.88
Fair value of assets	68.50	75.91
Fair value of associated liabilities	64.34	75.37
Net position at fair value	4.16	0.54

Loans and advances to customers are sold by the Company to a Special Purpose Entity ("SPE") which in turn issues PTCs to investors collateralised by the purchased assets. In these securitisation transactions entered, the Company transfers loans and advances to an unconsolidated SPE but, it, however, it retains some credit risk (principally through credit enhancements provided by it).

Since substantially all the risks and rewards of the loans transferred has been retained by the Company, it does not derecognise the loans transferred in its entirety and recognise an associated liability for the consideration received.

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 45. Change in liabilities arising from financing activities

Particulars	As at 1 April 2023	Loan Taken	Loan Paid	Non Cash Changes*	As at 31 March 2024
Debt securities	283.49	900.00	(280.00)	30.28	933.77
Borrowings (other than debt securities)	4,227.45	2,733.50	(2,235.85)	5.96	4,731.06
Subordinated liabilities	99.71	-	-	0.11	99.82
<b>Total Liabilities from financing activities</b>	<b>4,610.65</b>	<b>3,633.50</b>	<b>(2,515.85)</b>	<b>36.35</b>	<b>5,764.65</b>

Particulars	As at 1 April 2022	Loan Taken	Loan Paid	Non Cash Changes*	As at 31 March 2023
Debt securities	293.20	-	(10.00)	0.29	283.49
Borrowings (other than debt securities)	2,804.79	3,369.96	(1,949.32)	2.02	4,227.45
Subordinated liabilities	99.61	-	-	0.10	99.71
<b>Total Liabilities from financing activities</b>	<b>3,197.60</b>	<b>3,369.96</b>	<b>(1,959.32)</b>	<b>2.41</b>	<b>4,610.65</b>

\*Represents adjustments on account of effective interest rate and interest accrued but not due

### 46. Contingent liabilities and commitments (to the extent not provided for)

#### (a) Contingent liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Claims against the Company not acknowledged as debt</b>		
(i) Income tax matters under dispute	1.93	1.93
(ii) GST matters under dispute	0.24	-
(iii) Legal cases against the company	0.87	0.04

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Guarantees</b>	70.00	15.00

During the year the Company has issued ₹ 55.00 crore bank guarantee (During FY 2022-23, the Company has not issued any bank guarantee).

#### (b) Commitments

Particulars	As at 31 March 2024	As at 31 March 2023
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	4.35	35.60
(ii) Undisbursed housing / other loans	865.30	268.05

(c) The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision required under Ind AS/ RBI Regulations/ any statutory requirements for material foreseeable losses on such long term contracts has been made in the books of account.

The Company has certain litigations pending with income tax authorities, service tax authorities and other litigations which have arisen in the ordinary course of business. The Company has reviewed all such pending litigations having an impact on the financial position, and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements.

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 47 Details of Corporate Social Responsibility ('CSR') expenditure

A CSR committee has been formed by the Company as prescribed under section 135 of the Companies Act, 2013. CSR expenses have been incurred through out the year on the activities as specified in Schedule VII of the Act.

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Excess amount spent in previous year*</b>	<b>0.02</b>	<b>0.06</b>
Gross amount required to be spent by the Company during the year	1.67	0.89
Amount spent during the year		
- Construction/ acquisition of any assets	-	-
- Purposes other than above	1.68	0.85
<b>Excess/(Shortfall)</b>	<b>0.03</b>	<b>0.02</b>

\* brought forward CSR obligation of FY 2022-23 ₹ 0.02 crores

### Disclosure for Section 135- CSR

Particulars	As at 31 March 2024	As at 31 March 2023
The amount of shortfall at the end of the year out of the amount	-	-
Total of Previous years shortfall amount	-	-
Reasons for above shortfalls by way of note	N.A.	N.A.
Nature of CSR activities undertaken by Company	Girl Child Education Program, Skill development program for unemployed youths, disabled individuals, and making safe drinking water available for communities across India	Support towards women entrepreneurship, girl child education, health checkup camps and safe drinking water distribution
Details of related party transactions	-	-
Where a provision is made with respect to a liability incurred by entering into a contractual obligation	-	-

### 48. Disclosures relating to fraud

During the year ended 31 March 2024, 9 fraud cases involving 9 loan accounts were reported (March 2023: 6 fraud cases involving 6 loan accounts). The amount involved being ₹ 1.39 crores (March 2023: ₹ 1.10 crores) has been fully provided for / written-off.

49. The disclosure required vide notification dated 24th March 2021 in respect of relation with struck off Companies, the Company operates primarily in the business of lending for housing to individuals and there were no such transactions which are required to be reported.

50. All charge filings with respect to creation, modification and satisfaction of charges for the borrowings have been done within the stipulated time period.

51. The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

**52.** The Company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**53.** The Company has not traded or invested in crypto currency or virtual currency during the financial year.

**54.** No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

**55.** The Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

**56.** There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

### 57. Ratios:

Sr. No	Ratio	Numerator	Denominator	FY 2023-24	FY 2022-23	% Variance	Reason for Variance (if above 25%)
1	CRAR	2,237.28	4,729.11	47.31%	34.83%	12.48%	Not applicable
2	Tier I CRAR	2,207.38	4,729.11	46.68%	32.60%	14.08%	Not applicable
3	Tier II CRAR	29.90	4,729.11	0.63%	2.23%	-1.60%	Not applicable
4	Liquidity Coverage Ratio						Refer Note no.64

### 58. (I) Other disclosures as required by paragraph 16 of the NBFC - HFC Directions

#### (a) Capital

Particulars	As at 31 March 2024	As at 31 March 2023
(i) CRAR (%)	47.31	34.83
(ii) CRAR -Tier I Capital (%)	46.68	32.60
(iii) CRAR -Tier II Capital (%)	0.63	2.23
(iv) Amount of subordinated debt raised as Tier- II Capital*	-	-
(v) Amount raised by issue of Perpetual Debt Instruments	-	-

**Note:** Restructured loans related to the resolution framework for COVID-19-related Stress dated 06 August 2020 have been assigned normal weights considering it as regulatory dispensation given by RBI.

\*The outstanding amount of Sub debt as on 31 March 2024 is ₹ 99.82 crores (31 March 2023 : ₹ 99.71 crores). However, during the FY 2023-24 and FY 2022-23, the Company had not raised any Subordinated Debt.

#### (b) Reserve Fund u/s 29C of NHB Act, 1987

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Balance at the beginning of the year</b>		
a) Statutory reserve u/s 29C of the NHB Act 1987	28.68	24.41
b) Amount of Special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory reserve u/s 29C of the NHB Act, 1987	68.45	49.68
<b>c) Total</b>	<b>97.13</b>	<b>74.09</b>
<b>Additions/Appropriations/Withdrawals during the year</b>		
<b>Add:</b>		
a) Amount transferred u/s 29C of the NHB Act, 1987	9.95	4.27
b) Amount of Special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory reserve u/s 29C of the NHB Act, 1987	18.04	18.77

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 58. (I) Other disclosures as required by paragraph 16 of the NBFC - HFC Directions (Contd.)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Less:</b>		
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) Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
<b>Balance at the end of the year</b>		
a) Statutory reserve u/s 29C of the NHB Act, 1987	38.63	28.68
b) Amount of Special reserve u/s 36(1)(vii) of Income Tax Act, 1961 taken into account for the purposes of Statutory reserve u/s 29C of the NHB Act, 1987	86.49	68.45
<b>c) Total</b>	<b>125.12</b>	<b>97.13</b>

#### (c) Investments

Particulars	As at 31 March 2024	As at 31 March 2023
1 Value of Investments		
(i) Gross Value of Investments		
(a) In India*	207.71	97.35
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net Value of Investments		
(a) In India*	207.71	97.35
(b) wOutside India	-	-

\*Investment consists investment made by the company in treasury bill and G-sec .Investment in Security Receipts amounting to ₹ 36.85 crores (31 March 2023 ₹ 45.29 crores ) is classified as "Other Financial Assets" and hence not included above.

Particulars	As at 31 March 2024	As at 31 March 2023
2 Movement of provisions held towards depreciation on investments		
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	-	-
(iii) Less : Write-off / write-back of excess provisions during the year	-	-
(iv) Closing balance	-	-

#### (d) Derivatives

The company does not have any exposure in derivative transactions in FY 2023 -24 and FY 2022-23

## 58. (I) Other disclosures as required by paragraph 16 of the NBFC - HFC Directions (Contd.)

### (e) Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities)

#### Maturity pattern of certain items of assets and liabilities as at 31 March 2024

Particulars	1 day to 7 days	8 to 14 days	15 days to 30/31 days	Over one months upto 2 months	Over two months upto 3 months	Over three 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
<b>Liabilities</b>											
Borrowings from banks*	3.40	-	37.39	16.11	107.90	259.61	519.76	1,774.29	1,446.90	665.52	4,830.88
Market borrowings**	-	-	-	4.309	154.55	316.62	-	389.57	29.94	-	933.77
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
<b>Assets</b>											
Advances	22.80	-	48.96	64.38	64.22	190.39	501.99	1,428.56	1,261.65	3,802.59	7,385.54
Investments***	-	9.98	-	9.94	29.62	-	96.28	57.85	4.04	-	207.71
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

#### Maturity pattern of certain items of assets and liabilities as at 31 March 2023

Particulars	1 day to 7 days	8 to 14 days	15 days to 30/31 days	Over one months upto 2 months	Over two months upto 3 months	Over three 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
<b>Liabilities</b>											
Borrowings from banks*	-	0.10	38.31	11.48	62.12	177.35	628.35	1,517.53	1,268.96	622.96	4,327.16
Market borrowings**	-	-	96.92	-	133.57	53.00	-	-	-	-	283.49
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
<b>Assets</b>											
Advances	17.77	-	51.24	68.21	113.87	198.76	519.23	1,344.52	1,065.71	2,290.37	5,669.69
Investments***	-	-	-	-	-	48.85	48.51	-	-	-	97.35
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

\* Includes Cash credit facilities and working capital demand loans from banks which are usually for a period of 1 year. As per the prevalent practice, these facilities are renewed on a year to year basis and therefore, are revolving in nature. It also includes loan from PTC investors.

\*\* Includes secured redeemable non-convertible debentures.

\*\*\* Excludes Investment in Security Receipts amounting to ₹ 36.85 crores (31 March 2023 ₹ 45.29 crores) as it is forming part of "Other Financial Assets"

**Note:** Borrowings and advances are inclusive of interest accrued thereon

## Summary of Material Accounting Policies and Other Explanatory Information

For the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 58. (I) Other disclosures as required by paragraph 16 of the NBFC - HFC Directions (Contd.)

#### (F) (i) Exposure to real estate sector\*

Category	As at 31 March 2024	As at 31 March 2023
<b>a) Direct Exposure</b>		
<b>(i) Residential Mortgages-</b>		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	6,735.28	5,071.30
<b>(ii) Commercial Real Estate-</b>		
Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	0.51	0.25
<b>(iii) Investments in Mortgage-Backed Securities (MBS) and other securitised exposures**</b>		
a. Residential	-	-
b. Commercial Real Estate	36.85	45.29
<b>b) Indirect Exposure</b>		
a) Fund Based - NHB and HFC	-	-
b) Non-Fund Based - NHB and HFC	-	-
<b>Total Exposure to Real Estate sector</b>	<b>6,772.64</b>	<b>5,116.84</b>

\* In addition to the exposure to Real Estate Sector disclosed above, the company also had loan exposure amounting to ₹ 419.94 crores as on 31st March 2024 and ₹ 426.30 crores as on 31st March 2023 where security is in form of non-residential property.

\*\* Includes security receipts, classified under "Other Financial Assets".

#### (ii) Exposure to Capital Market

The Company does not have any exposure to capital market as at the financial year ended 31 March 2024 and 31 March 2023.

#### (iii) Sectoral Exposure

Sectors	Year ended 31 March 2024			Year ended 31 March 2023		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1) Agriculture and Allied Activities	-	-	-	-	-	-
2) Industry	-	-	-	-	-	-
3) Services*	0.51	-	-	0.25	-	-
4) Personal Loans	7,155.23	68.02	0.95%	5,497.60	44.55	0.81%
5) Others**	935.30	-	-	283.05	-	-

\* Includes Commercial Real Estate Loans.

\*\* Includes sanction under disbursement and bank guarantee.

#### (iv) Details of Financing of parent company products

The Company has not financed any products of parent company in the financial year ended 31 March 2024 and 31 March 2023.

# Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

## 58. (I) Other disclosures as required by paragraph 16 of the NBFC - HFC Directions (Contd.)

### (v) Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the HFC

The Company has not exceeded the prudential exposure limits during the financial year ended 31 March 2024 and 31 March 2023.

### (vi) Unsecured advances

The Company has not given any advances against intangible securities such as charge over the rights, licenses, authorisation, etc. in the financial year ended 31 March 2024 and 31 March 2023.

### (vii) Exposure to group companies engaged in real estate business

The Company does not have any exposure to group companies engaged in real estate business as at the financial year ended 31 March 2024 and 31 March 2023.

### (viii) Intra-group exposures\*

Particulars	As at	
	31 March 2024	31 March 2023
i) Total Amount of intra-group exposures	-	-
ii) Total Amount of Top 20 intra-group exposures	-	-
iii) Percentage of intra-group exposures to total exposure of the Company on borrowers/customers	-	-

\* The transactions made by the Company with the other group Companies were not in the nature of financial exposures.

### ix) Unhedged foreign currency exposures

The Company did not have any exposure to unhedged foreign currency as at the financial year ended 31 March 2024 and 31 March 2023.

## Summary of Material Accounting Policies and other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

## 58. (I) Other disclosures as required by paragraph 16 of the NBFC - HFC Directions (Contd.)

### g) Related Party Disclosure

Particulars	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Others		Total	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
i) Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii) Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iv) Advances given <sup>a</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum Outstanding <sup>a</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
v) Advances given for Purchase of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-
vii) Purchase of fixed/ other assets	0.08	-	-	-	-	-	-	-	-	-	-	-	-	-
viii) Interest paid on Inter Corporate Loan Taken	4.80	-	-	-	-	-	-	-	-	-	-	-	-	-
ix) Interest received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
x) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
a) DA servicing Fees Received	0.04	0.21	-	-	-	-	-	-	-	-	-	-	-	0.21
b) DA servicing Fees Outstanding	-	0.01	-	-	-	-	-	-	-	-	-	-	-	0.01
c) Allocable Expenses Paid	-	5.47	-	-	-	-	-	-	-	-	-	-	-	5.47
d) KMP Remuneration <sup>b</sup>	-	-	-	-	-	-	6.69	5.84	-	-	-	-	-	6.69
e) Equity Share Capital	71.44	-	-	-	-	-	0.89	0.49	-	-	-	-	-	72.33
f) Compulsorily Convertible Preference Shares Capital	160.63	-	-	-	-	-	1.68	-	-	-	-	-	-	162.31
g) Share Premium	966.42	-	-	-	-	-	-	-	-	-	-	-	-	966.42

# Summary of Material Accounting Policies and other Explanatory Information

For the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

## 58. (I) Other disclosures as required by paragraph 16 of the NBFC - HFC Directions (Contd.)

Particulars	Parent (as per ownership or control)		Subsidiaries		Associates/Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Others		Total	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	
h) Advisory Services <sup>a</sup>	-	-	-	-	-	-	-	-	-	-	-	0.76	0.76	-
i) Adjustments of loans and advances given <sup>a</sup>	-	-	-	-	-	-	-	-	-	-	-	0.08	0.08	15.32
j) Insurance Premium paid (Mediclaime) <sup>a</sup>	-	-	-	-	-	-	-	-	-	-	-	0.04	0.04	0.88
k) Premium for Employee Mediclaime <sup>a</sup>	-	-	-	-	-	-	-	-	-	-	-	2.69	-	2.69
l) Insurance Premium advances for medical policies <sup>a</sup>	-	-	-	-	-	-	-	-	-	-	-	0.25	0.25	-
m) Director Sitting Fees	-	-	-	-	-	-	-	-	-	-	-	0.59	0.59	0.71
n) Inter Corporate Loan Taken	30000	-	-	-	-	-	-	-	-	-	-	-	-	30000
o) Inter Corporate Loan Refunded	30000	-	-	-	-	-	-	-	-	-	-	-	-	30000

(a) Transactions / Balances with "Entity under common control"

(b) The remuneration excludes perquisites value of ₹ 12.10 crore (FY 2022-23: ₹ 3.05 crore) on account of 8,93,334 numbers (FY 2022-23: 4,93,333 numbers) of Restricted Stock Options exercised during the year

**Note:** Please Refer Note No. 38 for detailed RPT disclosure

## Summary of Material Accounting Policies and Other Explanatory Information

For the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 58. (II) Miscellaneous

#### (a) Registration obtained from other financial sector regulators

The Company has obtained registration from Insurance Regulatory and Development Authority of India to act as a Corporate Agent (composite) with effect from 01 January 2024

#### (b) Group structure

Diagrammatic representation of group structure is given below:

**Perseus SG Pte. Ltd.** (an entity incorporated under the laws of Singapore)

(Parent Company)

**Grihum Housing Finance Limited (Formerly Poonawalla Housing Finance Limited)**

(Parent Company holds 98.90% of the total paid-up capital)

#### (c) Details of ratings assigned by Credit Rating Agencies and migration of ratings during the year

Facilities	Name of rating agency	Note	As at 31 March 2024	Amount	As at 31 March 2023	Amount
(i) Long term bank facilities	CRISIL Ratings Limited	Refer Note - 1	AA- (Stable)	6500	AA+ (RWN)	1500
	CARE Ratings Limited	Refer Note - 2	AA- (Stable)	6200	AAA (RWN)	5200
(ii) Secured non-convertible debentures	CRISIL Ratings Limited	Refer Note - 1	AA- (Stable)	1000	AA+ (RWN)	1500
	CARE Ratings Limited	Refer Note - 2	AA- (Stable)	1420	AAA (RWN)	1500
(iii) PTC (on account of securitisation transaction)	ICRA Limited	Refer Note - 5	AA (SO)	62	AA (SO)	76
(iv) Short Term Debt (Commercial debt)	CRISIL Ratings Limited	Refer Note - 3	A1+	500	A1+ (RWD)	500
	CARE Ratings Limited	Refer Note - 4	A1+	600	A1+	600
	ICRA Limited	Refer Note - 6	A1+	100	-	-
	India Ratings and Research Pvt Ltd	Refer Note - 7	A1+	200	-	-

#### Note:

- CRISIL Ratings withdrew long-term ratings on bank facilities and secured NCDs of 'CRISIL AA+(RWN)' vide rating letters dated 15 July 2023 at the request of the Company. Subsequently, CRISIL Ratings assigned fresh long-term ratings for bank facilities and secured NCDs as 'CRISIL AA- (Stable)' vide rating letters dated 27 December 2023.
- CARE Rating revised long-term ratings on bank facilities and secured NCDs to 'CARE AA- (Stable)' vide rating letters dated 18 August 2023.
- CRISIL Ratings reaffirmed short term ratings to 'CRISIL A1+' and removed 'Rating Watch with Developing Implications' vide rating letter dated 01 August 2023
- CARE Ratings reaffirmed short term ratings to 'CARE A1+' vide rating letter dated 18 August 2023.
- ICRA Ratings re-affirmed their ratings as AA (SO) for the PTC instruments issued by MHFL Securitisation Trust I, MHFL Securitisation Trust II, MHFL Securitisation Trust III and MHFL Securitisation Trust I vide letters dated 27 June 2023, 30 January 2024, 24 November 2023 and 24 November 2023 respectively.

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 58. (II) Miscellaneous (Contd.)

6. ICRA Ratings assigned fresh short-term ratings of 'ICRA A1+' vide rating letter dated 16 October 2023.
7. India Ratings assigned fresh short-term ratings of 'Ind A1+' vide rating letter dated 07 November 2023.

### (d) Disclosure of Penalties imposed by NHB/RBI and other regulators

During FY 23-24 and FY 22-23, there were no penalties imposed by NHB or any other regulators on the company.

### (e) Net Profit or Loss for the period, prior period items and changes in accounting policies

There are no prior period items that have impact on the current year's profit or loss

### (f) Revenue Recognition

There have been no instances in which revenue recognition has been postponed pending the resolution of significant uncertainties

### (g) Percentage of outstanding loans against collateral of gold jewellery to their outstanding total assets

The Company did not have any outstanding loans against collateral of gold jewellery as on 31 March 2024 and 31 March 2023

### (h) Remuneration of Directors\*

Name of the non-executive directors	Nature of transaction	Year ended 31 March 2024	Year ended 31 March 2023
(i) Adar Poonawalla (up to 26.07.2023)	Director sitting fee	0.01	0.01
(ii) Amar Deshpande (up to 26.07.2023)	Director sitting fee	0.14	0.25
(iii) Bhama Krishnamurthy (up to 08.09.2023)	Director sitting fee	0.18	0.23
(iv) Prabhakar Ramchandra Dalal (up to 08.09.2023)	Director sitting fee	0.16	0.22
(v) Richa Arora (w.e.f 13.03.2024)	Director sitting fee	0.01	-
(vi) Prem Manjooran (w.e.f 08.09.2023)	Director sitting fee	0.09	-
(vii) Puneet Bhatia Non-Executive Director (w.e.f 08.09.2023)	Director sitting fee	-	-
(viii) Sanjeev Mehra Non-Executive Director (w.e.f 08.09.2023)	Director sitting fee	-	-

\* Refer to the note 38 for further details in this regard

### 58. (III) Additional Disclosures

#### (a) Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	Year ended 31 March 2024	Year ended 31 March 2023
Provision for depreciation on investment	-	-
<b>Under "Employee Benefit Expenses"</b>		
(i) Provision for compensated absences	2.32	0.21
(ii) Provision for gratuity	0.98	1.01
<b>Under "Impairment for Loss Allowances"</b>		
(i) Provision towards non-performing assets (NPAs)	16.00	28.50
(ii) Provision for standard assets*	0.01	(14.62)
<b>Under "Tax expenses"</b>		
(i) Provision made towards Income tax (includes deferred tax)	43.29	38.97

\* Includes Provision in respect of Commercial Real Estate loans of amounting to ₹ 0.01 Crores ( FY 2022-23 : ₹ 0.01 Crores)

Break up of Loans, Advances and Provisions thereon	As at 31 March 2024		As at 31 March 2023	
	Housing*	Non Housing	Housing*	Non Housing
<b>Standard Assets</b>				
(i) Total outstanding amount	5,142.37	1,945.34	3,781.99	1,671.33
(ii) Provision made	25.73	12.58	21.84	14.77

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 58. (III) Additional Disclosures (Contd.)

Break up of Loans, Advances and Provisions thereon	As at 31 March 2024		As at 31 March 2023	
	Housing*	Non Housing	Housing*	Non Housing
<b>Sub-Standard Assets</b>				
(i) Total outstanding amount	45.08	16.36	24.53	15.17
(ii) Provision made	18.26	4.92	11.71	8.01
<b>Doubtful Assets-Category-I</b>				
(i) Total outstanding amount	1.59	2.29	2.16	1.79
(ii) Provision made	0.98	1.09	1.10	0.96
<b>Doubtful Assets-Category-II</b>				
(i) Total outstanding amount	1.35	1.03	0.10	0.76
(ii) Provision made	1.39	1.03	0.11	0.75
<b>Doubtful Assets-Category-III</b>				
(i) Total outstanding amount	-	0.33	-	0.02
(ii) Provision made	-	0.33	-	0.03
<b>Total</b>				
(i) Total outstanding amount	<b>5,190.39</b>	<b>1,965.35</b>	<b>3,808.78</b>	<b>1,689.07</b>
(ii) Provision made	<b>46.36</b>	<b>19.95</b>	<b>34.76</b>	<b>24.52</b>

\*It includes receivables amounting to ₹195.06 crores as on 31 March 2024 (₹132.41 crores as 31 March 2023) towards the insurance premium funded by the Company for the insurance cover availed by its customers.

#### Note:

In compliance with INDAS requirements, provisions are computed on Exposure at Default (EAD) and outstanding amount calculated after considering all applicable INDAS adjustments.

### (b) Divergence in Asset Classification and Provisioning

For FY 2023-24 and FY 2022-23, no divergence in asset classification and additional provisioning requirements were advised by the National Housing Bank (NHB) to the Company. Accordingly, any additional disclosures in this regard are not applicable on the Company.

### (c) Draw down from Reserves

During the FY 2023-24 and 2022-23, the Company has not drawn any amount from Special Reserves maintained u/s 29C of the NHB Act, 1987.

### (d) Concentration of Public Deposits, Advances, Exposures and NPAs.

#### (i) Concentration of Public Deposits (for Public Deposit taking/holding HFCs)

The Company has not taken any public deposits during the financial years ended 31 March 2024 and 31 March 2023 respectively.

#### (ii) Concentration of Loans and Advances

Particulars	As at 31 March 2024	As at 31 March 2023
Total Loans and Advances to twenty largest borrowers	18.10	19.03
Percentage of Loans and Advances to twenty largest borrowers to Total Advances of the HFC	0.25%	0.35%

#### (iii) Concentration of all Exposures (including off-balance sheet exposure)

Particulars	As at 31 March 2024	As at 31 March 2023
Total Exposure to twenty largest borrowers / customers	18.38	19.15
Percentage of Exposures to twenty largest borrowers / customers to total Exposure of the HFC on borrowers / customers	0.23%	0.30%

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 58. (III) Additional Disclosures (Contd.)

#### (iv) Concentration of NPAs

Particulars	As at	As at
	31 March 2024	31 March 2023
Total Exposure to top ten NPA accounts	4.76	5.06

#### (v) Sector-wise NPAs

Sector	Percentage of NPAs to Total Advances in that sector	
	As at	As at
	31 March 2024	31 March 2023
<b>(A) Housing Loan</b>		
1 Individuals	0.93%	0.70%
2 Builders/Project Loans	-	-
3 Corporates	-	-
4 Others (specify)	-	-
<b>(B) Non-Housing Loan</b>		
1 Individuals	1.02%	1.05%
2 Builders/Project Loans	-	-
3 Corporates	0.94%	1.19%
4 Others (specify)	-	-

#### (e) Movement of NPAs

Particulars	As at	As at
	31 March 2024	31 March 2023
i) Net NPAs to Net Advances (%)	0.56%	0.40%
ii) Movement of NPAs (Gross)		
a) Opening balance	44.55	70.17
b) Additions during the year	58.70	38.34
c) Reductions during the year	(35.24)	(63.96)
<b>d) Closing balance</b>	<b>68.02</b>	<b>44.55</b>
iii) Movement of Net NPAs		
a) Opening balance	21.88	50.90
b) Additions during the year	35.60	19.06
c) Reductions during the year	(17.46)	(48.08)
<b>d) Closing balance</b>	<b>40.02</b>	<b>21.88</b>
iv) Movement of provisions for NPAs (excluding provisions on standard assets)*		
a) Opening balance	22.67	19.27
b) Provisions made during the year	23.11	20.88
c) Write-off / (write-back) of excess provisions	(17.78)	(17.48)
<b>d) Closing balance</b>	<b>28.00</b>	<b>22.67</b>

\* The provisions referred here is loss allowances for Expected Credit Loss (ECL)

The overall Gross NPAs to Gross advances for FY 2023-24 is 0.95% (FY 2022-23 is 0.81%)

#### (f) Overseas Assets

The Company does not have any overseas assets as at 31 March 2024 and 31 March 2023

#### (g) Off- Balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

The Company does not have any exposure to off balance sheet SPVs sponsored as at 31 March 2024 and 31 March 2023

#### (h) Loans to directors, senior officers and relatives of directors

The Company has not provided any Loan to its directors, senior officers and relatives of directors in FY 2023-24 and FY 2022-23 respectively

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 58. (IV) Disclosure of complaints as required by Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

#### 1) Summary information on complaints received by the HFCs from customers and from the Offices of Ombudsman

Particulars	As at	As at
	31 March 2024	31 March 2023
Complaints received by the HFC from its customers		
1) Number of complaints pending at beginning of the year	1	1
2) Number of complaints received during the year	267	239
3) Number of complaints disposed during the year	266	239
3.1) of 3, which complaints rejected by HFC	-	-
4) Number of complaints pending at the end of the year*	2	1
Maintainable complaints received by the HFC from Office of Ombudsman	-	-
5) Number of maintainable complaints received by the HFC from Office of Ombudsman	Not applicable	Not applicable
5.1) of 5, number of complaints resolved in favour of the HFC by Office of Ombudsman	Not applicable	Not applicable
5.2) of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman	Not applicable	Not applicable
5.3) of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the HFC	Not applicable	Not applicable
6) Number of Awards unimplemented within the stipulated time (other than those appealed)	Not applicable	Not applicable

The disclosures above Sl. No. 5 and 6 are not applicable to the Company since the Company, being a Housing Finance Company, is not included under the Reserve Bank- Integrated Ombudsman Scheme, 2021.

#### 2) Top five grounds of complaints received by the HFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
Relating to Statements/ Documents provided by the Company	-	113	109.26%	1	-
Relating to Collection of Dues of the Company	-	37	-5.13%	-	-
Relating to Refund	-	11	-56.00%	-	-
Relating to Particulars of the Loan like Rate of Interest, Tenor, Dues etc.	-	17	-10.53%	-	-
Relating to PMAY Subsidy	-	25	19.05%	-	-
Others	1	64	-20.99%	1	-
<b>Total</b>	<b>1</b>	<b>267</b>		<b>2</b>	<b>-</b>
Relating to Statements/ Documents provided by the Company	-	54	100.00%	-	-
Relating to Collection of Dues of the Company	-	39	85.71%	-	-
Relating to Refund	1	25	-41.86%	-	-
Relating to Particulars of the Loan like Rate of Interest, Tenor, Dues etc.	-	19	5.56%	-	-
Relating to PMAY Subsidy	-	21	5.00%	-	-
Others	-	81	-19.80%	1	-
<b>Total</b>	<b>1</b>	<b>239</b>		<b>1</b>	<b>-</b>

\* all complaints pending as on 31st March 2024 has been closed on 11 April 2024



## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 58. (IV) Disclosure of complaints as required by Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (Contd.)

#### Section II

#### A) Disclosure of modified opinion, if any express by Auditors, its impact on various financial items and views of management on audit qualifications:

The statutory auditors have issued unmodified opinion for FY 2023-24 and FY 2022-23. Hence not applicable.

#### B) Items of income and expenditure of exceptional nature:

There is no such item in FY 2023-24 and FY 2022-23

#### C) Breach of covenant

There are no breaches of any of the covenants in respect of debt securities issued by the company during FY 2023-24 and FY 2022-23

### 59. Principal Business Criteria

Particulars	As at 31 March 2024	As at 31 March 2023
a) Individual Housing Loan to Total Tangible Assets	62.23%	63.82%
b) Total Housing Loan to Total Tangible assets	62.24%	63.84%

### 60. Disclosures pursuant to RBI Circular no. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13.03.2020

As at and for the year ended 31 March 2024

Asset Classifications as per RBI Norms	Asset Classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Differences between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=3-4	6	7=4-6
<b>Performing Assets</b>						
Standard	Stage 1	6,949.49	18.23	6,931.26	30.76	(12.53)
	Stage 2	138.23	19.37	118.86	3.05	16.32
<b>Subtotal</b>		<b>7,087.72</b>	<b>37.60</b>	<b>7,050.12</b>	<b>33.81</b>	<b>3.79</b>
<b>Non Performing Assets (NPA)</b>						
Substandard*	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	61.44	23.19	38.25	13.64	9.55
Doubtful- up to 1 year*	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	3.88	2.07	1.81	1.59	0.48
1 to 3 years	Stage 3	2.37	2.41	(0.04)	2.00	0.41
More than 3 years	Stage 3	0.33	0.33	-	0.69	(0.36)
<b>Subtotal for doubtful</b>		<b>6.58</b>	<b>4.81</b>	<b>1.77</b>	<b>4.28</b>	<b>0.53</b>
Loss	Stage 3	-	-	-	-	-
<b>Subtotal for NPA</b>		<b>68.02</b>	<b>28.00</b>	<b>40.02</b>	<b>17.92</b>	<b>10.08</b>
Other items such as guarantees, loan commitments, etc., which are in the scope of Ind AS 109 but not covered under current income recognition, Asset Classification and Provisioning(IRACP) norms**	Stage 1	861.86	0.43	861.43	-	0.43
	Stage 2	3.44	0.28	3.16	-	0.28
		<b>865.30</b>	<b>0.71</b>	<b>864.59</b>	<b>-</b>	<b>0.71</b>
<b>Subtotal</b>		<b>8,021.04</b>	<b>66.31</b>	<b>7,954.73</b>	<b>51.73</b>	<b>14.58</b>

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 60. Disclosures pursuant to RBI Circular no. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13.03.2020 (Contd.)

Asset Classifications as per RBI Norms	Asset Classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Differences between Ind AS 109 provisions and IRACP norms
<b>Total</b>	Stage 1	7,811.35	18.66	7,792.69	30.76	(12.10)
	Stage 2	141.67	19.65	122.02	3.05	16.60
	Stage 3	68.02	28.00	40.02	17.92	10.08
<b>Total</b>		<b>8,021.04</b>	<b>66.31</b>	<b>7,954.73</b>	<b>51.73</b>	<b>14.58</b>

As at and for the year ended 31 March 2023

Asset Classifications as per RBI Norms	Asset Classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Differences between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=3-4	6	7=4-6
<b>Performing Assets</b>						
Standard	Stage 1	5,317.64	21.01	5,296.63	28.42	(7.41)
	Stage 2	135.67	15.43	120.24	4.81	10.62
<b>Subtotal</b>		<b>5,453.31</b>	<b>36.44</b>	<b>5,416.87</b>	<b>33.23</b>	<b>3.21</b>
<b>Non Performing Assets (NPA)</b>						
Substandard*	Stage 1	0.79	0.16	0.63	0.12	0.04
	Stage 2	6.26	1.68	4.58	1.12	0.56
	Stage 3	32.67	17.88	14.79	7.10	10.78
Doubtful- up to 1 year*	Stage 1	0.25	0.05	0.20	0.06	(0.01)
	Stage 2	0.17	0.04	0.13	0.05	(0.01)
	Stage 3	3.53	1.97	1.56	1.87	0.10
1 to 3 years	Stage 3	0.86	0.86	-	0.84	0.02
More than 3 years	Stage 3	0.02	0.03	(0.01)	0.06	(0.03)
<b>Subtotal for doubtful</b>		<b>4.83</b>	<b>2.95</b>	<b>1.88</b>	<b>2.88</b>	<b>0.07</b>
Loss	Stage 3	-	-	-	-	-
<b>Subtotal for NPA</b>		<b>44.55</b>	<b>22.67</b>	<b>21.88</b>	<b>11.22</b>	<b>11.45</b>
Other items such as guarantees, loan commitments, etc., which are in the scope of Ind AS 109 but not covered under current income recognition, Asset Classification and Provisioning(IRACP) norms**	Stage 1	266.06	0.09	265.97	-	0.09
	Stage 2	1.99	0.08	1.91	-	0.08
		<b>268.05</b>	<b>0.17</b>	<b>267.88</b>	<b>-</b>	<b>0.17</b>
<b>Subtotal</b>		<b>5,765.91</b>	<b>59.28</b>	<b>5,706.63</b>	<b>44.45</b>	<b>14.83</b>
<b>Total</b>	Stage 1	5,584.74	21.31	5,563.43	28.60	(7.29)
	Stage 2	144.09	17.23	126.86	5.98	11.25
	Stage 3	37.08	20.74	16.34	9.87	10.87
<b>Total</b>		<b>5,765.91</b>	<b>59.28</b>	<b>5,706.63</b>	<b>44.45</b>	<b>14.83</b>

\*In accordance with the RBI circular dated November 12, 2021, on "Prudential Norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances- Clarifications" and further clarifications provided by the RBI vide its circular dated February 15, 2022, the Company has implemented the requirements prescribed with respect to 'Upgradation of accounts classified as NPAs'.

**Note:** In compliance with INDAS requirements, provisions are computed on Exposure at Default (EAD).

\*\* Represents loan cases sanctioned but not disbursed

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 61. Disclosures under Master Direction - Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021

Securitisation <sup>1</sup>	As at 31 March 2024	As at 31 March 2023
<b>(i) Outstanding amount of Securitised assets as per books of the SPVs<sup>2</sup></b>		
1 No of SPEs holding assets for securitisation transactions originated by the originator <sup>3</sup>	4	4
2 Total amount of securitised assets as per books of the SPVs sponsored	62.04	75.68
3 Total amount of the exposures retained by the HFC to comply with MRR as on the date of balance sheet		
a) Off-balance sheet exposures		
First loss	-	-
Others	-	-
b) On-balance sheet exposures		
First loss	8.87	11.65
Others	2.37	2.90
4 Amount of exposures to securitisation transactions other than MRR		
a) Off-balance sheet exposures		
(i) Exposure to own securitisation		
First loss	-	-
Others	8.43	11.07
(ii) Exposure to third party securitisations		
First loss	-	-
Others	-	-
b) On-balance sheet exposures		
(i) Exposure to own securitisation		
First loss		
Others	37.99	52.92
(ii) Exposure to third party securitisations		
First loss	-	-
Others	-	-
5 (i) Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation		NIL
6 Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing etc.	- Cash collateral in the form FD (First Loss) : ₹ 8.87 crores (Lien marked) - Liquidity support in form of Cash Collateral as FD (Second Loss) : ₹ 8.43 crores (Lien marked) <sup>4</sup> - Post Securitisation assets servicing fee charged on monthly basis @ 0.10% on the outstanding amount. <sup>5</sup>	- Cash collateral in the form FD (First Loss) : ₹ 11.65 crores (Lien marked) - Liquidity support in form of Cash Collateral as FD (Second Loss) : ₹ 11.07 crores (Lien marked) <sup>4</sup> - Post Securitisation assets servicing fee charged on monthly basis @ 0.10% on the outstanding amount. <sup>5</sup>

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 61. Disclosures under Master Direction - Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021 (Contd.)

Securitisation <sup>1</sup>	As at 31 March 2024	As at 31 March 2023
7 Performance of facility provided :	A) Details of the FD placed for this purpose as under: <sup>4</sup>	(A) Details of the FD placed for this purpose as under: <sup>4</sup>
(a) Amount paid	(i) Against First Loss :	(i) Against First Loss :
(b) Repayment received	(a) Amount of FD Placed : ₹ 12.94 crores	(a) Amount of FD Placed: ₹ 12.94 crores
(c) Outstanding amount	(b) Lien Marked amount : ₹ 8.87 crores (69% of original FD value)	(b) Lien Marked amount : ₹ 11.65 crores (90% of original FD value)
	(ii) Against Second Loss :	(ii) Against Second Loss :
	(a) Amount of FD Placed : ₹ 12.36 Crores	(a) Amount of FD Placed: ₹ 12.36 Crores
	(b) Lien Marked amount : ₹ 8.43 Crores (68% of original FD value)	(b) Lien Marked amount: ₹ 11.07 Crores (90% of original FD value)
	(B) Other Credit Enhancement: <sup>6</sup> Further the Company has provided credit enhancement through investment in subordinated tranches of PTC as mentioned below :	(B) Other Credit Enhancement: <sup>6</sup> Further the Company has provided credit enhancement through investment in subordinated tranches of PTC as mentioned below :
	(a) Amount paid : ₹ 8.09 Crores	(a) Amount paid : ₹ 8.09 Crores
	(b) Repayment received : ₹ 5.72 Crores	(b) Repayment received : ₹ 5.20 Crores
	(c) Outstanding amount : ₹ 2.37 Crores (29% of original investment)	(c) Outstanding amount : ₹ 2.90 Crores (36% of original investment)
8 Average default rate of portfolios observed in the past (Home Loan) :	6.69%	6.49%
9 Amount and number of additional/top up loan given on same underlying asset (Home Loan) :	-	-
10 Investor complaints :		
(a) Directly/Indirectly received	NIL	NIL
(b) Complaints outstanding	NIL	NIL

<sup>1</sup> Securitisation(PTC) transaction do not meet the de-recognition criteria under Ind AS and accordingly are recognised on books. Accordingly income and discounting charges are included in revenue from operations and finance cost respectively. Amounts stated above are for the limited purpose of disclosure.

<sup>2</sup> The above figures are being reported based on certificate issued by the auditors of the SPV, as required by revised guidelines on transfer of assets through securitisation.

<sup>3</sup> Only the SPVs relating to outstanding securitisation transactions are reported here.

<sup>4</sup> Amount is reduced on account of dropped out in the underlying asset amount.

<sup>5</sup> Company has entered into Collection & Servicing agreement with the trust for post securitisation asset servicing. The Company has not provided any liquidity comfort or credit enhancement for collection & servicing arrangement.

<sup>6</sup> Repayment mentioned denotes repayment of the dues towards the subordinated PTCs in which the Company has invested.

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 61. Disclosures under Master Direction - Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021 (Contd.)

#### (f) Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated 24 September 2021

##### (i) Details of transfer through assignment in respect of loans not in default :

Particulars	As at 31 March 2024	As at 31 March 2023
Entity/Assignee	Bank	Bank
Count of Loan accounts Assigned	5586 Loans	3438 Loans
Amount of Loan accounts Assigned	524.09 Crores	324.02 Crores
Retention of beneficial economic interest (MRR)*	10%	10%
Weighted Average Maturity (Residual Maturity)**	146 Months	136 Months
Weighted Average Holding Period	15 Months	17 Months
Coverage of tangible security coverage	100%	100%
Rating wise distribution of rated loans	Unrated	Unrated

##### (ii) Details of acquired through assignment in respect of loans not in default :

Particulars	As at 31 March 2024	As at 31 March 2023
Entity/Assignor	-	HFC/NBFC
Count of Loan accounts Assigned	-	3059 Loans
Amount of Loan accounts Assigned	-	272.95 Crores
Retention of beneficial economic interest (MRR)*	-	10%
Weighted Average Maturity (Residual Maturity)**	-	156 Months
Weighted Average Holding Period	-	14 Months
Coverage of tangible security coverage	-	100%
Rating wise distribution of rated loans	-	Unrated

\* Retained by the originator

\*\* At the time of acquisition

##### (iii) Details of stressed loans transferred during the year ended 31 March 2024

Particulars	To ARCs	To permitted transferees	To other transferees
Number of accounts	409	-	-
Aggregate principal outstanding of loans transferred*	24.52 Crore	-	-
Weighted average residual tenor of the loans transferred	218 Months	-	-
Net book value of loans transferred (at the time of transfer)*	15.76 Crore	-	-
Aggregate consideration	22.32 Crores	-	-
Additional consideration realised in respect of accounts transferred in earlier years	-	-	-

##### (iii) Details of stressed loans transferred during the year ended 31 March 2023

Particulars	To ARCs	To permitted transferees	To other transferees
Number of accounts	745	-	-
Aggregate principal outstanding of loans transferred*	87.1 Crores	-	-
Weighted average residual tenor of the loans transferred	140 Months	-	-
Net book value of loans transferred (at the time of transfer)*	65.64 Crores	-	-
Aggregate consideration	72.92 Crores	-	-
Additional consideration realised in respect of accounts transferred in earlier years	-	-	-

\* The above figures includes sale of portfolio which have been written off in the past period. Hence, the net book value of such portfolio is Nil as on date of transfer.

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 62. Public disclosure on Liquidity Risk as at 31 March 2024

#### (i) Funding Concentration based on significant counterparty (both Deposits and Liabilities)

Financial Year	Number of Significant Counterparties	Amount	% of total deposits	% of total Liabilities
2023-24	18	5367.94	NA	90.12%
2022-23	15	4550.21	NA	95.55%

**Note:** A 'Significant Counterparty' is a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the Company's total liabilities.

#### (ii) Top 20 large deposits (amount ₹ in crores and % of total deposits)

The Company is a non-deposit taking housing finance company and does not accept any deposits from the public.

#### (iii) Top 10 borrowings (amount ₹ in crores and % of total borrowings)

Financial Year	Sanctioned	Outstanding	% of total Borrowings
2023-24	6,469.30	4,366.98	76.31%
2022-23	5,224.30	4,115.53	89.35%

#### (iv) Funding Concentration based on significant instrument/product

Name of the Instrument	FY 2023-24		FY 2022-23	
	Amount	% of total Liabilities	Amount	% of total Liabilities
Term Loan Facilities	4,641.29	77.91%	3,885.15	81.58%
Cash Credit Facilities	890.00	14.94%	275.00	5.77%
Non - Convertible Debentures	29.70	0.50%	270.00	5.67%
Subordinate Debt Instruments	100.00	1.68%	100.00	2.10%
Loan from PTC Investors	62.04	1.04%	75.68	1.59%

A single instrument/product shall be deemed as 'significant instrument/ product' if single instrument/ product or group of similar instruments/ products in aggregate amount to more than 1% of the Company total liabilities.

#### (v) Stock Ratios:

##### (a) Commercial papers as a % of total public funds, total liabilities and total assets

The Company has not raised any funds through issuance of Commercial Papers (CPs) and hence this disclosure is not applicable.

##### (b) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets

The Company does not have any Non-convertible debentures with original maturity of less than one year and hence this disclosure is not applicable.

##### (c) Other short-term liabilities, if any as a % of total public funds, total liabilities and total assets

Financial Year	Short term liabilities	% of Total Liabilities	% of Total Assets	% of Public Funds
2023-24	29.70	0.50%	0.36%	0.52%
2022-23	275.00	6.00%	4.61%	5.97%

The above stated 'Other short-term liabilities' includes working capital facilities.

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024  
(All amounts ₹ in crores unless otherwise stated)

### 62. Public disclosure on Liquidity Risk as at 31 March 2024 (Contd.)

#### (vi) Institutional set-up for liquidity risk management

The Company has an Asset Liability Committee (ALCO), constituted by the Board, which periodically reviews asset liability position of the Company. It also ensures that there are no excessive concentration on either assets or liability side of the balance sheet.

ALM is monitored as a regular process and necessary steps are taken wherever required. Company also maintains sufficient liquidity buffer through credit lines and other means to meet its liability when they are due, under both normal and stressed conditions in a timely manner. Maturity profile of financial assets and financial liabilities is assessed along with borrowings and business and as a part of review of liquidity position.

The Company has obtained fund based working capital lines and Term Loans from various banks and financial institutions. Further, the Company has access to funds from debt markets through non-convertible debentures and other debt instruments. Cash Credit / WCCL limits are renewed on annual basis and are therefore revolving in nature.

The Company has an Asset Liability Management Policy (ALM Policy). Liquidity risk is managed in accordance with ALM Policy. Same is reviewed periodically to incorporate regulatory changes, economic scenario and business requirements.

### 63. Disclosures in respect of Guidelines on Maintenance of Liquidity Coverage Ratio (LCR) as referred in para 3.1.2 of the Master Direction-Non-Banking Financial Company -Housing Finance Company (Reserve Bank) Directions 2021 and Annex II referred in para 15A of the Master Direction - Non-Banking Financials Company - Systematically Important Non- Deposit taking Company and Deposit taking Company ( Reserve Bank) Directions, 2016.

#### Appendix 1

Particulars	As on 31 March 24		As on 31 March 23	
	Total unweighted value (Average)*	Total weighted value (Average)#	Total unweighted value (Average)*	Total weighted value (Average)#
<b>High Quality Liquid Assets</b>				
1. Total High Quality Liquid Assets (HQLA)	204.63	204.63	396.18	396.18
<b>Cash Outflows</b>				
2. Deposits ( For deposit taking companies)	-	-	-	-
3. Unsecured wholesale funding	-	-	-	-
4. Secured wholesale funding	68.91	79.25	208.16	239.38
5. Additional requirements, of which				
(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-
6. Other contractual funding obligations	57.03	65.58	55.11	63.38
7. Other contingent funding obligations	288.43	331.69	89.55	102.98
<b>8. TOTAL CASH OUTFLOWS</b>	<b>414.37</b>	<b>476.52</b>	<b>352.81</b>	<b>405.74</b>
<b>Cash Inflows</b>				
9. Secured lending**	-	-	440.00	330.00
10. Inflows from fully performing exposures	94.15	70.61	61.54	46.15
11. Other cash inflows	736.95	552.71	3.37	2.53
<b>12. TOTAL CASH INFLOWS</b>	<b>831.10</b>	<b>623.32</b>	<b>504.91</b>	<b>378.68</b>

Particulars	Total Adjusted Value	
	As at 31 March 2024	As at 31 March 2023
13. TOTAL HQLA	204.63	396.18
14. TOTAL NET CASH OUTFLOWS	119.13	101.43
15. LIQUIDITY COVERAGE RATIO (%)	171.77%	390.58%
16. NHB Requirement w.e.f. 1st Dec 23 (%)	60.00%	50.00%

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024  
(All amounts ₹ in crores unless otherwise stated)

### 63. Disclosures in respect of Guidelines on Maintenance of Liquidity Coverage Ratio (LCR) as referred in para 3.1.2 of the Master Direction-Non-Banking Financial Company -Housing Finance Company (Reserve Bank) Directions 2021 and Annex II referred in para 15A of the Master Direction - Non-Banking Financials Company - Systematically Important Non- Deposit taking Company and Deposit taking Company ( Reserve Bank) Directions, 2016. (Contd.)

Particulars	Total Adjusted Value	
	As at 31 March 2024	As at 31 March 2023
<b>Components of HQLA</b>		
1. Assets to be included as HQLA without any haircut	204.63	396.18
2. Assets to be included for HQLA with a minimum haircut of 15%	-	-
3. Assets to be included for HQLA with a minimum haircut of 50%	-	-
4. Approved securities held as per the provisions of section 45 IB of RBI Act	-	-
<b>TOTAL HQLA</b>	<b>204.63</b>	<b>396.18</b>

\* Unweighted values calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

# Weighted values calculated after the application of respective stress factors on inflow and outflow.

\*\* Includes unutilised bank lines.

HQLA includes Balances with Banks in current accounts, Cash on Hand and Investments in Treasury bills and Government securities.

### 64. Annexure as required in terms of Master Direction – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21, updated as on 28 December 2021

#### Schedule to the Balance Sheet

Particulars	As at 31 March 2024		As at 31 March 2023	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
<b>Liabilities side</b>				
<b>1) Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid*</b>				
(a) Debentures : Secured	933.77	-	283.49	-
: Unsecured	-	-	-	-
(b) Deferred Credits	-	-	-	-
(c) Term Loans	4,638.27	-	3,879.57	-
(d) Inter-corporate loans and borrowing	-	-	-	-
(e) Commercial Paper	-	-	-	-
(f) Public Deposits	-	-	-	-
(g) Other Loans :	-	-	-	-
Loans repayable on demand	33.03	-	275.00	-
Subordinated liabilities	99.82	-	99.71	-
<b>2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):</b>				
(a) In the form of Unsecured debentures	-	-	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
(c) Other public deposits	-	-	-	-

\* Does not include loan from PTC investors amounting to ₹ 59.76 crores which forms part of securitised liability classified as borrowings in the Financials Statement as the same does not meet the derecognition criteria as per provision of Ind AS.

Particulars	As at 31 March 2024		As at 31 March 2023	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
<b>Assets side</b>				
<b>3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:</b>				
(a) Secured	7,155.74	-	5,497.85	-
(b) Unsecured	-	-	-	-

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 64. Annexure as required in terms of Master Direction – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21, updated as on 28 December 2021 (Contd.)

Particulars	As at 31 March 2024	As at 31 March 2023
	Amount outstanding	Amount outstanding
<b>Assets side</b>		
<b>4) Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities</b>		
(i) Lease assets including lease rentals under sundry debtors		
(a) Financial Lease	-	-
(b) Operating Lease	-	-
(ii) Stock on hire including hire charges under		
(a) Assets on Hire	-	-
(b) Repossessed Assets	-	-
(iii) Other Loans counting towards asset financing activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
<b>5) Breakup of Investments</b>		
<b>Current Investments</b>		
<b>1 Quoted</b>		
(i) Shares		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government securities	207.71	97.35
(v) Others	-	-
<b>2 Unquoted</b>		
(i) Shares		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government securities	-	-
(v) Others	-	-
<b>Long Term Investments</b>		
<b>1 Quoted</b>		
(i) Shares		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government securities	-	-
(v) Others	-	-
<b>2 Unquoted</b>		
(i) Shares		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government securities	-	-
(v) Others	-	-

## Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

### 64. Annexure as required in terms of Master Direction – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21, updated as on 28 December 2021 (Contd.)

Particulars	As at 31 March 2024			As at 31 March 2023		
	Amount net of provisions			Amount net of provisions		
Category	Secured	Unsecured	Total	Secured	Unsecured	Total
<b>6) Borrower group-wise classification of assets financed as in (3) and (4) above:</b>						
<b>1 Related Parties</b>						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other Related parties	-	-	-	-	-	-
<b>2 Other than related parties</b>	7,089.43	-	7,089.43	5,438.57	-	5,438.57
<b>Total</b>	<b>7,089.43</b>	<b>-</b>	<b>7,089.43</b>	<b>5,438.57</b>	<b>-</b>	<b>5,438.57</b>

Category	As at 31 March 2024		As at 31 March 2023	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
<b>7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):</b>				
<b>1 Related Parties</b>				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other Related parties	-	-	-	-
<b>2 Other than related parties</b>	207.77	207.71	97.38	97.35
<b>Total</b>	<b>207.77</b>	<b>207.71</b>	<b>97.38</b>	<b>97.35</b>

Particulars	As at 31 March 2024	As at 31 March 2023
<b>8) Other Information</b>		
(i) Gross Non Performing Assets		
(a) Related Parties	-	-
(b) Other than Related parties	68.02	44.55
(ii) Net Non Performing Assets		
(a) Related Parties	-	-
(b) Other than Related parties	40.02	21.88
(iii) Assets acquired in satisfaction of debt*	10.45	2.11

\*The above amount includes principal, other dues and Ind AS adjustments (after factoring retention ratio). The amount towards 'Assets acquired in satisfaction of debt' forms part of the loan assets disclosed by the Company and the same has also been classified as NPAs.

# Summary of Material Accounting Policies and Other Explanatory Information

for the year ended 31 March 2024

(All amounts ₹ in crores unless otherwise stated)

**65. During the year, to relieve COVID-19 pandemic related stress, the Company has invoked resolution plans for eligible borrowers based on the parameters laid down in accordance with the one time restructuring policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI on 6 August 2020**

**Disclosure pursuant to RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 for the year ended 31 March 2024**

Type of borrower	(A) Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of 30th Sep 2023 (A)	(B) Of (A), aggregate debt that slipped into NPA during six month period ended 31st Mar 2024	(C) Of (A) amount written off during six month period ended 31st Mar 2024 #	(D) Of (A) amount paid by the borrowers during six month period ended 31st Mar 2024 ##	(E) Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of 31st Mar 2024
Personal Loans	146.86	5.38	-	10.94	130.54
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
<b>Total</b>	<b>146.86</b>	<b>5.38</b>	<b>-</b>	<b>10.94</b>	<b>130.54</b>

\* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

# represents amount slipped into NPA and subsequently written off during the half year ended 13 March 2024.

## Amount paid by the borrower during the half year is net off additions in the borrower account & adjustments for realisation made through sale of stress assets.

**66.** The Board of Directors of Poonawalla Fincorp Limited, the erstwhile Holding Company at its meeting held on 14 December 2022 had accorded its consent for the sale of controlling stake ("Proposed Transaction") in Poonawalla Housing Finance Limited ("Company") to Perseus SG Pte. Ltd., an entity affiliated with TPG ("Perseus"). In view of the same, the Board of the Company at its meeting held on 14 December 2022 has taken note of the proposed transaction and executed a Share Purchase Agreement ("SPA") amongst PFL, Perseus and the Company on 14 December 2022, for the proposed sale of controlling stake i.e. 99.02% by PFL, subject to regulatory approvals and satisfaction of other customary conditions. Subsequently, the Company had filed an application with Reserve Bank of India (RBI) seeking prior requisite approval for the transfer of shareholding of the Company, together with the acquisition of control of the Company and change of management (i.e., non-executive non-independent directors) pursuant to Chapter VIII -Acquisition/Transfer of Control of RBI HFC Master Directions as amended from time to time. The RBI has granted its approval for change in shareholding vide its letter dated 30 May 2023 and change in management vide its letter dated 31 August 2023. Consequently, the divestment of equity shares held by Poonawalla Fincorp Limited and its nominees in favour of Perseus and its nominees, has been consummated on 26 July 2023, and the management of the Company was changed on 8 September 2023. Post successful consummation of the stake sale transaction, the Company has changed its name to "Grihum Housing Finance Limited" w.e.f. 17 November 2023.

**67.** Figures for the previous year. have been regrouped and / or reclassified whenever considered necessary.

**For G. D. Apte & Co.**  
Chartered Accountants  
Firm Registration no.: 100515W

For and on behalf of the Board of Directors  
**Grihum Housing Finance Limited**  
(Formerly Poonawalla Housing Finance Limited)

**Manish Jaiswal**  
Managing Director & Chief Executive Officer  
(DIN: 07859441)  
  
Place : Pune  
Date : 03 May 2024

**Sanjeev Mehra**  
Director  
(DIN: 07491208)  
  
Place : Mumbai  
Date : 03 May 2024

**C. M. Dixit**  
Partner  
Membership No.: 017532  
  
Place : Pune  
Date : 03 May 2024

**Pankaj Rathi**  
Chief Financial Officer  
  
Place : Pune  
Date : 03 May 2024

**Vaishnavi Suratwala**  
Company Secretary  
  
Place : Pune  
Date : 03 May 2024



RISING BHARAT

# Grihum Housing Finance Limited

(Formerly Poonawalla Housing Finance Limited)

CIN: U65922PN2004PLC208751 | ☎ 020-67808091 | ✉ [info@grihumhousing.com](mailto:info@grihumhousing.com)

**Registered Office:** 602, 6<sup>th</sup> Floor, Zero One IT Park, Survey No. 79/1, Ghorpadi, Mundhwa Road, Pune - 411036

