Aditya Birla Housing Finance Ltd.
(A part of Aditya Birla Capital Ltd.)

ADITYA BIRLA CAPITAL
PROTECTING INVESTING FINANCING ADVISING

(**PART – A**: PRIVATE AND CONFIDENTIAL (FOR ADDRESSEE ONLY)

**PLACEMENT MEMORANDUM- AS PER SCHEDULE II OF SEBI (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021**

**ADITYA BIRLA HOUSING FINANCE LIMITED**
**Corporate Identity Number (CIN):** U65922GJ2009PLC083779
**PAN:** AABCL6440R
**Date of Incorporation:** July 27, 2009
**Place of Incorporation:** Mumbai, Maharashtra
**NHB Reg No.:** 07.0113.14

(A Public Limited Company Incorporated under the Companies Act, 1956)
(Formerly known as Lil Investment Limited (LIL))
**Registered Office:** Indian Rayon Compound, Veraval, Gujarat 362266
**Corporate Office:** One World Center, Tower 1, 18th Floor, Jupiter Mill Compound, 841, Senapati Bapat Marg, Elphinstone Road, Mumbai 400 013, **Tel:** 022 43567100 **Fax:** 022 435
**Website:** www.adityabirlahousingfinance.com

| Company Secretary & Compliance Officer | CFO | Promoter(s) |
|---|---|---|
| **Ms. Swati Singh**<br>One World Center, Tower 1,<br>18th Floor, Jupiter Mill Compound 841,<br>Senapati Bapat Marg,<br>Elphinstone Road, Mumbai 400 013,<br>Tel: 022- 68460776 / 43567100 (B)<br>Fax: 022-43567266<br>Email Id: Swati.Singh7@adityabirlacapital.com | **Mr. Ashish Damani**<br>One World Center, Tower 1,<br>18th Floor, Jupiter Mill Compound 841,<br>Senapati Bapat Marg<br>Elphinstone Road, Mumbai 400 013<br>Phone No.: +91 22 4356 7100<br>Email Id:<br>ashish.damani@adityabirlacapital.com | **Aditya Birla Capital Limited**<br>One World Center, Tower 1, 18th Floor, Jupiter Mill Compound, 841, Senapati Bapat Marg, Elphinstone Road, Mumbai 400 013<br>Tel: 022 43567000<br>Fax: 022 43567111<br>Email Id:<br>abc.secretarial@adityabirlacapital.com<br>Wesbite: www.adityabirlacapital.com |

**ISSUE BY ADITYA BIRLA HOUSING FINANCE LIMITED ("Company" or "Issuer") OF 5000 SECURED, RATED, LISTED, TAXABLE, REDEEMABLE, NON- CONVERTIBLE DEBENTURES ("NCDs") OF FACE VALUE OF RS. 10,00,000 EACH AGGREGATING TO RS. FIVE HUNDRED CRORE ONLY WITH A GREEN SHOE UPTO RS. ONE HUNDRED CRORE ONLY ON A PRIVATE PLACEMENT BASIS ("Issue"), TO BE LISTED ON THE DEBT MARKET SEGMENT OF THE NATIONAL STOCK EXCHANGE AND BOMBAY STOCK EXCHANGE LIMITED (BSE LIMITED). (ABHFL NCD Series 'G1' FY2022-23)**

**ISSUER'S ABSOLUTE RESPONSIBILITY**

The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this placement memorandum contains all information with regard to the issuer and the issue which is material in the context of the issue, that the information contained in the placement memorandum is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading.

**UNDERTAKING OF THE ISSUER**

Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by any of the regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk factors' given on page number 2 under the Section 'General Risks'.

Aditya Birla Housing Finance Limited having made all reasonable inquiries, accepts responsibility for, and confirms that this Placement Memorandum contains all information with regard to the Issuer and the Issue, which is material in the context of the issue, that the Information contained in this Placement Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

The issuer has no side letter with any debt securities holder except the one(s) disclosed in the Placement Memorandum. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed.

**GENERAL RISKS**

Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Section [II] of this placement memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.

**RISKS IN RELATION TO TRADING OF SECURITIES**

No assurance can be given regarding an active or sustained trading in the securities of the Company/Issuer nor regarding the price at which the securities will be traded after listing.

**CREDIT RATING**

India Ratings & Research Private Limited has assigned a rating of "IND AAA/Stable" (for an amount of Rs.2,855.00 Crore) and ICRA Limited has assigned a rating (for the amount of Rs.3,451.70 crore) of "ICRA AAA/Stable".

Note: The rating is not a recommendation to buy, sell or hold securities and investors should take their own decisions. The rating may be subject to revision or withdrawal at any time by the assigning rating agency on the basis of new information and each rating should be evaluated independently of any other rating. Please refer Annexure II for the press release and rating rationale.

Neither the Issuer or any of its promoters or Directors is/are wilful defaulter.

The Company is in compliance with the necessary requirements of the Electronic Book Mechanism Guidelines and details pertaining to the uploading the placement memorandum on the Electronic Book Provider platform.

The Issue shall be open for bidding and subscribed to in accordance with the guidelines issued by SEBI and BSE pertaining to the procedure of Electronic Book Mechanism set out in the terms specified by the Operational Circular and the related operational guidelines issued by the concerned Electronic Book Provider, as may be amended, clarified or updated from time to time (collectively, "ElectronicBook Mechanism Guidelines").

**This Placement Memorandum is dated October 19, 2022**

**This is a Placement Memorandum.** Note: This Placement Memorandum is neither a Prospectus nor a Statement In lieu of Prospectus. It does not constitute an offer or an invitation to the public to subscribe to the Debentures to be issued by Aditya Birla Housing Finance Limited. This Placement Memorandum is intended to form the basis of evaluation for potential investors to whom it is addressed and who are willing and eligible to subscribe to these Debentures. The contents of this Placement Memorandum are intended to be used by the investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient. The Company can, at its sole and absolute discretion, change the terms of the offer.

| REGISTRARS & TRANSFER AGENT | DEBENTURE TRUSTEE | CREDIT RATING AGENCY | CREDIT RATING AGENCY |
|---|---|---|---|
| LINKIntime<br>Link Intime Pvt Ltd.<br>C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083<br>Ph no: +91 22 49186000<br>Fax no: +91 22 49186060<br>Email: isrl@intimespectrum.com<br>Website: www.linkintime.co.in | VISTRA ITCL<br>Vistra ITCL (India) Limited<br>Plot C-22, G- Block, BKC Bandra (E), Mumbai – 400 052<br>Ph no: +91 22 2653 3333<br>Contact: Mr. Sandesh Vaidya<br>Email: Sandesh.Vaidya@vistra.com<br>SEBI Reg. No. IND000000452<br>Website: www.vistraitcl.com | India Ratings & Research<br>A Fitch Group Company<br>**India Ratings & Research Private Ltd**<br>Wockhardt Tower, West Wing, Level 4, BKC, Bandra (East)<br>Mumbai 400 051<br>Ph no: 022-40001700<br>Fax no: 022-40001701<br>Contact person: Mr. Jinay Gala<br>Email ID: jinay.gala@indiaratings.co.in<br>Website: www.indiaratings.co.in | ICRA<br>A MOODY'S INVESTORS SERVICE COMPANY<br>**ICRA Limited**<br>1802, 18th Floor, Tower 3,<br>Indiabulls Finance Centre<br>Senapati Bapat Marg,<br>Elphinstone Road, Mumbai<br>Ph no: 022-6179 6300<br>Fax no: 022-2433 1390<br>Contact person: Ms. Neha Parikh<br>Email ID: neha.parikh@icraindia.com<br>Website: www.icra.in |

**ISSUE HIGHLIGHTS**

| | |
|---|---|
| Date of opening of the issue | Friday, 21 October, 2022 |
| Date of closing of the issue | |
| Date of earliest closing of the issue, if any | Not applicable |
| Credit Rating | IND AAA/Stable ( October 12, 2022);<br>ICRA AAA/Stable (October 12 , 2022) |
| Eligible Investors | As specified under clause "Who Can Apply" in this Placement Memorandm (Page No. – 56-57) |
| Coupon/Dividend Rate | 8.15% |
| Coupon Payment Frequency | Annually and maturity |
| Redemption Date | Monday, 25 October, 2032 |
| Redemption Amount | Rs 10,00,000/- per debenture |
| Details of Underwriting of the Issue | Not applicable |

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**SECTION I**

**DEFINITIONS AND ABBREVIATIONS**

| | |
|---|---|
| ABHFL or The Company | Aditya Birla Housing Finance Limited is a public limited company incorporated under the Companies Act, 1956 and is registered with National Housing Bank (NHB) under Section 29A of the NHB Act, 1987, as a Systemically Important Non-Deposit taking Housing Finance Company (HFC). |
| Arrangers | Lead Arranger and /or any other Arranger associated with the issuance |
| Articles | Articles of Association of the Company |
| ALM | Asset Liability Management |
| BSE | BSE Limited |
| Working Day | "working day" means all days on which commercial banks in Mumbai, are open for business. [Refer SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 Dated August 09, 2021 and SEBI Circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021), amended / supplemented from time to time] |
| Board / Board of Directors | The Board of Directors of the Issuer and includes any Committee thereof |
| CAGR | Compounded Annual Growth Rate |
| CAR | Capital Adequacy Ratio |
| CDSL | Central Depository Services (India) Limited |
| Debentures / NCDs | Secured, Redeemable, Non-Convertible Debentures of face value of Rs.10,00,000/- each |
| Debenture holder | The holders of the Debentures |
| Debenture Trustee Agreement (DTA) | **Debenture Trustee Agreement dated June 25, 2021** entered between the Company and Debenture Trustee |
| Debenture Trust Deed (DTD) | **Debenture Trust Deed dated June 25, 2021, entered into between the Company and Debenture Trustee** |
| Depository(ies) | National Securities Depository Limit ed (NSDL) and / or Central Depository Services (India) Limited (CDSL) |
| Placement Memorandum / Document | This Placement Memorandum through which the Debentures are being offered for private placement |
| DP | Depository Participant |
| FY | Financial Year |
| IPO | Initial Public Offering |
| I.T. Act | The Income Tax Act, 1961 (as amended from time to time) |

| | |
|---|---|
| Issue | **Private placement of Secured, Rated, Listed, Taxable, Redeemable, Non-Convertible Debentures (NCD) of face value of Rs.10,00,000/- each, aggregating Rs. 500 crore with a Green Shoe option of up to Rs. 100 crore only.**<br>The Company has completed the process of allotment of NCD's with respect to earlier offer(s) or invitation(s) and has complied with the provisions of sections 42(3) and other applicable provisions, if any, of the Companies Act, 2013, SEBI regulations, RBI Directions and such other laws, as may be applicable from time to time. |
| MCA | Ministry of Corporate Affairs, Government of India |
| MOA/ AOA | Memorandum of Association and Articles of Association of the Company |
| NAV | Net Asset Value |
| NBFC | Non-Banking Financial Company |
| NPA | Non-Performing Assets |
| NSDL | National Securities Depository Limited |
| NSE | National Stock Exchange of India Limited |
| Promoter | Aditya Birla Capital Ltd. (ABCL) (subsidiary of Grasim Industries Limited) |
| RBI | The Reserve Bank of India |
| Rs. / INR/ Rupees | The lawful currency of the Republic of India |
| ROC | The Registrar of Companies |
| RTGS | Real Time Gross Settlement System |
| SEBI | Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time) |
| SEBI Regulations | Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended by SEBI from time to time. |
| Term Sheet | Term Sheet to be issued by the Company for any Series containing the issue price, coupon rate and other conditions regarding Debentures |
| The Act | Shall mean provisions of the Companies Act, 2013 and the Companies Act, 2013 (including any statutory modification(s) or re-enactments thereof for the time being in force), which are in effect from time to time |
| Trustees | Trustees for the Debenture holders |
| DM | Debt Market |
| "We", "us" and "our" | Unless the context otherwise requires, Our Company and its Subsidiaries |

**GENERAL DISCLAIMER**

This document is not a "Prospectus" "but a "Offer Document"/ "Placement Memorandum" prepared in accordance with Securities and Exchange Board of India (Issue & Listing of Non-Convertible Securities) Regulations, 2021 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 6, 2008 as may be amended from time to time and NHB Directions. This document does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debentures to be issued by Aditya Birla Housing Finance Limited. The document is for the exclusive use to whom it is delivered and it should not be circulated or distributed to third party/ (ies). The Issuer Company certifies that the disclosures made in this document are generally adequate and are in conformity with the captioned SEBI and other applicable Regulations. This requirement is to facilitate investors to take an informed decision for making investment in the proposed Issue. The Company shall comply with applicable provisions of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and as amended from time to time in issue of Debentures under this Placement Memorandum.

**This Placement Memorandum ("Document") is neither a prospectus nor a statement in lieu of prospectus and does not constitute an offer to the public to subscribe for or otherwise acquire the Secured, Rated, Listed, Taxable, Redeemable, Non-Convertible Debentures of face value of Rs. 10,00,000/- each (NCDs) issued by the Company**

The issue of Debentures, to be listed on the NSE and BSE is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. No invitation is being made to any persons other than to those to whom application forms along with this Document have been sent. Any application by a person to whom the Document and Application Form have not been sent by the Company shall be rejected without assigning any reason. The person who is in receipt of this Document shall maintain utmost confidentiality regarding the contents of this Document and shall not reproduce or distribute in whole or in part or make any announcement in public or to a third party regarding the contents without the consent of the Issuer.

Apart from this Document, no Offer Document or Prospectus has been prepared in connection with this issue and that no Prospectus in relation to the Issuer or the Secured NCDs relating to this Offer has been delivered for registration nor such a document is required to be registered under the applicable laws.

This Document is issued by the Company and the views contained in this document do not necessarily reflect the views of its directors, employees, affiliates, subsidiaries or representatives and should not be taken as such. The Document has been prepared by the Company to provide general information on the Company and does not purport to contain all the information a potential investor may require.

Where this Document summarizes the provisions of any other document, that summary should not be relied upon and the relevant document should be referred to for the full effect of the provisions. The information relating to the Company contained in Document is believed by the Company to be accurate in all respects as of the date hereof.

The Document shall not be considered as a recommendation to purchase the Secured NCDs and recipients are urged to determine, investigate and evaluate for themselves the authenticity, origin, validity, accuracy, completeness, and adequacy or otherwise the relevance of information contained in this Document. The recipients are required to make their own independent valuation and judgment of the Company and the Secured NCDs. It is the responsibility of potential investors to also ensure that they will sell these Secured NCDs in strict accordance with this Document and other applicable laws, so that the sale does not constitute an offer to the public, within the meaning of the Companies Act 2013. The potential investors should also consult their own tax advisors on the tax implications relating to acquisition, ownership, sale or redemption of Secured NCDs and in respect of income arising thereon. Investors are also required to make their own assessment regarding their eligibility for making investment(s) in the Secured NCDs of the Company. The Company or any of its directors, employees, advisors, affiliates; subsidiaries or representatives do not accept any responsibility and / or liability for any loss or damage however arising and of whatever nature and extent in connection with the said information.

Neither the Arranger, if any, nor any of their respective affiliates or subsidiaries have independently verified the information set out in this Document or any other information (written or oral) transmitted or made to any prospective investor in the course of its evaluation of the Issuer.

The Arranger, if any, makes no representation or warranty, express or implied, as to the accuracy or completeness of the Document, and the Arranger, if any, does not accept any responsibility for the legality, validity, effectiveness, adequacy or

enforceability of any documentation executed or which may be executed in relation to this Offer. The Arranger is not required to file this document with SEBI / ROC / RBI as it is strictly on private placement basis to the prospective Investor to whom it is distributed and not an Offer to the general Public.

The contents of this Document are intended to be used only by those investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

**Each person receiving and acting on this Document acknowledges that such person**:

- has been afforded an opportunity to request and to review and has received all additional information considered by him / her / it to be necessary to verify the accuracy of or to supplement the information herein and
- has not relied on any intermediary that may be associated with any tranche or issuance of Secured NCDs in connection with its investigation of the accuracy of such information or its investment decision.

The Issuer does not undertake to update the Document to reflect subsequent events after the date of the Document and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer. Neither the delivery of this Document nor any sale of Secured NCDs made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

However, the Issuer shall, for every issue of Secured NCDs under this Document, file a Term Sheet and update this Document to the extent necessary, which, besides being with the NSE and BSE, shall be issued to the then potential investor of such issue of Secured NCDs.

The Document is made available to investors in the Issue on the strict understanding that it is confidential. **SEBI Disclaimer Clause**As per the provisions of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, a copy of this Document is not required to be filed with or submitted to SEBI. It is to be distinctly understood that this Document has not been cleared or vetted by SEBI. SEBI does not take any responsibility either for financial soundness of any scheme or the project for which the Issue is proposed to be made, or for the correctness of the statements made or opinions expressed in the Document. However, as per the proviso to sub rule 3 of rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a copy of this Placement Memorandum has to be filed with SEBI within a period of 30 days of circulation of this Placement Memorandum.

**Stock Exchange Disclaimer Clause**

As required, a copy of the Placement Memorandum for issue of Secured NCDs aggregating Rs 500 crore (Rupees Five Hundred crore Only) with a Green Shoe option of upto Rs. 100 crore (Rupees One Hundred crore only) on private placement basis has been filed with the DM segment of NSE and BSE in terms of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time .

It is to be distinctly understood that submission of the Placement Memorandum to the NSE and BSE should not in any way be deemed or construed to mean that the Placement Memorandum has been cleared or approved by NSE and BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Placement Memorandum, nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the NSE and BSE; nor does it take any responsibility for the financial or other soundness of the Issuer, its promoters, its management or any scheme or project of the Issuer.

This Document is to facilitate investors to take an informed decision for making investment in the proposed Issue.

**Disclaimer Clause of NHB**

The Company is having a valid Certificate of Registration dated July 09, 2014 issued by the National Housing Bank (NHB) under Section 29A of the NHB Act, 1987. However, the NHB does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinion expressed by the Company and for repayment of deposits / discharge of liabilities by the Company.

**Company Disclaimer Clause**

The Company has certified that the disclosures made in this DD are adequate and in conformity with SEBI guidelines and RBI/NHB Guidelines in force for the time being. This requirement is to facilitate investors to take an informed decision for making an investment in the proposed Issue. The Company accepts no responsibility for statements made otherwise than in the DD or any other material issued by or at the instance of the Company and that anyone placing reliance on any other source of information would be doing so at their own risk.

**Disclaimer in respect of Jurisdiction**

Issue of these Debentures have been/will be made in India to investors as specified under clause "Who Can Apply" in this DD, who have been/shall be specifically approached by the Company. This DD is not to be construed or constituted as an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. The Debentures are governed by and shall be construed in accordance with the existing Indian laws as applicable in the state of Gujarat. Any dispute arising in respect thereof will be subject to the exclusive jurisdiction of the courts and tribunals of Ahmedabad.

**Force Majeure**

The Company reserves the right to withdraw the Offer prior to the earliest closing date in the event of any unforeseen development adversely affecting the economic and regulatory environment or otherwise. In such an event, the Company will refund the application money, if any, along with interest payable on such application money, if any, without assigning any reason.

On the happening of Force Majeure Event, the Company shall have the following rights:
To extend or delay for a period of 3 (three) months from the date of actual payments (of such principal amounts and/or Coupon amounts that may be due and payable) all or part of the outstanding principal amounts and/or Coupon amountsdue and payable in respect of the Debentures. Provided that any extension of suchrepayment terms beyond a period of 3 (three) months from the actual due date of such payments shall require Debenture Holder(s) prior written consent; or Option at its sole discretion and at any time upon the trigger and/or during the subsistence of the Force Majeure Event for redeem all the debentures.

Provided that
(a) The Company shall, to the extent possible and reasonable, ensure that the Debenture Holder(s) receives the yield on their investment under the terms of the Offer Document.
(b) The Company shall notify the Debenture Trustee of the occurrence of Force Majeure Event within 14 (fourteen)Working Days of identifying the event as a Force Majeure Event. The Debenture Trustee and the Debenture Holder(s) shall maintain full confidentiality with respect to the occurrence of Force Majeure Event.
(i) Ensuing Force Majeure Event if any relevant government authority(ies) and/or agency(ies)
provides an option and/or mandates any waiver and/or relaxation in any manner, in respect of the obligations and/or performance of the Company under this Deed, the Company shall, have a right to opt for/request such waiver and/ or relaxation from the Debenture Trustee which shall not be withheld by the Debenture Trustee and/or Debenture Holders and shall provide to the Company such waiver and/or relaxation under any such notifications or advisories by any relevant regulatory agency or authority.

## SECTION II

## RISK FACTORS

### (A) Forward Looking Statements:

This Placement Memorandum contains certain "forward-looking statements". These forward looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "shall", "will", "will continue", "will pursue", "would", "will likely result", "is likely", "expected to", "will achieve", "contemplate", "seek to", "target", "propose to", "future", "goal", "project", "should", "can", "could", "may", "in management's judgment" or other words or phrases of similar import or variations of such expressions. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. The Company operates in a highly competitive, regulated and ever-changing business environment and a change in any of these variables may necessitate an alteration of the Company's plans. Further, these plans are not static, but are subject to continuous internal review and may be altered if the altered plans are perceived to suit the Company's needs better. Further, many of the plans may be based on one or more underlying assumptions (all of which may not be contained in this Document) which may not come to fruition. Thus, actual results may differ materially from those suggested by the forward-looking statements. The Company cannot be held liable by estoppels or otherwise for any forward-looking statements contained herein. The Company and all intermediaries associated with this Document do not undertake to inform Investors of any changes in any matter in respect of which a forward looking statements are made. All statements contained in this Document that are not statements of historical fact constitute "forward-looking statements" and are not forecasts or projections relating to the Company's financial performance. All forward-looking statements are subject to risks, uncertainties and assumptions that may cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that may cause actual results to differ materially from the Company's expectations include, among others:

- General economic and business conditions in India and abroad;
- Our ability to successfully implement our strategy, our growth and expansion plans and technological changes;
- Our ability to compete effectively and access funds at competitive cost;
- Changes in the value of Rupee and other currency changes;
- Unanticipated turbulence in interest rates, equity prices or other rates or prices; the performance of the financial and capital markets in India and globally;
- Availability of funds and willingness of our lenders to lend;
- Changes in political conditions in India;
- The rate of growth of our loan assets and level of NPAs in our portfolio;
- Potential mergers, acquisitions or restructuring and increased competition;
- The outcome of any legal or regulatory proceedings in which we are or may become a party to;
- Our ability to recruit and retain our management team and skilled personnel;
- Changes in Indian and foreign laws and regulations, including tax, accounting, banking, securities, investments and loans, foreign exchange, insurance and other regulations; changes in competition and the pricing environment in India; and regional or general changes in asset valuations; and
- Changes in laws and regulations that apply to NBFCs in India, including laws that impact our lending rates and our ability to enforce our collateral.

These are only illustrative and not exhaustive.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company, our Directors and Officers nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. For further discussion of factors that could cause our actual results to differ, see the section titled "Risk Factors".

### (B) Use of Market Data

Unless stated otherwise, macroeconomic and industry data used throughout this Document has been obtained from publications prepared by providers of industry information, government sources and multilateral institutions. Such publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Issuer believes that industry data used in this Placement Memorandum is reliable, it has not been independently verified.

**(C) Risk Factors**

The following are the risks envisaged by the management and Investors should consider the following risk factors carefully for evaluating the Company and its business before making any investment decision. Unless the context requires otherwise, the risk factors described below apply to Aditya Birla Housing Finance Limited only. The risks have been quantified wherever possible. If any one of the following stated risks actually occurs, the Company's business, financial conditions and results of operations could suffer and therefore, the value of the Company's debt securities could decline.

Note: Unless specified or quantified in the relevant risk factors, the Company is not in a position to quantify the financial or other implications of any risk mentioned herein below:

(A) INTERNAL RISK FACTORS

**1. As an HFC, one of the most important risks affecting the profitability of the Company is the risk of non-payment by the borrowers and other counterparties.**

Our Company's gross loan asset size as on **June 30, 2022 is Rs. 12,049 crore**. The size of our Company's loan assets are expected to continue to increase in the future as our Company expands its business in India and offers new products. Since most of our Company's borrowers are individuals and small and medium size companies, our Company's credit risk could be higher due to their potential inability to adapt to changes in the economic and industrial scenario and global technological changes as also changes in the Indian regulatory and political environment. This may lead to an increase in the number and value of our Company's NPAs.

Our Company is exposed to the risk that third parties which owe us money, securities or other assets may not perform their obligations. These parties may default on their obligations to us due to various reasons including bankruptcy, lack of liquidity, operational failure, and other reasons. Further, any delay in enforcing the collateral due to delays in enforcement proceedings before Indian courts or otherwise could expose our Company to potential losses.

In deciding whether to extend credit to or enter into transactions with customers and counter parties, our Company relies largely on information furnished by or on behalf of its customers, including financial information, based on which the Company performs its credit assessment. The Company may also depend on certain representations and undertakings as to the accuracy, correctness and completeness of information, and the verification of the same by agencies to which such functions are outsourced. Any such information, if materially misleading, may increase the risk of default. Our financial condition and results of operations could be negatively affected by relying on information that may not be true or may be materially misleading.

The Company has institutionalized a systematic credit evaluation process monitoring the performance of its asset portfolio on a regular and continual basis to detect any material development, and also constantly evaluates the changes and developments in sectors to which it has substantial exposure. The Company also undertakes a periodic review of its entire asset portfolio with a view to determine the portfolio valuation, identify potential areas of action and devise appropriate strategies thereon. The Company follows a provisioning and write-off policy which is in line with what is prescribed by the NHB.

Although our Company regularly reviews credit exposures to clients and counterparties, and to industries and geographical regions that our Company believes may present credit concerns, defaults may arise from events or circumstances that are difficult to detect or foresee.

**2. Interest Rate Risk**

The Company's business is largely dependent on interest income from its operations.

The Company is exposed to interest rate risk principally as a result of lending to customers at interest rates and in amounts and for periods, which may differ from its funding sources (institutional / bank borrowings and debt offerings). The Company seeks to match its interest rate positions to minimize interest rate risk.

Despite these efforts, there can be no assurance that significant interest rate movements will not have an effect on its results of operations. Interest rates are highly sensitive to many factors beyond its control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. Due to these factors interest rates in India have historically experienced a relatively high degree of volatility. Nevertheless the endeavor of the Company will be to keep the interest rate risk at minimum levels by proactively synchronizing resource securing and lending activities on an ongoing basis.

**3. Access to Capital Markets and Commercial Borrowings**

The Company's growth will depend on its continued ability to access funds at competitive rates. With the growth of its business, the Company is increasingly reliant on funding from the debt capital markets and commercial borrowings.
The market for such funds is competitive and its ability to obtain funds at competitive rates will depend on various factors, including its ability to maintain its credit ratings. While its borrowing costs have been competitive in the past due to its credit rating and the quality of its asset portfolio, if the Company is unable to access funds at an effective cost that is comparable to or lower than its competitors, the Company may not be able to offer competitive interest rates for its loans.
This may adversely impact its business and its future financial performance. The value of its collateral may decrease or the Company may experience delays in enforcing its collateral when its customers default on their obligations, which may result in failure to recover the expected value of collateral and adversely affect its financial performance.

The developments in the international markets affect the Indian economy including the financial liquidity position. Our Company is exposed to the risk of liquidity in the financial markets. Changes in economic and financial conditions could make it difficult for the Company to access funds at competitive rates. Being an HFC, we also face certain restrictions to raise money from international markets which are relatively cheaper sources of money and this further constrains our ability to raise cheaper funds.

**4. Failure to recover the expected value of collateral when borrowers default on their obligations to Company may adversely affect its financial performance.**

ABHFL cannot guarantee that it will be able to realize the full value of its collateral, due to, among other things, defects in the perfection of collateral, delays on its part in taking immediate action in bankruptcy foreclosure proceedings, stock market downturns, claims of other lenders, legal or judicial restraint and fraudulent transfers by borrowers. In the event a specialized regulatory agency gains jurisdiction over the borrower, creditor actions can be further delayed. In addition, to put in place an institutional mechanism for the timely and transparent restructuring of corporate debt, the RBI has devised a corporate debt restructuring system. Any failure to recover the expected value of collateral security could expose ABHFL to a potential loss. Apart from the RBI guidelines, ABHFL may be a part of a syndicate of lenders, the majority of whom elect to pursue a different course of action than the Company would have chosen. Any such unexpected loss could adversely affect business, prospects, results of operations and financial condition.

**5. Asset-Liability mismatches in the short term, which could affect company's liquidity position.**

The difference between the value of assets and liabilities maturing in any time period category provides the measure to which we are exposed to the liquidity risk. As is typical for several HFC, a portion of our funding requirements is met through short-term funding sources, i.e. working capital demand loans, cash credit, short term loans and commercial papers. However, some portion of our assets has medium or long-term maturities. As the Company grows its business, the proportion of medium and long-term assets in the portfolio is expected to grow. In the event that the existing and committed credit facilities are withdrawn or are not available to the Company, funding mismatches may be created and it could have an adverse effect on our business and our future financial performance.

**6. Our inability to control the number and value of NPAs in our portfolio could adversely affect our business and results of operations.**
The Company's inability to control or reduce the number and value of its NPAs may lead to deterioration of the quality of its loan portfolio and may severely impact its business.

While the Company's total provisioning against the NPAs at present may be adequate to cover all the identified losses in our loan portfolio, there may not be any assurance that in future the provisioning, though compliant with regulatory requirements, will be sufficient to cover all anticipated losses.

Further, the Company may not be able to meet its recovery targets set for the particular financial year due to the intense competition witnessed at both global and domestic levels. In such circumstances, there could be an increase in the number and value of NPAs which can impact the Company.

**7. System failures, infrastructure bottlenecks and security breaches in computer systems may adversely affect our business.**

Our businesses are highly dependent on our ability to process, on a daily basis, a large number of increasingly complex transactions. Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are wholly or partially beyond our control, including a disruption of electrical or communications services. If any of these systems do not operate properly or are disabled or if there are other shortcomings or failures in our internal processes or systems, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation. In addition, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our businesses and the localities in which we are located.

Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our computer systems, software and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security.

**8. Our indebtedness and restrictive covenants imposed by our financing agreements could restrict our ability to conduct our business and operations.**

Our financing agreements require us to maintain certain security margins. Should we breach any financial or other covenants contained in any of our financing agreements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs.

Under the terms of some of the credit lines, the Company is required to obtain the prior written consent of the concerned lender prior to the Company entering into any scheme of expansion, merger, amalgamation, compromise or reconstruction or selling, leasing, transferring all or a substantial portion of its fixed and other assets; making any change in ownership or control or constitution of our Company, or in the shareholding or management or majority of directors, or in the nature of business of our Company; or making amendments in the Company's Memorandum and Articles of Association. This may restrict/ delay some of the actions / initiatives that our Company may like to take from time to time.

**9. We may not get the benefits of being Aditya Birla Group Company in case of any change of control.**

In case of any change of control due to any event such as transfer of shares by our Promoter, preferential allotment to any investor, our ability to leverage the "Aditya Birla" brand may get affected and the benefits of being an Aditya Birla Group company including leveraging of business from other Aditya Birla Group companies may not be available to us and consequently, could adversely impact our business operations and profitability.

**10. We are exposed to various operational risks including the risk of fraud and other misconduct by employees or outsiders.**

Like other financial intermediaries, we are also exposed to various operational risks which include the risk of fraud or misconduct by our employees or even an outsider, unauthorized transactions by employees or third parties, misreporting and non-compliance of various statutory and legal requirements and operational errors. It may not be always possible to deter employees from the misconduct or the precautions we take to detect and prevent these activities may not be effective in all cases. Any such instances of employee misconduct or fraud, the improper use or disclosure of confidential information, could result in regulatory and legal proceedings and may harm our reputation and also our operations.

**11. We may not be able to attract or retain talented professionals required for our business.**

The complexity of our business operations requires highly skilled and experienced manpower. Such highly skilled personnel give us a competitive edge. Further the successful implementation of our growth plans would largely depend on the availability of such skilled manpower and our ability to attract such qualified manpower. We may lose many business opportunities and our business would suffer if such required manpower is not available on time. Though we have appropriate human resource policies in place, we may face the risk of losing our key management personnel due to reasons beyond our control and we may not be able to replace them in a satisfactory and timely manner which may adversely affect our business and our future financial performance.

**12. The Company faces increasing competition from established banks and HFCs. The successful implementation of our growth plans depends on our ability to face the competition.**

The Company's main competitors are established commercial banks and HFCs. Over the past few years, the financing area has seen the entry of banks, both nationalized as well as foreign. Banks have access to low cost funds which enables them to enjoy higher margins and / or offer finance at lower rates. HFCs do not have access to large quantities of low cost deposits, a factor which can render them less competitive. The Company also faces increased competition from new HFC's foraying into this space and some of which have been quite aggressive in their pricing to garner market share.

**13. We may have a high concentration of loans to certain customers or group of customers. If a substantial portion of these loans becomes non-performing, our business and financial performance could be affected.**

Our business of lending with or without securities exposes us to the risk of third parties that owe us money. Our loan portfolio and non-performing asset portfolio has, or may in the future, have a high concentration in certain customers or groups of customers. These parties may default on their obligations to us due to bankruptcy, lack of liquidity, operational failure, and breach of contract, government or other regulatory intervention and other reasons including inability to adapt to changes in the macro business environment. Historically, borrowers or borrower groups have been adversely affected by economic conditions in varying degrees. Credit losses due to financial difficulties of these borrowers / borrower groups in the future could adversely affect our business and our financial performance.

**(B) Risks Relating to the Utilization of Issue Proceeds**

**Our management will have significant flexibility in applying proceeds of the Issue.**

The funds raised through this Issue, after meeting the expenditures of and related to the Issue, will be used for our various activities, including but not restricted to, lending and investments, to repay our existing loans, our business operations including capital expenditure and working capital requirements.

The Main Objects clause of the Memorandum of Association of the Company permits the Company to undertake the activities for which the funds are being raised through the present Issue and also the activities which the Company has been carrying on till date.

The management of the Company, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above, the Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by the Board.

Further as per the provisions of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for this Issue.

**(C) Risks Relating to the Debentures**

**1. Changes in general interest rates in the economy may affect the price of our Debentures.**

All securities where a fixed rate of interest is offered, such as our Debentures, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and /or a growing economy, are likely to have a negative effect on the price of our Debentures.

**2. We are not required to maintain any Debenture Redemption Reserve (DRR) for the Debentures issued under this Placement Memorandum.**

No Debenture Redemption Reserve is being created for the issue of NCDs in pursuance of this Document since creation of Debenture Redemption Reserve is not required for the proposed issue of Debentures. In accordance with Rule the 18 (7) (b) (iii) (B) of Companies (Share Capital and Debentures) Rules 2014, Housing Finance Companies registered with National Housing Bank issuing debentures which are privately placed are not required to create DRR.

**3. Any downgrading in credit rating of our Debentures may affect the value of Debentures and thus our ability to raise further debts.**

The Company has obtained credit rating from the following agencies, of which the proposed issue forms a part:
**ICRA Limited has assigned a rating (for the amount of Rs. 3,451.70 crore) of "[ICRA] AAA (Stable)".**
**India Ratings Limited has assigned a rating (for the amount of Rs. 2,855 crore) of "[IND] AAA (Stable)".**

The Issuer cannot guarantee that the rating will not be downgraded. Such a downgrade in the above credit ratings may lower the value of the NCDs and may also affect the Issuer's ability to raise further debt.

**(D) EXTERNAL RISK FACTORS**

**1. We are subject to regulatory and legal risk which may adversely affect our business.**

The operations of an HFC are subject to regulations framed by the RBI and other authorities including regulations relating to foreign investment in India.

We are also subject to changes in Indian laws, regulations and accounting principles. There can be no assurance that the laws governing the Indian financial services sector will not change in the future or that such changes or the interpretation or enforcement of existing and future laws and rules by governmental and regulatory authorities will not affect our business and future financial performance.

**2. Our growth depends on the sustained growth of the Indian economy. An economic slowdown in India and abroad could have direct impact on our operations and profitability.**

Macroeconomic factors that affect the Indian economy and the global economic scenario have an impact on our business. The Indian economy has grown about 6.1% in FY19 ,4% in FY20 and (-)7.3% in FY21. Recent trends suggest that the economy may grow at a flat pace which may have a direct impact on our disbursements and a slowdown in the economy as a whole can increase the level of defaults thereby adversely impacting the Company's growth plans and the quality of its portfolio.

A sustained slowdown in the Indian economy could adversely affect its business, including its ability to grow its asset portfolio, the quality of its assets, and its ability to implement its strategy.
India's economy could be adversely affected by a general rise in interest rates, or various other factors affecting the growth of industrial, manufacturing and services sector or general down trend in the economy.

3. **Civil unrest, terrorist attacks and war could affect our business.**

Terrorist attacks and other acts of violence, war or conflicts, particularly those involving India, as well as the United States of America, the United Kingdom, Singapore and the European Union, may adversely affect Indian and global financial markets. Such acts may negatively impact business sentiment, which could adversely affect our business and profitability. India has from time to time experienced, and continues to experience, social and civil unrest, terrorist attacks and hostilities with neighboring countries. Also, some of India's neighboring countries have experienced, or are currently experiencing internal unrest. This, in turn, could have a material adverse effect on the market for securities including the Debentures. The consequences of any armed conflicts are unpredictable, and we may not be able to foresee events that could have an adverse effect on our business and the price and yield of our NCDs.

4. **Our business may be adversely impacted by natural calamities or unfavorable climatic changes.**

India, Nepal, Bangladesh, Pakistan, Indonesia and other Asian countries have experienced natural calamities such as earthquakes, floods, droughts and a tsunami in recent years. Some of these countries have also experienced pandemics, including the outbreak of avian flu / swine flu. The extent and severity of these natural disasters and pandemics determines their impact on these economies and in turn affects the financial services sector of which our Company is a part.

Prolonged spells of abnormal rainfall and other natural calamities could have an adverse impact on the economies in which we have operations, which could adversely affect our business and the price of our Debentures.

5. **Any downgrading of India's sovereign rating by an international rating agency (ies) may affect our business and our liquidity to a great extent.**

Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial performance and our ability to obtain financing to fund our growth on favorable terms, or at all.

**Notes to the Risk Factors**

Save, as stated elsewhere in this Placement Memorandum, since the date of the audited financial accounts, no developments have taken place that are likely to materially and adversely affect the performance or prospects of the Company.

**SECTION III**

**DISCLOSURES AS PER SCHEDULE II OF SEBI (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021 AS AMENDED**

**A. Issuer Information**

**Name and address of the following**

| | |
|---|---|
| **Registered Office** | **Aditya Birla Housing Finance Limited**<br>Indian Rayon Compound, Veraval Gujarat 362 266 |
| **Corporate Office** | **Aditya Birla Housing Finance Limited**<br>One World Center, Tower 1<br>18th Floor, Jupiter Mill Compound 841, Senapati Bapat Marg,<br>Elphinstone Road, Mumbai 400 013,<br>Tel: 022 43567100 Fax: 022 43567266<br>Website: www.adityabirlahousingfinance.com |
| **Company Secretary and of Compliance Officer** | **Ms. Swati Singh**<br>One World Center, Tower 1, 18th Floor, Jupiter Mill Compound 841,<br>Senapati Bapat Marg, Elphinstone Road, Mumbai 400 013,<br>Tel: 022- 68460776 / 43567100 (B)<br>Fax: 022-43567266<br>Email Id: Swati.Singh7@adityabirlacapital.com<br><br>Swati Singh will also act as Investor Relationship Manager and for the Grievance Redressal if any. ABHFL endeavors to resolve the investors' grievances within 30 days of its receipt. All grievances related to the issue quoting the Application Number (including prefix), number of bonds / debentures applied for, amount paid on application and Bank and Branch / ABHFL Collection Centre where the Application was submitted, may be addressed to the Swati Singh |
| **Details of CFO** | **Mr. Ashish Damani**<br>One World Center, Tower 1,<br>18th Floor, Jupiter Mill Compound 841, Senapati Bapat Marg<br>Elphinstone Road, Mumbai 400 013<br>Phone No.: +91 22 4356 7100<br>Email Id: ashish.damani@adityabirlacapital.com |
| **Legal Counsel** | None for this issue |
| **Guarantor** | None for this issue |
| **Arrangers** | None/If any arranger is added to the issue it will be mapped on the EBP |

| | |
|---|---|
| **Debenture Trustee** | **Vistra ITCL (India) Limited**<br>ILFS Financial Centre, Plot C-22, G-Block Bandra Kurla Complex Bandra (E),<br>Mumbai - 400 051<br>Tel: 022-2659 3535 Fax: 022- 2653 3297<br>Website : www.itclindia.com<br>**Contact : Mr. Sandesh Vaidya**<br>Email: Sandesh.Vaidya@vistra.com; SEBI Regna. IND000000452 |
| **Registrar of the Issue** | **Link Intime India Private Limited**<br>C 101, 247 Park, Pannalal Silk Mills Compound<br>LBS Marg Vikhroli West, Mumbai 400 083<br>Ph no: +91 22 49186000<br>Fax no: +91 22 49186060<br>Email: debtca@linkintime.co.in |
| **Credit Rating Agency 1** | **India Ratings & Research Private Ltd**<br>Wockhardt Tower, West Wing, Level 4 ,BKC, Bandra (East) Mumbai 400 051<br>Website: www.indiaratings.co.in<br>Ph No 022-40001700 Fax No 022-40001701 |
| **Credit Rating Agency 2** | **ICRA Limited**<br>1802, 18th Floor, Tower 3 Indiabulls Finance Centre<br>Senapati Bapat Marg, Elphinstone Road, Mumbai<br>Website: www.icra.in<br>Ph No: 022-6179 6300 Fax No: 022-2433 1390 |
| **Auditors of the Company** | **kkc & associates llp**<br>Chartered Accountants<br>(formerly Khimji Kunverji & Co LLP)<br>kkc & associates llp<br>Sunshine Tower, Level 19, Senapati Bapat Marg,<br>Elphinstone Road, Mumbai 400013,<br>Phone No.: +91 22 6143 7333<br>Contact person: Mr. Hasmukh B. Dedhia<br>Email ID: hasmukh@kkcllp.in<br>Website: https://kkcllp.in/ |

**B. A brief summary of the business/ activities of the Issuer and its line of business containing atleast following information**

**Brief History**

Aditya Birla Housing Finance Limited (ABHFL) previously known as LIL Investment Limited (LIL) is registered with the National Housing Bank (NHB) as a Systemically Important Non-Deposit Accepting Housing Finance Company (HFC). Headquartered in Mumbai, the financial services business has a wide network through its branches and associates across the country. The Company was incorporated on 27th July 2009, with the Registrar of Companies, Maharashtra, Bombay (Registration Number U65923MH2009PLC194378). The Company Law Board vide its order RD/STA/Sec.13/200 /02/2015/8986 dated March 18, 2015, had shifted its Registered Office from the state of Maharashtra to the state of Gujarat. The Registrar of Companies, Ahmedabad, Gujarat had vide its certificate dated 8th July 2015, issued a new Corporate Identification Number U65922GJ2009PLC083779. The Registered Office of the Company is situated at Indian Rayon Compound, Veraval, Gujarat – 362 266

**Industry Overview**

Housing Finance Companies (HFCs) act as a critical link in the overall financial system catering to a large market of niche customers. They are one of the major purveyors of credit in India.

HFCs in India offer a wide variety of financial services and play an important role in providing credit. As a result of consolidation and restructuring in the financial sector and liberalization and globalization of markets only a few strong HFCs now remain in business. However, competition has become intense due to the entry of the Indian and foreign banks into the retail lending business in a big way, thereby exerting pressure on margins. As compared to banks, HFCs have the ability to take quicker decisions and customize their services in accordance with the needs of the customer. Thus, HFCs can sustain in this competitive environment only through optimization of funding costs, identification of potential areas, widening geographical reach, and use of technology, cost efficiencies, strict credit monitoring and raising the level of customer service.

**Issuer Business Summary**

Aditya Birla Housing Finance Ltd (ABHFL), a part of the Aditya Birla Group, previously known as Lil Investment Limited (LIL) is a 100% subsidiary of Aditya Birla Capital Limited, registered with NHB and currently headquartered in Mumbai. The Company was incorporated on July 27, 2009 and received its Certificate of Registration form NHB on 9th July 2014. The Company intends to be among the largest players in the property backed lending.

The Company offers a complete range of housing finance solutions such as Home loans, Home Extension Loan, Plot & Home Construction Loan, Home Improvement Loans, Loan Against Property, Construction Financing, Lease Rental Discounting, Commercial Property Purchase Loan and Property Advisory Services**.**

**Subsidiaries**

The Company does not have any subsidiary as on **June 30, 2022**.

**Details of branches**

| The Company have Branch Offices as follow as on **June 30, 2022Sr No** | **Branch Name** | **City** | **State** | **Address** |
|---|---|---|---|---|
| 1 | Ahmedabad | Ahmedabad | Gujarat | 307, 3rd Floor, Turquoise, Panchwati Cross Roads, C.G.Road Ahmedabad - 380006 |
| 2 | Ahmedabad | Ahmedabad | Gujarat | C/o Aditya Birla Finance Ltd, 802, Samudra Annexe, Off C G Road, Near Hotel Classic Gold, Navrangpura, Ahmedabad - 380 009. |
| 3 | Ajmer | Ajmer | Rajasthan | 2nd floor, M Square, Plot No- 15,Ashok Vihar, Vaishali Nagar AJMER 305001 |
| 4 | Aurangabad | Aurangabad | Maharashtra | Unit No. 301, 3rd Floor, Nisha Pride, Aurangabad Jalna Road, Monda Naka, Aurangabad 431001 |
| 5 | Star Avenue | Bangalore | Karnataka | C/o Aditya Birla Finance Limited, No.1(78), Star Avenue, 6th Cross, Victoria Layout, Victoria Road, Bangalore – 560025 |
| 6 | Bhopal | Bhopal | Madhya Pradesh | Unit No. 302, 2nd Floor, Kay Kay Business Center, Plot No 133, M P Nagar , Zone 1 , Bhopal 462011 |
| 7 | Bhubaneshwar | Bhubaneshwar | Orissa | C/o Aditya Birla Finance Ltd, Geetanjali Complex\|3rd Floor\|Lewis Road\|Bhubaneswar\|Odisha 751002 |
| 8 | Jaipur - Ambition Tower | Jaipur | Rajasthan | Ambition Tower, Office No. 702, 703 & 704, B-46-B, Subhash Marg, Agrsen Circle,"C" Scheme, Jaipur - 302001 |
| 9 | Jalandhar | Jalandhar | Punjab | Office No 27, 2nd Floor, City Square Bldg, EH-197, Civil Lines, Jalandhar -144001 |
| 10 | Jodhpur | Jodhpur | Rajasthan | Sabu Tower , 3rd floor , #2 chopasani road, opp. Dhanlaxmi bank, jodhpur 342003 |
| 11 | Kalyan | Kalyan | Maharashtra | Unit Nos. 201 & 202 situated on the 2nd Floor, of Sai Arcade, Shivaji Chowk Above bank Of Maharashtra Kalyan.(W) |
| 12 | Lucknow | Lucknow | Uttar Pradesh | Unit No-3B, 3rd floor, Capital House, 2, Tilak Marg, Lucknow – 226 001 |
| 13 | Meerut | Meerut | Uttar Pradesh | 1st floor, Park Plaza, 185/1, Mangal Pandey Nagar, Meerut, Uttar Pradesh-250 004 |

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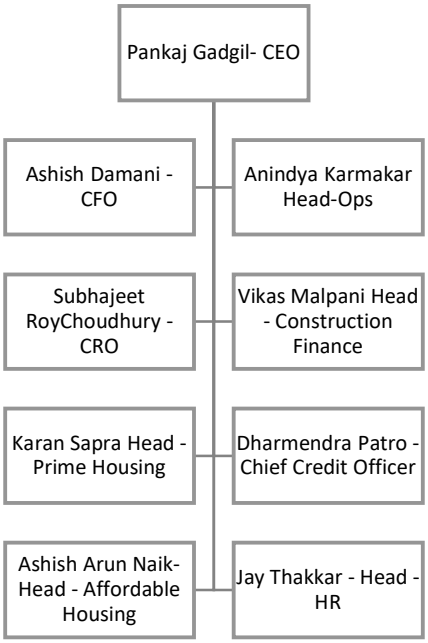
|---|---|---|---|---|
| 14 | Mehsana | Mehsana | Gujarat | 2nd Floor, Jaydev Complex, Opp. Pashabhai Petrol Pump,State Highway, Mehsana – 384002 |
| 15 | Thane | Thane | Maharashtra | C/o Aditya Birla Finance Ltd, Gcorp Tech Park, 5th Floor, Ghodbunder Rd, Next to Hypercity Mall, Thane - 400601 |
| 16 | R-Tech | Mumbai | Maharashtra | 10th Floor, R-TECH PARK, Nirlon Complex, Off Western Express Highway , Goregaon (E) Mumbai- 400063 |
| 17 | Nagpur | Nagpur | Maharashtra | Unit No 701-A, Shri RamShyam Towers, Kingsway, Nagpur - 440001 |
| 18 | Nasik | Nasik | Maharashtra | Unit No 5, 3rd Floor, Raghukul Vihar, Opp Takle Jewellers, College Road, Nashik - 422005 |
| 19 | Palghar | Palghar | Maharashtra | Shop Nos. 1, 2, 3, 4 and Unit Nos. 101 & 102, “Pushkaraj”, Opposite UCO Bank, Bhausaheb Dandekar Marg, Off Mahim Road, Palghar (W), Taluka & District Palghar, Palghar – 401404. |
| 20 | Patiala | Patiala | Punjab | 1st Floor, J&K Bank Building, Opp. Income tax office, Patiala-147001 |
| 21 | Raipur | Raipur | Chhattisgarh | C/o Aditya Birla Finance Ltd, 4th Flr., Skypark, Adjacent to E Road, Ravi Nagar, Opp Rani Sati Mandir,,Raipur - ,Raipur,Chhattisgarh India 492001 |
| 22 | Rajkot | Rajkot | Gujarat | Office No 104, 105 and 106,Heera Panna Complex,Opp Rotary Dolls Museum,Dr Yagnik Road, Rajkot – 360001 |
| 23 | Ratlam | Ratlam | Madhya Pradesh | 1st Flr., My Dear, 22, Rajendra Prasad Marg, Ratlam - 457001 |
| 24 | Secunderabad | Secunderabad | Andhra Pradesh | 3rd and 4th Floor, Mayfair Complex, Opp. Hockey Stadium, S. P. Road, Secunderabad, District Hyderabad, Telangana – 500003 |
| 25 | Vishakhapatnam | Vishakhapatnam | Andhra Pradesh | 2nd Flr, Shankar Plaza, Shankar Mathan Road, Dwarka Nagar, Visakhapatnam, 530016 |
| 26 | Zirakpur | Zirakpur | Punjab | Unit No.38 A & 39, 1st Floor, CCC Chandigarh City Centre, VIP Road, Block B, Zirakpur, Chandigarh 140603 |
| 27 | Ranchi | Ranchi | Jharkhand | 1st Floor, Bansal Plaza, Block F,Old HB Road, Ramdev Baba Clinic,Ranchi-834001 |
| 28 | Mumbai | Mumbai | Maharashtra | One World Centre, Tower 1, 18th Floor, Jupiter Mills Compound, 841 Senapati Bapat Marg, Elphinstone Road, Mumbai - 400013 |
| 29 | Mysore | Mysore | Karnataka | MRN Signature, #7, Kamakshi Hospital, Saraswathipuram, Mysore - 9 |
| 30 | Vapi | Vapi | Gujarat | Shop No 2, 1st Floor, Girnar Khushboo Plaza, GIDC, Vapi |
| 31 | Chennai - Guindy | Chennai | Tamilnadu | M-7, Thiru-Vi-Ka Industrial Estate, Guindy Industrial Estate, SIDCO Industrial Estate, Guindy, Chennai – 600032 |
| 32 | Erode | Erode | Tamilnadu | 2nd Flr. Of 409/2, Brough Road, Erode - 638011 |
| 33 | Guwahati | Guwahati | Assam | Orion Place, 2nd Floor, G S Road, Near Mizoram House, Guwahati 781005, Assam |
| 34 | Barakhamba Road | New Delhi | New Delhi | Aditya Birla Finance Ltd, N-17, First Floor, Vijaya Building, Barakhamba Road, New Delhi-110001 |
| 35 | Panipat | Panipat | Haryana | Unit Nos. 1180, 1181, Royal II, First Floor, G. T. Road, Opp. Railway Road, Panipat, Haryana - 132103 |
| 36 | Kanpur | Kanpur | Uttar Pradesh | 2nd & 3rd Floor, JS Tower,16/106, The Mall, Kanpur (Nagar) District, Uttar Pradesh 208001 |
| 37 | Noida | Noida | Uttar Pradesh | D 17, Sector 3, NOIDA, 201301 |
| 38 | Surat | Surat | Gujarat | Milestone Fiesta, Off No. 203 to 211 (3rd Floor, Near TGB Circle, L P Sawani Road, Surat 395009 |
| 39 | Kota | Rajasthan | Rajasthan | Plot no 288, 1st Floor,Shopping Centre, Above Bandhan Bank, Kota – Rajasthan - 324007 |
| 40 | Pune | Pune | Maharashtra | Lohia Jain Arcade, St. No 106, Near Chaturshrungi Temple, S B Road, Pune - 411016 |
| 41 | Amravati | Amravati | Maharashtra | 2nd Floor, Malviya Estate, Malviya Square, Near Old Cotton Market, Amravati - 444601, Maharashtra |
| 42 | Nellore | Nellore | Andhra Pradesh | Door # 16-1-7, 2nd Floor, "Neelima Towers", R R Street, A C Statue, Nellore - 524001 |

| | | | | |
|---|---|---|---|---|
| 43 | Kakinada | Kakinada | Andhra Pradesh | 1st Floor, L N T House, Nookalamma Temple Street, Suryaraopeta, Kakinada – 533001, Andhra Pradesh |
| 44 | Tirupati | Tirupati | Andhra Pradesh | 1st Floor, 18-2-263/C4, CMR Complex-1, Ashok Nagar, Tirumala Bye Pass Road, Tirupati-517501, Andhra Pradesh |
| 45 | Rajahmundry | Rajahmundry | Andhra Pradesh | #46-17-12, 1st Floor, Kilari Enclave, Danavaipet, Rajahmundry - 533103, Andhra Pradesh |
| 46 | Eluru | Eluru | Andhra Pradesh | Ground Floor, 22B-13-11, Jaganath Towers, Opp UCO Bank, Powerpet, Eluru - 534002 |
| 47 | Sikar | Sikar | Rajasthan | 1st Floor, Sethi Bhawan, Opp. Police Control Room, Silver Jubilee Raod, Sikar ( Raj. ) 332001 |
| 48 | Sonipat | Sonipat | Haryana | Plot No 3, 1st Floor, Karur Vyasa Bank, Teacher Colony, Atlas Road, Sonipat , Haryana, 132103 |
| 49 | Jamnagar | Jamnagar | Gujarat | 3rd Flr., Unit No 302, Neo Atlantic, P N Marg, Opp Ambar Cinema, Jamnagar, 361008 |
| 50 | Ankleshwar | Ankleshwar | Gujarat | Unit No 10 & 11, 2nd Floor, Roshani Plaza, Old NH-8, GIDC, Ankleshwar - 393002, Gujarat |
| 51 | Ujjain | Ujjain | Madhya Pradesh | “Narayan Bhavan”, Ground floor, 14, Bhoj Marg, Opp. Old Collector Bungalow, Freeganj, Ujjain – 456010, Madhya Pradesh |
| 52 | Belapur | Belapur | Maharashtra | Shop No. 2, Ground Floor, Monarch Plaza, Plot No.56, Sector 11, CBD, Belapur 400614 |
| 53 | Mangalore | Mangalore | Karnataka | 03rd floor, Kayarmanj, M G Road, Mangalore - 575003, Karnataka |
| 54 | Vellore | Vellore | Tamilnadu | 1st Floor, Sri Balaji Complex, Plot no:306A, Kadpadi Main road, Near Palar Bridge, Virudhuampet, Vellore-632006, Tamil Nadu |
| 55 | Agra | Agra | Uttar Pradesh | Unit No.710-A, 7th Floor, Corporate Park, B 109, Sanjay Place, Agra, Uttar Pradesh 282005 |
| 56 | Anand | Anand | Gujarat | Office No. 05, 2nd Floor, Royale Citadel, Keval Bungalow Society, V. V. Nagar Road, Anand, Gujarat – 388 120 |
| 57 | Aligarh | Aligarh | Uttar Pradesh | 1st Floor, Centre Point Market, Samad Road, Aligarh, UP-202002 |
| 58 | Bhilai | Bhilai | Chhattisgarh | Shivnath Complex, 3rd Floor, Chauhan Estate, Near Maurya Talkies, G.E. Road, Bhilai. Chhattisgarh - 490023 |
| 59 | Kolhapur | Kolhapur | Maharashtra | Dattawad Renaisance, 2nd Floor, C.N. No 334, E Ward, Station Road, Kolhapur, Maharashtra 416001 |
| 60 | Indore | Indore | Madhya Pradesh | Benchmark Business Park, 5th Floor, Block No A-3, Scheme No-54, PU-4, Opposite Satya Sai School, Vijaynagar, Indore-452010 |
| 61 | Trichy | Trichy | Tamilnadu | 3rd floor,Building, No.14, Benwells Road, Cantonment, Trichy – 620001 |
| 62 | Janakpuri | New Delhi | New Delhi | B1-26/27, 1st floor, Community Centre, Janakpuri, New Delhi – 110058 |
| 63 | Vadodara | Vadodara | Gujarat | Unit No. 201 & Part of Unit No. 202, 2nd Floor, A1 Smeet, Sarabhai Campus, Nr. Ganda Circle, Gorwa Road, Vadodara, Gujarat – 390 023 |
| 64 | Gurgaon | Gurgaon | Haryana | Unit no 301, 301 A, 308, 309, 310 & 311, 3rd Floor, Platina Tower, M G Road, Gurgaon, Haryana – 122 022 |
| 65 | Badlapur | Thane | Maharashtra | First Floor, Sai Sidhivinayak, Plot No. 54, Kulgaon Society, Kulgaon, Badlapur East 421503 |
| 66 | Salem | Salem | Tamilnadu | Shop Nos 123 to 130, Ground Floor, Kandaswarna Mall, Block-B, Saradha College Road, Fairlands, Salem, Tamil Nadu – 636016 |
| 67 | Surendra Nagar | Surendra Nagar | Gujarat | Shop # 145, 1st Floor, Mega Mall, Near Milan Cinema, Main Road, Surendra Nagar – 363 001 |
| 68 | Allahabad | Allahabad | Uttar Pradesh | 3rd Floor, Adarsh Square, Sardar Patel Marg, Civil Lines, Allahabad, Uttar Pradesh - 211001 |
| 69 | Ratnagiri | Ratnagiri | Maharashtra | Shop No. 101 to 105, First Floor, Siddhivinayak City Centre, Siddhivinayak Nagar, Shivajinagar, Ratnagiri - 415 612 |
| 70 | Bhilwara | Bhilwara | Rajasthan | 203-204, 2nd Floor, Govindam, Old RTO Road, Bhilwara - 311001 |
| 71 | Alwar | Alwar | Rajasthan | Shop # 2, 1st Floor, Road # 2, Scheme 1, Jai Complex, Alwar - 301001, Rajasthan |

| | | | | |
|---|---|---|---|---|
| 72 | Siliguri | Siliguri | West Bengal | 1st Floor, SATURN'S, Sevoke Road, P.O. & P.S. – Siliguri, District Darjeeling, West Bengal – 734 001 |
| 73 | Gandhinagar | Gandhinagar | Gujarat | Unit No. 303/A, 03rd Floor, Plot No. 11, White House, Near HP Petrol Pump, Sector - 11, Opp. Vidhan Sabha, Gandhinagar, Gujarat - 382 010 |
| 74 | Navsari | Navsari | Gujarat | Office No. 104, 1st Floor, Swiss Cottage, Asha Nagar, Navsari, Gujarat - 396 445 |
| 75 | Junagadh | Junagadh | Gujarat | Shop No 04, 1st Floor, Seven Seas Building, Nr. Moti Baug, Vanthali Road, Junagadh, Gujarat - 362001 |
| 76 | Bhavnagar | Bhavnagar | Gujarat | 1st Floor, Plot No. 2110/B, Sumeru Elite, Opp. Custom Office, Parimal Chowk, Off. Waghawadi Road, Bhavnagar, Gujarat - 364001 |
| 77 | Virar | Palghar | Maharashtra | Parikh Commercial Centre, Office No. 301, 302 and 303, Premium Park, Agashi Road, Virar West, Dist. Palghar, Maharashtra 401303 |
| 78 | Bareilly | Bareilly | Uttar Pradesh | 3rd Floor, 156, Civil Lines, Nr SBI Main Branch, Station Road, Bareilly, UP – 243001 |
| 79 | Davangere | Davangere | Karnataka | Floor, VHV Heights, Hadadi Road, Davanagere, Karnataka – 577 002 |
| 80 | Saharanpur | Saharanpur | Uttar Pradesh | 2A/2390, 1st Floor, Mohalla Ram Nagar, Pathanpura, Near - Clock Tower, Dehradun Road, Saharanpur, Uttar Pradesh – 247001 |
| 81 | Bilaspur | Bilaspur | Chhattisgarh | A3, 1st Floor, Vyapar Vihar Road, Ward No 9, Village Talapara, Bilaspur, Chhattisgarh, 495001 District: Bilaspur |
| 82 | Madurai | Madurai | Tamilnadu | 2nd Floor, 2/3, G.V. Towers, Melakkal Main Road, Near Passport Office, Madurai, Tamil Nadu - 625016 |
| 83 | Gwalior | Gwalior | Madhya Pradesh | 3rd Floor, Orion Tower, City Centre, Gwalior - 474011, Madhya Pradesh |
| 84 | Karnal | Karnal | Haryana | SCO No-220, 1st Flr., Sector - 12, HUDA, Karnal, Haryana - 132001 |
| 85 | Mahbubnagar | Mahbubnagar | Telangana | D.No.7-5-111,1st floor,Central Bank Upstairs,Near Petrol Bunk,Padmavathi Colony,Mahbubnagar,Telangana-509001 |
| 86 | Pali | Pali | Rajasthan | 2nd Floor, Jai Plaza, V. D. Nagar, Pali, Rajasthan - 306401 |
| 87 | Ludhiana | Ludhiana | Punjab | Ground Floor and First Floor, SCO - 130-132, Apra Tower, Feroze Gandhi Market, Ludhiana, Punjab - 141001 |
| 88 | Pimpri | Pune | Maharashtra | Office No. 3, Sr. No. 38, CTS 5836, Ground Floor, MSR Capital, Pimpri, Morwadi, Pune, Maharashtra - 411 018 |
| 89 | Haridwar | Haridwar | Uttarakhand | 2nd Floor, building No. 397/323/2, Avas Vikas Colony, Pargana-Jawalapur, Tehsil & Distt. Haridwar, Uttarakhand - 249 407 |
| 90 | Mathura | Mathura | Uttar Pradesh | 1st Floor, Tera Tower, Bhuteshwar Road, Mathura, Uttar Pradesh – 281 004 |
| 91 | Jhansi | Jhansi | Uttar Pradesh | 2nd Floor, City Plaza, Elite Plaza Road, Above Axis Bank, Civil Lines, Jhansi, Uttar Pradesh - 284001 |
| 92 | Kolkata | Kolkata | West Bengal | 2nd Floor, Bangur BFL Estate, 31 Chowringhee Road, Kolkata, West Bengal - 700016 |
| 93 | Udaipur | Udaipur | Rajasthan | 1st Floor, Manohar Heights, 16-C, Bank Street, Madhuban, Udaipur, Rajasthan - 313001 |
| 94 | Dehradun | Dehradun | Uttarakhand | Shop No. 3, 4 and 5, 3rd Floor, M J Tower, Plot No. 235/413, Rajpur Road, Dehradun, Uttarakhand - 248001 |
| 95 | Ambala | Ambala | Haryana | 1st & 2nd Floor, RR Complex, Above IDFC First Bank, Geeta Gopal Chauraha, Jagdhari Road, Ambala Cant., Haryana – 133 001 |
| 96 | Rajnandgaon | Rajnandgaon | Chhattisgarh | 1st Floor, Gyan Commercial Complex, Kaurinbhata Road, Besides Digvijay Stadium, Rajnandgaon, Chhhattisgarh - 491 441 |
| 97 | Shivpuri | Shivpuri | Madhya Pradesh | 01st Floor, Guru Kripa Bhavan, Near Aadhar Finance, Gwalior Bypass Circle, Shivpuri, Madhya Pradesh - 473 551 |

| | | | | |
|---|---|---|---|---|
| 98 | Jabalpur | Jabalpur | Madhya Pradesh | 2224/1, 3rd Floor, Regal Towers, Napier Town, Swami Dayanand Saraswati Ward, Jabalpur, Madhya Pradesh - 482001 |
| 99 | Solapur | Solapur | Maharashtra | Office No. 83/D/1, CTS No. 8336/D/1, First Floor, H. R. Heights, Solapur Railway Lines, Solapur, Maharashtra – 413001 |
| 100 | Varanasi | Varanasi | Uttar Pradesh | 4th Floor, Kuber A.C Market, D 58/2, Unit No 20, 18, 17, Rathyatra Crossing, Varanasi - 221010, Uttar Pradesh |
| 101 | Yamuna Nagar | Yamuna Nagar | Haryana | 1st Floor, SCO – 181 – 182, HUDA Mkt, Sector –17, Jagadhari, Yamuna Nagar, Haryana – 135 001 |
| 102 | Dewas | Dewas | Madhya Pradesh | Ground Floor, Suryavanshi Building, 76, Tilak Nagar, Dewas, Madhya Pradesh - 455 001 |
| 103 | Itarsi | Itarsi | Madhya Pradesh | 18/1, 1st Floor, Keny Heights, Lane No. 11, Itarsi - 461111 |
| 104 | Khargone | Khargone | Madhya Pradesh | GS – 204, 2nd Floor, Radha Vallabh Complex, Khargone, Madhya Pradesh – 451 001 |
| 105 | Mandi | Mandi | Himachal Pradesh | 02nd Floor, 366/7, Beside BSNL Office, Opp. Indra Market, Mandi, Himachal Pradesh – 175 001 |
| 106 | Roorkee | Roorkee | Uttarakhand | 01st Floor, Plot No. 173, BSM Chowk, NH73, Roorkee, Uttarakhand - 247 667 |
| 107 | Valsad | Valsad | Gujarat | 1st Floor, Mahadev Niwas, Opp. Doctor House, Halar Road, Valsad, Gujarat – 396 001 |
| 108 | Ongole | Ongole | Andhra Pradesh | 1st Floor, ARN Complex, 37-1-169, Kurnool road, Ongole, Prakasam District, Andhra Pradesh – 523 002 |
| 109 | Palanpur | Palanpur | Gujarat | 2nd Floor, Dev Darshan, Hall No 4 (Part), Plot No. 3, 4, 5, 10, 11, 12, Opp. Circuit House, Dist. Banaskantha, Palanpur, Gujarat – 385 001 |
| 110 | Puducherry | Puducherry | Pondicherry | 1st Floor, Bass Towers, Plot No. 14 & 15 ECR Road, Karuvadikuppam, Puducherry – 605 008 |
| 111 | Warangal | Warangal | Andhra Pradesh | 1-7-1423, 1st Floor SVA Plaza, Near HP Petrol Bunk, Balasamudram, Hanamkonda, Telangana, Andhra Pradesh – 506001 |
| 112 | Coimbatore | Coimbatore | Tamilnadu | 1st & 2nd Floor, 739, Avanashi Road, Coimbatore, Tamil Nadu - 641 018 |
| 113 | Jaipur | Jaipur | Rajasthan | 1st, 2nd & 3rd Floor, C-23, Ashok Marg, C-Scheme Jaipur, Rajasthan – 302 001 |
| 114 | Vijayawada | Vijayawada | Andhra Pradesh | 3rd Floor, 40-1-52C, MG road, Patamatalanka, Vijayawada, Andhra Pradesh – 520010 |
| 115 | Guntur | Guntur | Andhra Pradesh | 1st Floor, Nandini Plaza 14/1, Arundelpet, Guntur, Andhra Pradesh – 522001 |
| 116 | Karimnagar | Karimnagar | Telangana | 3-1-9,10, Y. V. Reddy Centre, CVRN Road, Opposite Veterinary Hospital, Karimnagar, Telangana - 505001 |
| 117 | Jalgaon | Jalgaon | Maharashtra | 2nd Floor, City Center, Office No. 1, 2, 3, 4, CTS2125/9, Jalgaon, Maharashtra - 425001 |
| 118 | Chhindwara | Chhindwara | Madhya Pradesh | 1st Floor, Block No. 54, Plot No. 5/68, 5/76, P.H. No. 22, B. No. 177, Ward No. 46, Jhulelal Ward VIP Road, Chhindwara, Madhya Pradesh - 480001 |
| 119 | Jamshedpur | Jamshedpur | Jharkhand | 2nd Floor, Dhiren Tower, Q Road, S. B. Shop Area, Bistupur, Jamshedpur - 831001 |
| 120 | Alwar | Alwar | Rajasthan | 2nd Floor, Ahana Tower, Near Jai Complex, Alwar, Rajasthan - 301801 |
| 121 | Ranchi | Ranchi | Jharkhand | 3rd Floor, Saluja Tower, Pepee Compound, Ranchi, Jharkhand - 834001 |

**Senior Management Team**




**Strengths**

We believe that the following are our key strengths:

**Experienced management team**

We believe that our senior management and our talented and experienced professionals are and would continue to be the principal drivers of our growth and success in all of our businesses. Our senior management team is supported by professionals from varied backgrounds who bring significant expertise in their respective lines of business. We believe that the extensive experience and financial acumen of our management and professionals provide us with a distinct competitive advantage.

**Innovative solutions model**

Our focus on coverage and ability to provide innovative solutions enables us to establish long-term relationships with corporate and retail clients. Our business model is based on providing services where we employ dedicated relationship and product managers for each key business line. This enables us to create capabilities and expertise for each product and which we believe benefits customers in achieving their desired financial objectives.

**Controls, processes and risk management systems**

We believe that we have strong internal controls and risk management systems to assess and monitor risks across our various business lines. Our Board of Directors has appointed various committees including Finance Committee, Risk Management Committee and Audit Committee to monitor and manage risk at the standalone business level and at the consolidated company level. Our risk management department operates as an independent department with a dedicated centralized risk management team. All new lines of business and product launches follow a rigorous internal approval process that requires assessing risk, client suitability, understanding regulations and understanding regulatory and internal policy compliance prior to launch. We believe that we have effective procedures for evaluating and managing the market, credit and other relevant risks.

## Access to capital

We are required to maintain a CRAR as prescribed under Housing Finance Companies (NHB) Directions, 2010 issued by NHB and as amended from time to time. As per the Directions, currently we are required to maintain a minimum capital ratio consisting of Tier-I and Tier-II capital which shall not be less than-

(i) 13% on or before March 31, 2020;

(ii) 14% on or before March 31, 2021; and

(iii) 15% on or before March 31, 2022 and thereafter

of its aggregate risk weighted assets and of risk adjusted value of off-balance sheet items. The Tier-I capital, at any point of time, shall not be less than 10%.

As a part of our governance policy, we ordinarily maintain capital adequacy higher than the statutorily prescribed CRAR. Our CRAR for various periods is as below:

| CRAR as on | % |
|---|---|
| March 31, 2015 | 39.47% |
| March 31, 2016 | 12.38% |
| March 31, 2017 | 14.25% |
| March 31, 2018 | 16.80% |
| March 31, 2019 | 12.52% |
| March 31, 2020 | 18.05% |
| September 30, 2020 | 19.57% |
| December 31, 2020 | 20.17% |
| March 31, 2021 | 21.73% |
| June 30, 2021 | 18.72% |
| September 30, 2021 | 23.81% |
| December 31, 2021 | 24.41% |
| March 31, 2022 | 23.94% |
| June 30, 2022 | 23.81% |

The Company has been assigned the following ratings by various rating agencies as detailed below:

| Credit Rating Agency | Instruments | Ratings | Outlook |
|---|---|---|---|
| India Ratings | **Non-Convertible Debentures** | **AAA** | **Stable** |
| | Principal Protected Market Linked Debentures | AAA emr | |
| | Sub-Debt | AAA | |
| | Commercial Paper | A1+ | |
| | Fund based limits from Banks | AAA/A1+ | |
| | | | |
| ICRA | **Non-Convertible Debentures** | **AAA** | **Stable** |
| | Sub-Debt | AAA | |
| | Commercial Paper | A1+ | |
| | Fund based limits from Banks | AAA/A1+ | |
| | | | |

**Strategies**

Leverage our technology advantage

We plan to continue investing in state of the art technology to significantly enhance our technical capabilities across our products and services offerings. We believe that we have the technological platform and information technology systems in place to support significant growth in customer base and lines of business. We believe that technology will enable us to respond effectively to the needs of our customers and meet competitive challenges.

**Attract and retain talented professionals**

In financial services people are the most important asset, and it is their reputation, talent, integrity and dedication which contribute significantly to business success. We believe that the strong, team-based approach that exists within the organization will enable us to attract and retain employees. We have been successful in attracting key professionals from both Indian and foreign financial services organizations and intend to continue to seek out talent to further enhance and grow our business.

**Risk Management**

The Company recognizes the importance of strong risk management and has taken steps to put in place a risk management system which includes monitoring, reporting and controlling of risks and relevant mitigation processes. The policies are reviewed on an ongoing basis.

The Company has adopted market risk management measures and policies that quantify market risk and put in place limits to minimize the impact of losses, if any, on earnings and equity capital.

The Risk Management Committee of the Board monitors the Company's risk management policies and procedures and reviews portfolio composition and the performance of the same.

The Company also faces and addresses risks from factors like increased competition, economic slowdown, challenge of retaining manpower, likely decline in asset quality, increase in operating costs, RBI provisioning policies, etc.

**Our Employees**

The Company lays great emphasis and focus on recruitment and retention of its employees which is the most valuable asset for a service industry like ours. We mainly hire professionals from the financial services industry. Our entry level talent intake program injects young talent from top Business Schools across the country.

We are a 'talent-driven company' with people being our principal investment towards driving strategy, sustainability and success. With an emphasis on creating a winning culture, we identify and groom people who have the intrinsic desire to succeed. A robust Performance Management System helps in identification of high potential performers and ensuring adequate rewards along with career growth.

We strive to incubate and nurture an environment of equal opportunity, high growth and meritocracy through various systems and processes. A focus on learning ensures adequate training for all employees. We leverage the Birla ecosystem and internal opportunities of learning, development and mobility. Our internal communication processes and employee engagement initiatives ensure retention and long term engagement of our talent. We aspire to be an "employer of choice" in the times to come.

**Competition**

We face competition in all our lines of businesses. Our primary competitors are other HFCs, public sector banks, private sector banks, co-operative banks and foreign banks.

In Capital Markets, we face competition from other HFC's and private sector banks. Their access to lower cost funds enables them to fund certain segments of the market at lower rates. People being the prime asset of any service oriented businesses, our ability to strengthen our existing businesses and establish new businesses largely depends on our ability to attract qualified and highly skilled workforce and motivate and retain the existing ones. Competition is also witnessed in the recruitment and retention of skilled and professional human resources.

In Mortgage Finance, our main competition stems from HFCs who have the capacity to finance long-term and have access to NHB finance. Our competition also stems from NBFCs and banks.

People being the prime asset of any service oriented businesses, our ability to strengthen our existing businesses and establish new businesses largely depends on our ability to attract qualified and highly skilled workforce and motivate and retain the existing ones. Competition is also witnessed in the recruitment and retention of skilled and professional human resources.

**Key Operational and Financial Parameters* for the last 3 Audited years**

The following table presents the summary financial information of our Company for the period ended June 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020.

| Financial Summary | As on June 30, 2022 | As on Mar 31, 2022 | As on March 31, 2021 | As on March 31, 2020 |
|---|---|---|---|---|
| **Balance Sheet** | | | | |
| Net Fixed assets | 1,748.19 | 1,453.44 | 1,263.91 | 1,441.42 |
| Current assets | | | | |
| Non-current assets | | | | |
| Total assets | 12,53,178.04 | 12,59,070.10 | 12,37,578.17 | 13,16,149.28 |
| Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings) Financial (borrowings, trade payables, and other financial liabilities)Provisions Deferred tax liabilities (net) Other non-current liabilities | - | - | - | - |
| Current Liabilities (including maturities of long-term borrowings) Financial (borrowings, trade payables, and other financial liabilities) Provision Current tax liabilities (net) Other Current liabilities | - | - | - | - |
| Equity (equity and other equity) | 1,77,862.91 | 1,72,099.08 | 1,51,915.29 | 1,38,286.25 |
| Total equity and liabilities | 12,53,178.04 | 12,59,070.10 | 12,37,578.17 | 13,16,149.28 |
| **Profit and Loss** | | | | |
| Total revenue From operations | 31,288.06 | 1,21,515.72 | 1,28,055.74 | 1,29,961.42 |
| | | | | |
| Other income | 30.69 | 108.60 | 435.28 | 156.23 |
| Total Expenses | 24,156.68 | 96,299.20 | 1,10,853.17 | 1,16,498.82 |
| Total comprehensive income | 5,763.83 | 20,183.80 | 13,629.04 | 9,464.67 |
| Profit / loss | 5,592.03 | 19,729.29 | 13,723.32 | 10,265.25 |
| Other comprehensive income | 171.80 | 454.51 | -94.28 | -800.58 |
| Profit / loss after tax | 5,592.03 | 19,729.29 | 13,723.32 | 10,265.25 |
| **Earnings per equity share** | | | | |
| Continuing operations (a) Basic | 1.12 | 3.94 | 2.74 | 2.16 |
| Continuing operations (b) Diluted | 1.12 | 3.94 | 2.74 | 2.16 |
| Discontinued operations (a) Basic | - | - | - | - |
| Discontinuing operations (b) Diluted | - | - | - | - |
| Total Continuing and discontinued operations | 1.12 | 3.94 | 2.74 | 2.16 |

| Cash Flow | | | | |
|---|---|---|---|---|
| Net cash generated from operating activities | 3,156.41 | 4,508.91 | 54,252.25 | -55,666.92 |
| Net cash used in / generated from investing activities | -5,335.05 | 9,510.95 | 44,858.66 | -53,789.26 |
| Net cash used in financing activities | -14,985.53 | 3,937.90 | -1,01,394.17 | 1,49,468.61 |
| Cash and cash equivalents (Note 1) | 55,695.10 | 37,737.34 | 40,020.60 | 8.17 |
| Balance as per statement of cash flows (Note 2) | 38,530.93 | 55,695.10 | 37,737.34 | 40,020.60 |

| Additional information | | | | |
|---|---|---|---|---|
| Net worth | 1,77,862.91 | 1,72,099.08 | 1,51,915.29 | 1,38,286.25 |
| Cash and Cash Equivalents | 38,530.93 | 55,695.10 | 37,737.34 | 40,020.60 |
| Current Investments | 4,814.31 | - | 10,120.38 | 54,692.14 |
| Assets Under Management | 12,16,760.32 | 12,12,842.38 | 11,98,957.16 | 12,21,857.30 |
| Off Balance Sheet Assets | 96,171.56 | 94,294.28 | 71,093.55 | 91,507.66 |
| Total Debts to Total assets | 0.84 | 0.85 | 0.86 | 0.89 |
| Debt Service Coverage Ratios* | NA to HFC | NA to HFC | NA to HFC | NA to HFC |
| Interest Income | 30,163.14 | 1,18,567.54 | 1,23,451.45 | 1,24,343.78 |
| Interest Expense | 16,521.76 | 69,493.52 | 84,922.79 | 92,698.53 |
| Interest service coverage ratio* | NA to HFC | NA to HFC | NA to HFC | NA to HFC |
| Provisioning & Write-offs | 1,549.37 | 7,470.46 | 8,751.08 | 7,005.73 |
| Bad debts to Account receivable ratio | NA to HFC | NA to HFC | NA to HFC | NA to HFC |
| Gross NPA (%) | 2.16% | 2.02% | 1.83% | 1.21% |
| Net NPA (%) | 1.44% | 1.34% | 1.16% | 0.83% |
| Tier I Capital Adequacy Ratio (%) | 19.79% | 19.44% | 17.09% | 14.74% |
| Tier II Capital Adequacy Ratio (%) | 4.01% | 4.50% | 4.64% | 3.31% |

*The ratios are not applicable to housing finance companies registered with RBI as per Reg 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Notes :-

Note 1 - Cash and cash equivalents is considered as Cash and cash equivalents as at the beginning of the year

Note 2:- Balance as per statement of cash flows is considered as Cash and cash equivalents as at the end of the year

**Debt Equity Ratio** **(Rs. Crore except for ratio)**

| Particulars | Before the Issue (As on March 31, 2022 Audited) | After the Issue* |
|---|---|---|
| **Total Debt** | **10,715** | **11,215** |
| Equity Share Capital | 501 | 501 |
| Other Equity | 1,220 | 1,220 |
| Less: Miscellaneous Expenditure (to the extent not written off or adjusted) | Nil | Nil |
| **Total Equity** | **1,721** | **1,721** |
| **Debt Equity Ratio** | **6.23** | **6.52** |

**Note: - Please note that in the above table for March 31, 2022 for Debt Equity Ratio we have included accrued interest also in Total Debt.**

**a) A brief history of the Issuer since its incorporation giving details of its following activities**

**i. Details of Share Capital of the Company as on June 30, 2022**

| Particulars | Aggregate Nominal Value (Amount in Rs.) |
|---|---|
| **Share Capital** | |
| **Authorised** | |
| 1,00,00,00,000 Equity shares of Rs. 10 each | 10,00,00,00,000 |
| **Total** | 10,00,00,00,000 |
| **Issued, Subscribed and Paid Up** | |
| **50,11,97,682** Equity Shares of Rs. 10 each, fully paid up | **5,01,19,76,820** |
| **Total** | **5,01,19,76,820** |

*Notes to Capital Structure:*

**50,11,97,682** shares are held by the holding company i.e. Aditya Birla Capital Limited (ABCL) inclusive of 14 shares which are being held by the nominees of ABCL

**ii. Changes in its capital structure as on last quarter end, for the last three years:-**

| Date of Change (AGM/EGM) | Rs. | Particulars |
|---|---|---|
| There were no changes in the Capital Structure of the Company during last three years | | |

**iii) Equity Share Capital History of the Company as on last quarter end, for last three years**

| Date of Allotment | No of shares (In Crore) | Face value Rs | Issue price | Consideration (Cash other than cash etc) | Nature of Allotment | Cumulative | | | Remarks |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | No of shares (In Crore) | Share capital (Rs. In Crore) | Share premium (Rs. In Crore) | |
| 23rd March, 2020 | 2.5641026 | 10 | 39 | Cash | Rights Issue | 50.12 | 501.20 | 238.64 | Fully Paid |

Changes in the Authorised Capital of Company as on **June 30, 2022**

| Sr.No. | Date of Change (AGM/EGM) | Rs. crore | Alteration |
|---|---|---|---|
| 1. | 21st October, 2014 EGM | 100 | Increase in the Authorised Capital from Rs. 12 Crore to Rs.100 Crore |
| 2. | 9th July, 2015 EGM | 300 | Increase in Authorised Capital from Rs.100 Crore to Rs.300 Crore |
| 3. | 29th February 2016 EGM | 1000 | Increase in authorized capital from 300 Crore to 1000 Crore |

Changes in the subscribed capital of the Company as on **June 30, 2022.**

| Date of the Issue | No. of Shares and Face Value | Issue Price – per Share (Rs.) | Nature of Allotment | Cumulative Capital (Rs.) |
|---|---|---|---|---|
| 27th July, 2009 | 20,50,000 of Rs. 10 each | 10 | Subscription of MOA | 2,05,00,000 |
| 8th May, 2013 | 80,00,000 shares of Rs.10 each | 10 | Preferential Issue | 10,05,00,000 |
| 21st October, 2014 | 4,00,00,000 shares of Rs. 10 each | 10 | Rights Issue | 50,05,00,000 |
| 18th June, 2015 | 4,99,50,000 shares of Rs.10 each | 10 | Rights Issue | 100,00,00,000 |
| 31st July, 2015 | 5,00,00,000 shares of Rs.10 each | 10 | Rights Issue | 1,50,00,00,000 |
| 5th November, 2015 | 2,50,00,000 shares of Rs.10 each | 10 | Rights Issue | 1,75,00,00,000 |
| 29th December, 2015 | 5,00,00,000 shares of Rs.10 each | 10 | Rights Issue | 2,25,00,00,000 |
| 29th March, 2016 | 1,42,50,000 shares of Rs. 10 each | 10 | Rights Issue | 2,39,25,00,000 |
| 20th April ,2016 | 2,63,00,000 shares of Rs.10 each | 19 | Rights Issue | 2,65,55,00,000 |
| 30th May,2016 | 2,50,00,000 shares of Rs.10 each | 19 | Rights Issue | 2,90,55,00,000 |
| 29th July, 2016 | 4,25,00,000 shares of Rs. 10 each | 19 | Rights Issue | 3,33,05,00,000 |
| 29th April 2017 | 1,80,00,000 shares of Rs. 10 each | 28 | Rights Issue | 3,51,05,00,000 |
| 1st August, 2017 | 2,27,27,000 shares of Rs. 10 each | 44 | Rights Issue | 3,73,77,70,000 |
| 29th September, 2017 | 2,00,00,000 shares of Rs. 10 each | 50 | Rights Issue | 3,93,77,70,000 |
| 24th January, 2018 | 1,87,92,679 shares of Rs. 10 each | 53 | Rights Issue | 4,12,56,96,790 |
| 6th June, 2018 | 27,272,727 share of Rs. 10 each | 55 | Rights Issue | 4,39,84,24,060 |
| 25th September, 2018 | 35,714,250 share of Rs. 10 each | 56 | Rights Issue | 4,75,55,66,560 |
| 23rd March, 2020 | 25,641,026 share of Rs. 10 each | 39 | Rights Issue | 5,01,19,76,820 |

**iv) Acquisition or Amalgamation in the last 1 year**

There was no Acquisition or Amalgamation in the last 1 year. There was no Reorganization or Reconstruction in the last 1 year.

**v) Details of any Reorganization or Reconstruction in the last 1 year**

| Type of Event | Date of Announcement | Date of Completion | Details |
|---|---|---|---|
| **None** | | | |

**vi) Details of the shareholding of the Company as on the latest quarter end June 30, 2022**

**i. Shareholding pattern of the company as on June 30, 2022**

| Sr. No. | Particulars | Total No. of Equity | No. of shares in Demat form | Total Shareholding as % of total no of equity shares |
|---|---|---|---|---|
| 1. | Aditya Birla Capital Limited (ABCL) | 50,11,97,668 | 50,11,97,668 | 100 |
| 2. | Mukesh Malik* | 1 | -- | -- |
| 3. | Ajay Kakar* | 1 | -- | -- |
| 4. | Pinky Mehta* | 1 | -- | -- |
| 5. | A Dhananjaya* | 1 | -- | -- |
| 6. | Amber Gupta* | 1 | -- | -- |
| 7. | Subhro Bhaduri* | 1 | -- | -- |
| 8. | Dinesh Jain* | 1 | - | -- |
| 9. | Gopal Pamnani* | 1 | -- | -- |
| 10. | Satish Kumar Jethwani* | 1 | -- | -- |
| 11. | Manoj Shah* | 1 | -- | -- |
| 12. | Goverdhan Gupta* | 1 | -- | -- |
| 13. | R C Sharma* | 1 | -- | -- |
| 14. | Deepak Tripathi* | 1 | -- | -- |
| 15. | Bhadresh Khichi* | 1 | - | - |
| | **Total** | **50,11,97,682** | **50,11,97,668** | **100** |

* Nominees of Aditya Birla Capital Ltd.

Notes:- None of the shares of the promoters have been pledged

**ii. List of top 10 holders of equity shares of the Company as on June 30, 2022**

| Sr No. | Name of the Shareholder | Total No of Equity Shares | No. of shares in Demat form | Total Shareholding as % of total no of equity shares |
|---|---|---|---|---|
| 1. | Aditya Birla Capital Limited (ABCL) | **50,11,97,668** | 50,11,97,668 | 100 |
| 2. | Mukesh Malik* | 1 | -- | -- |
| 3. | Ajay Kakar* | 1 | -- | -- |
| 4. | Pinky Mehta* | 1 | -- | -- |
| 5. | A Dhananjaya* | 1 | -- | -- |
| 6. | Amber Gupta* | 1 | -- | -- |
| 7. | Subhro Bhaduri* | 1 | -- | -- |
| 8. | Dinesh Jain* | 1 | - | -- |
| 9. | Gopal Pamnani* | 1 | -- | -- |
| 10. | Satish Kumar Jethwani* | 1 | -- | -- |
| 11. | Manoj Shah* | 1 | -- | -- |
| 12. | Goverdhan Gupta* | 1 | -- | -- |
| 13. | R C Sharma* | 1 | -- | -- |
| 14. | Deepak Tripathi* | 1 | -- | -- |
| 15. | Bhadresh Khichi* | 1 | - | - |

* Nominees of Aditya Birla Capital Ltd.

**vii) Following details regarding the directors of the Company**

i. Details of the Directors of the Issuer as on Date of this Document

| Directors Name, Designation & DIN | Age | Address | Directors of the Company since | Details of other Directorship | Whether willful Defaulter |
|---|---|---|---|---|---|
| Mr. Pankaj Gadgil<br><br>Managing Director & CEO<br><br>DIN: 08521239 | 49 | B2103, 21st Floor, Lake Lucerne, Lucerne (ABCD), Chandivali Lake, Adi Shankaracharya Marg, Powai, Mumbai - 400076 | 23/09/2022 | None | No |

| | | | | | |
|---|---|---|---|---|---|
| Ms. Vishakha Mulye<br><br>Non-Executive Director<br><br>DIN: 00203578 | 53 | A-303, Atria, Akruti Niharika Complex, Prof.N.S. Phadke Marg, Andheri East, Mumbai - 400069 | 13/10/2022 | 1.Aditya Birla ARC Limited<br>2.Aditya Birla Health Insurance Company Limited<br>3.Aditya Birla Sun Life Insurance Company Limited<br>4.Aditya Birla Management Corporation Private Limited<br>5.Aditya Birla Capital Foundation<br>6.Tuksai Agri Partners – Partner<br>7.Aditya Birla Capital Limited (CEO) | No |
| Mr. Rakesh Singh<br><br>Non-Executive Director<br>DIN – 07006067 | 54 | C 3501, Lodha Bellissimo, Apollo Mill compound, N.M Joshi Marg, Mumbai - 400 011 | 08/10/2014 | 1.Narsee Monjee Institute of Management Studies<br>2.London Education Management Consultants Management<br>3.Aditya Birla Finance Limited | No |
| Anita Ramachandran<br><br>Independent Director<br><br>DIN 00118188 | 65 | "A" wing, Raheja Atlantis<br><br>Opp Nerolac HSE<br><br>Ganpatrao Kadam Marg<br><br>Lower Parel, Mumbai 400013 | 31/03/2015 | 1. Godrej & Boyce Manufacturing Co. Ltd<br>2. Kotak Mahindra Life Insurance Co. Ltd.<br>3. FSN Ecommerce Ventures Ltd.<br>4. Dignity Foundation (Trustee)<br>5. Cerebrus Consultants Private Ltd.<br>6. Grasim Industries Ltd.<br>7. Metropolis Healthcare Ltd.<br>8. Happiest Minds Technologies Ltd.<br>9. Nykaa Foundation<br>10. Ujjivan Small Finance Bank Ltd.<br>11. Blue Star Limited | No |
| Mr. V Chandrasekaran Independent Director<br><br>DIN 03126243 | 63 | Flat No. 2207, Veronica, Building No. 4, Vasant Oasis, Makhwana Road, Off Andheri Kurla Road, Andheri East, Mumbai - 400093 | 28/06/2018 | 1. Tamilnadu Newsprint & Papers Limited<br>2. Care Ratings Limited<br>3. Aditya Birla Renewables SPV 1 Ltd<br>4. Life Insurance Corporation (International) B S C Bahrain<br>5. TATA Investment Corporation Limited<br>6. Aseem Infrastructure Finance Limited<br>7. Waacox Energy Private Limited<br>8. Grasim Industries Limited | No |

NOTE: Mr. Ajay Srinivasan, Non-Executive Non-Independent Director of the Company, resigned from his position w.e.f. July 25, 2022.

**None of the Directors are in the default list of RBI / ECGC and are not falling under the willful deafaulter list**

None of the Directors' names are appearing in the CIBIL suit filed cases, except if any as under.

**ii. Board of Directors – Profile**

- **Mr. Pankaj Gadgil**

Age: 49; Qualification: MBA from Savitribai Phule Pune University and holds a diploma in foreign trade from the Department of Economics.

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

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

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

- **Ms. Vishakha Mulye**

Age: 53; Qualification: Chartered Accountant

Vishakha Mulye is the Chief Executive Officer of Aditya Birla Capital Limited (ABCL), the holding company of all the financial services businesses of the Aditya Birla Group. Vishakha took lead of the company effective 1st July 2022. She is also a director on the board of Aditya Birla Management Corporation Private Limited, the apex decision-making body of the Aditya Birla Group.

Before joining the Aditya Birla Group, Vishakha, a career banker, was an Executive Director on the Board of ICICI Bank. In a career spanning thirty years, she has held many significant roles and led several strategic initiatives as a part of the ICICI Group, most recently as the head of domestic and international Wholesale Banking Group, Proprietary Trading Group, Markets Group and Transaction Banking Group at the Bank.

- **Mr. Rakesh Singh**

Age: 54 Years; Qualifications: Post-Graduation in International Relations from University of Lucknow, Advance Management Program from Harvard Business School & Executive Program in Business management from Indian Institute of Management, Calcutta

Mr. Rakesh Singh is the Chief Executive Officer of Aditya Birla Finance Limited since July 2011. He has 24 years of experience in the financial services industry cutting across both large Banking and Non-Banking financial institutions. He is also leading the wealth management business of ABFL.

Mr. Singh joined ABFL from Standard Chartered Bank where he spent 15 years, starting in Retail Assets (Mumbai and Kolkata) and moving on to become Head for Mortgages, India. His last assignment with Standard Chartered Bank was as General Manager & Head SME Banking, India.

- **Anita Ramachandran**

Age: 65; Qualification: MBA (Finance)

Ms. Anita is a graduate from the Jamnalal Bajaj Institute of management studies, Mumbai. She is a Management consultant with 40 years of experience across a wide spectrum of industries and is well known for her work in HR consulting. . Anita runs an independent HR advisory firm Cerebrus Consultants which has a significant presence across South Asia. She has been on the Board of several companies for the last 20 years.

- **Mr. V Chandrasekaran**

  Age: 63; Qualification: Chartered Accountant.

  Mr. Chandrasekaran is a qualified Chartered Accountant. He has worked for nearly 32 years in Finance and Investment functions of Life Insurance, Housing Finance and Mutual Fund in Life Insurance Corporation of India (LIC) with adequate exposure to a gamut of Investments and involved in Investment decision making processes, Investment Monitoring and Accounting. He had served LIC as Executive Director of Finance and Accounts, Investment monitoring and accounting, Investment operations, Investment, Risk management and Research.

**iii. Details of change in directors since last three years:**

| Sr. No. | Name , Designation and DIN | Date of Appointment | Date of Cessation, if applicable | Date of resignation, if applicable | Remarks |
|---|---|---|---|---|---|
| 1. | Ms. Vishakha Mulye DIN: 00203578 | **13/10/2022** | Not Applicable | **NA** | Appointed as an Additional Director |
| 2. | Mr. Pankaj Gadgil DIN: 08521239 | **23/09/2022** | Not Applicable | **NA** | Appointed as Managing Director |
| 3. | Mr. V Chandrasekaran DIN 03126243 | 24/08/2018 | Not Applicable | NA | Regularised as a Director |
| 4. | Mr. V Chandrasekaran DIN 03126243 | 28/06/2018 | Not Applicable | NA | Appointed as anAdditional Director |

**viii) Following details regarding the auditors of the Company**

i. Details of Auditors of the Company (Statutory Auditors):-

| Name | Address | Auditor since |
|---|---|---|
| **Khimji Kunverji & Co LLP** | Level 19, Sunshine Tower, Senapati Bapat Marg, Elphinstone Road, Mumbai 400013 | August 02, 2021 |

ii. Details of change in the Statutory Auditors since last three years:-

| Name | Address | Date of Appointment | Date of Cessation, if applicable | Date of resignation, if applicable |
|---|---|---|---|---|
| KKC & Associates LLP | Level 19, Sunshine Tower, Senapati Bapat Marg, Elphinstone Road, Mumbai 400013 | August 02, 2021 | Not applicable | Not applicable |
| Deloitte Haskins & Sells LLP | Indiabulls Finance Centre, Tower 3, 27th32nd Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400 013 | August 26, 2016 | August 02, 2021 (Deloitte have completed their five year term) | Not applicable |

**Details of the following liabilities of the issuer, as at the end of the last quarter:**

**i. Details of Outstanding Secured Loan Facilities (as on June 30, 2022): (TL/CC/WCDL/ECB)**

| Name of Lender | Type of Facility | Amount Sanctioned (INR crore) | Principal Amount Outstanding (INR crore) | Repayment Date/ Schedule | Security |
|---|---|---|---|---|---|
| Bank of Baroda | Term Loan | 200.00 | 200.00 | Installment maturing on Jul 31, 2023 | Secured by first ranking pari-passu charge over the receivables of the Company held by a common Security Trustee acting on behalf of all lenders unless specified |
| | | 108.35 | 108.35 | Repayable in 18 quarterly installments commencing from Feb 28, 2022 and maturing on May 28, 2026 | |
| Bank of India | Term Loan | 250.00 | 250.00 | Installment maturing on Sep 06, 2023 | Same as above |
| | | 250.00 | 250.00 | Two equal annual installments starting September 24, 2024 and maturing September 24, 2025 from date of first drawdown | |
| | | 250.00 | 250.00 | Two equal annual installments starting Dec 31, 2025 and maturing Dec 31 2026 from date of first drawdown | |
| Canara Bank | Term Loan | 62.50 | 62.50 | Two Equal Six Monthly Installments starting Jun 06, 2023 and maturing Sep 06,2023 (erstwhile Syndicate Bank) | Same as above |
| | | 62.50 | 62.50 | Two Equal Six Monthly Installments starting Jun 06, 2023 and maturing Sep 06,2023 (erstwhile Syndicate Bank) | |
| | | 300.00 | 300.00 | Two equal annual installments starting September 17, 2024 and maturing September 17, 2025 from date of first drawdown | |
| Federal Bank | Term Loan | 16.66 | 16.66 | Six equal six monthly installments starting March 25, 2020 and maturing September 23, 2022 | Same as above |
| | | 300.00 | 300.00 | At end of 2nd year from date of first drawdown Rs. 50 crore, At end of 3rd year Rs. 100 crore and at end of 4th year Rs. 150 crore i.e. final maturity December 30, 2024 | |
| HDFC | Term Loan | 225.00 | 225.00 | Twenty quarterly installments starting June 5, 2021 up to March 5, 2026 | Same as above |
| IndusInd Bank | Term Loan | 200.00 | 200.00 | Repayable in 4 semi annually installments on 42nd, 48th, 54th and 60th month from disbursement of each tranche | Same as above |
| Karnataka Bank | Term Loan | 200.00 | 200.00 | Half Yearly installments starting from Sep 30, 2023 and ending at Mar 30, 2027 | Same as above |
| Punjab National Bank | Term Loan | 250.00 | 250.00 | Two Equal Annual Installments starting February 28, 2024 maturing on February 28, 2025 | Same as above |
| | | 66.67 | 66.67 | Annual istallments till June 26, 2024 | |

| | | | | | |
|---|---|---|---|---|---|
| | | 300.00 | 100.00 | 9 Equal Annual Installments starting June 30, 2023 and maturing on June 27, 2027 | |
| | | 175.00 | 175.00 | Annual istallments till Sep 27, 2024 | |
| State Bank of India | Term Loan | 340.00 | 340.00 | Maturing on February 14, 2024 | Same as above |
| | | 500.00 | 500.00 | Two equal yearly Installments maturing on Feb 28, 2025 | |
| The J&K Bank | Term Loan | 100.00 | 100.00 | Two Equal Annual Installments maturing on Nov 25, 2022 | Same as above |
| | | 200.00 | 200.00 | Bullet payment at the end of 60th month maturing on Dec 28, 2022 | |
| UCO Bank | Term Loan | 300.00 | 300.00 | Two equal yearly installments of 150 crore starting July 19, 2023 and maturing July 19, 2024 | Same as above |
| Union Bank of India | Term Loan | 600.00 | 250.00 | Repayable in 18 equal quarterly installments from December 31, 2023 to March 31, 2028 | same as above |
| | | 149.89 | 149.89 | Maturing on Jan 1, 2024 | |
| | | 350.00 | 350.00 | Nine equal half yearly installments starting September 24, 2022 and maturing September 24, 2026 | |
| | | 500.00 | 500.00 | two equal yearly installments starting May 22, 2023 and maturing May 22, 2024 | |
| NHB Refinance Tranche I (Note 1) | Term Loan | 78.09 | 78.09 | Repayable in equal quarterly installments starting October 1, 2019 maturing July 1, 2025 | Same as above |
| NHB Refinance Tranche II (Note 1) | | 78.15 | 78.15 | Repayable in equal quarterly installments starting October 1, 2019 maturing October 1, 2024 | |
| NHB Refinance Tranche III (Note 1) | | 326.27 | 326.27 | Repayable in equal quarterly installments starting October 1, 2021 maturing January 1, 2030 | |
| NHB Refinance Tranche IV (Note 1) | | 420.39 | 420.39 | Repayable in equal quarterly installments starting from April 01, 2022 and ending at October 01, 2028 | |
| NHB Refinance Tranche V (Note 1) | | 209.23 | 209.23 | Repayable in equal Quarterly installments starting from July 01, 2022 and ending at January 01, 2029 | |
| NHB Refinance Tranche VI (Note 1) | | 1,346.31 | 346.31 | Repayable in equal Quarterly installments starting from July 01, 2022 and ending at January 01, 2032 | |
| **Total** | **Term Loan** | **8,715.01** | **7,165.01** | | |
| State Bank of India Hong Kong | ECB Loan | 354.45 | 354.45 | Maturing on Oct 31, 2022 | Same as above |
| **Total** | **ECB Loan** | **354.45** | **354.45** | | |
| Bank of Baroda | CC/WCDL | 100.00 | - | Repayable on Demand | same as above |
| HDFC Bank | CC/WCDL | 100.00 | - | Repayable on Demand | |
| IndusInd Bank | CC/WCDL | 300.00 | 190.00 | Repayable on Demand | |
| Punjab National Bank | CC/WCDL | 100.00 | 100.00 | Repayable on Demand | |
| State Bank of India | CC/WCDL | 500.00 | 50.00 | Repayable on Demand | |
| UCO Bank | CC/WCDL | 100.00 | - | Repayable on Demand | |
| **Total** | **CC/WCDL** | **1,200.00** | **340.00** | | |

The security for the above borrowings is governed primarily by the security trustee agreement dated March 19, 2015 and as amended under supplemental security trustee agreement dated November 19, 2017 (herein referred to as **"Security Agreement"**) entered into between the Company and Vistra ITCL (India) Ltd (formerly known as IL& FS Trust Company Limited) ("**Security Trustee**") along with the various lenders.

Under the supplemental Security Trustee Agreement security trustee agreement cum deed of hypothecation dated November 19, 2017, the Company is permitted to raise Rs. 15,000 crores. The security created under the Security Trustee Agreement is a hypothecation on the receivables of the Company, present and future, in favour of the Security Trustee, to be held in trust for the benefit of the Lenders.

The security created or to be created under the Security Trustee Agreement is a continuing security ranking *pari passu inter se* without any preference or priority to one Lender over the others and shall remain in full force and effect until all amounts outstanding to the Lenders are discharged.

**ii. Details of Outstanding Unsecured Loan Facilities as on June 30, 2022: -**

| Name of Lender | Type of Facility | Amount Sanctioned (INR crore) | Principal Amount Outstanding (INR crore) | Repayment Date | Repayment schedule |
|---|---|---|---|---|---|
| **NA** | | | | | |

**iii. Details of Outstanding Non-Convertible Securities as on June 30, 2022:**

| Series of NCS | Tenor/ Period of Maturity | Coupon | Amount | Date of Allotment | Redemption Date/ Schedule | Credit Rating | Secured/ unsecued | Security |
|---|---|---|---|---|---|---|---|---|
| ABHFL NCD A1 - FY 2015-16 | 3650 | 8.9500% p.a. | 20.00 | 22-Mar-2016 | 20-Mar-2026 | IND RA AAA & ICRA AAA Stable | Secured | The Secured Non Convertible Debentures are Secured by first ranking pari-passu charge over the receivables of the Company held by a common Debenture Trustee acting on behalf of all lenders and as per Debenture Trust Deed dated September 21, 2015 |
| ABHFL NCD F1 FY 2017-2018 | 1826 | 7.6000% p.a. | 20.00 | 8-Sep-2017 | 8-Sep-2022 | IND RA AAA & ICRA AAA Stable | Secured | Same as above |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| ABHFL NCD K1 FY 2019-2020 | 1096 | (1st Coupon: 5.26% + 250 bps = 7.76% Benchmark 12 Month T-Bill + 250 bps spread Reset on yearly basis with fixed spread of 250 bps) | 25.00 | 17-Feb-2020 | 17-Feb-2023 | IND RA AAA & ICRA AAA Stable | Secured | Same as above |
| ABHFL NCD A1 FY 2020-2021 | 1125 | 8.0000% p.a. | 400.00 | 17-Apr-2020 | 17-May-2023 | IND RA AAA & ICRA AAA Stable | Secured | Same as above |
| ABHFL NCD F1 FY 2020-2021 | 1092 | 6.0500% p.a. | 50.00 | 11-Sep-2020 | 8-Sep-2023 | IND RA AAA & ICRA AAA Stable | Secured | Same as above |
| ABHFL NCD L1 FY 2020-2021 | 1093 | Coupon rate of 5.99% p.a. The Initial fixing for first Coupon is set as the average rate of 3Month T-bill (FBIL Benchmark) from date February 25, 2021 to March 10, 2021 i.e. 3.24% plus 275 bps (spread) to arrive at a Initial coupon rate of 5.99%<br><br>(275 bps spread over Benchmark), Benchmark to be Reset on quarterly basis. Coupon payable annually and on maturity | 250.00 | 18-Mar-2021 | 15-Mar-2024 | IND RA AAA & ICRA AAA Stable | Secured | Same as above |
| ABHFL NCD D1 FY 2021-22 | 365 | 3 Month T-bill (FBIL Benchmark)yiel d shall be taken as Average closing yield of previous 10 working days (rounding to 2 decimal), Quarterly reset of Coupon maintaining spread of 156bps over Benchmark - The Initial fixing for first Coupon | 250.00 | 16-Jul-2021 | 16-Jul-2024 | IND RA AAA & ICRA AAA Stable | Secured | Same as above |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | is set as the average rate of 3 Month T-bill (FBIL Benchmark) from date June24, 2021 to July 7, 2021 i.e. 3.41% plus 156 bps (spread) to arrive at a Initial Coupon rate of 4.97% p.a. | | | | | | |
| ABHFL NCD J1 FY 2021-2022 | 1824 | 6.7000% | 250.00 | 24-Jan-2022 | 22-Jan-2027 | IND RA AAA & ICRA AAA Stable | Secured | |
| ABHFL NCD L1 FY 2021-2022 | 1096 | 3 Month T-bill (FBIL Benchmark) yield shall be taken as Average closing yield of previous 10 working days (rounding to 2 decimal) before the Coupon Reset date (data source would be FBIL). Quarterly reset of Coupon maintaining spread of 181 bps over Benchmark The Initial fixing for first Coupon is set as the average rate of 3Month T-bill (FBIL Benchmark) from date February 24, 2022 to March 10, 2022 i.e. 3.76% plus 181 bps (spread) to arrive at a Initial Coupon rate of 5.57% p.a. | 340.00 | 21-Mar-2022 | 21-Mar-2025 | IND RA AAA & ICRA AAA Stable | Secured | |
| ABHFL NCD PPMLD F1 FY 2019-2020 | 1095 | If Price Greater that 50% Digital Level 7.9573% p.a. (7.95% XIRR (Annualized yield)) else 0% | 15.00 | 1-Oct-2019 | 30-Sep-2022 | IND RA 'PP- MLD AAA emr' | Secured | Same as above |
| **Total** | | | **1,620.00** | | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| ABHFL Sub Debt Series 'SD1' FY 2016-17 | 3651 | 9.1000% p.a. | 15.00 | 4-Jul-2016 | 3-Jul-2026 | IND RA AAA & ICRA AAA Stable | Un-secured | NA |
| ABHFL Sub Debt Series 'SD2' FY 2016-17 | 3652 | 9.1000% p.a. | 10.00 | 7-Jul-2016 | 7-Jul-2026 | IND RA AAA & ICRA AAA Stable | Un-secured | NA |
| ABHFL Sub Debt Series 'SD3' FY 2016-17 | 3652 | 9.1000% p.a. | 15.00 | 13-Jul-2016 | 13-Jul-2026 | IND RA AAA & ICRA AAA Stable | Un-secured | NA |
| ABHFL Sub Debt Series 'SD4' FY 2016-17 | 3650 | 8.9900% p.a. | 25.00 | 26-Jul-2016 | 24-Jul-2026 | IND RA AAA & ICRA AAA Stable | Un-secured | NA |
| ABHFL Sub Debt Series 'SD B1' FY 2017-18 | 3649 | 8.5000% p.a. | 60.00 | 17-May-2017 | 14-May-2027 | IND RA AAA & ICRA AAA Stable | Un-secured | NA |
| ABHFL Sub Debt Series 'SD C1' FY 2017-18 | 3652 | 8.5000% p.a. | 75.00 | 1-Jun-2017 | 1-Jun-2027 | IND RA AAA & ICRA AAA Stable | Un-secured | NA |
| ABHFL Sub Debt Series 'SD C1' FY 2019-20 | 3651 | 8.9400% p.a. | 50.00 | 10-Jun-2019 | 8-Jun-2029 | IND RA AAA & ICRA AAA Stable | Un-secured | NA |
| ABHFL Sub Debt Series 'SD J1' FY 2020-21 | 3652 | 7.4300% p.a. | 75.00 | 15-Jan-2021 | 15-Jan-2031 | IND RA AAA & ICRA AAA Stable | Un-secured | NA |
| **Total** | | | **325.00** | | | | | |

**iv) List of top 10 debenture holders (as on June 30, 2022) (in cumulative basis) :**

| Sr. No | Name of holders of Non-convertible Securities | Amt INR Crs | % of total NCS outstanding |
|---|---|---|---|
| 1 | ICICI PRU Mutual Fund | 490.00 | 25% |
| 2 | BANK OF INDIA | 350.00 | 18% |
| 3 | Aditya Birla Sun Life Mutual Fund | 250.00 | 13% |
| 4 | State Bank of India | 250.00 | 13% |
| 5 | CENTRAL BANK OF INDIA | 100.00 | 5% |
| 6 | KOTAK Mutual Fund | 100.00 | 5% |
| 7 | United India Insurance Company Limited | 50.00 | 3% |
| 8 | The Provident Fund Trust For The Employees Of Indian Oil Corporation Ltd (MD) | 35.00 | 2% |
| 9 | United India Insurance Company Limited Employees Provident Fund | 35.00 | 2% |
| 10 | SITARAM JINDAL FOUNDATION | 33.00 | 2% |
| **Total** | | **1,693.00** | 87% |

**v) Details of outstanding Commercial Paper as on June 30, 2022**

| S.No. | ISIN of Commercial Paper | Maturity Date | Amount Outstanding Amt in (INR crore) |
|---|---|---|---|
| 1 | INE831R14CB1 | 1-Jul-22 | 150.00 |
| 2 | INE831R14CD7 | 10-Aug-22 | 150.00 |
| 3 | INE831R14CE5 | 9-Sep-22 | 100.00 |
| 4 | INE831R14CF2 | 26-Sep-22 | 50.00 |
| 5 | INE831R14CF2 | 26-Sep-22 | 100.00 |
| **Total** | | | **550.00** |

**vi) Details of the Rest of the borrowing (if any including hybrid debt like FCCB, Optionally ConvertibleDebentures / Preference Shares)**

| Name of Party ( in case of facility)/ Name of Instrument | Type of facility/ Instrument | Amount sanctioned / issued | Principal Amount outstanding | Date of Repayment/ Schedule | Credit Rating | Secured/ Unsecured | Security |
|---|---|---|---|---|---|---|---|
| NA | | | | | | | |

**vii)** Details of any outstanding borrowings taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option; - NIL

## Disclosures on Asset Liability Management (ALM) as on March 31, 2022:

**Details of overall lending by our Company as of March 31, 2022**

1. **Classification of loans/advances given to according to:**

**A.** ***Type of loans:***

The detailed break-up of the type of loans and advances including bills receivables given by our Company as on March 31, 2022 is as follows:

| S. No. | Type of Loans | *(₹ in lakhs)* |
|---|---|---|
| 1 | Secured | 12,12,083.82 |
| 2 | Unsecured | 758.56 |
| | Less: Impairment Loss Allowance | (23,296.30) |
| **Total** | | **11,89,546.08** |

**B.** ***Sectoral Exposure as on March 31, 2022***

| S. No | Segment-wise Break up of AUM | Percentage of AUM |
|---|---|---|
| **1.** | **Retail** | |
| **a.** | Mortgages (home loans and loans against property) | **93.93%** |
| **b.** | Gold loans | |
| **c.** | Vehicle finance | |
| **d.** | MFI | |
| **e.** | M&SME | |
| **f.** | Capital market funding (loans against shares, margin funding) | |
| **g.** | Others | |
| **2.** | **Wholesale** | |
| **a.** | Infrastructure | |
| **b.** | Real estate (including builder loans) | |
| **c.** | Promoter funding | |
| **d.** | Any other sector (as applicable) | |
| **e.** | Others (Construction Finance) | **6.07%** |
| | Total | **100%** |

**C.** ***Denomination of loans outstanding by ticket size* as on March 31, 2022:***

| Sl. No. | Ticket size (in ₹) | Percentage of AUM |
|---|---|---|
| 1. | Upto 2 Lakhs | 0.04% |
| 2. | 2 to 5 Lakhs | 0.77% |
| 3. | 5 to 10 Lakhs | 6.24% |
| 4. | 10 to 25 Lakhs | 29.72% |
| 5. | 25 to 50 Lakhs | 19.55% |
| 6. | 50 lakh-1 Crores | 12.25% |
| 7. | 1 - 5 Crores | 19.76% |
| 8. | 5 - 25 Crores | 10.42% |
| 9. | 25 - 100 Crores | 1.26% |
| 10. | Above 100 Crores | 0% |
| | **Total** | **100%** |

*Ticket size at the time of origination (sanction)

**D.** ***Denomination of loans outstanding by LTV* as on March 31, 2022***

| Sl. No. | LTV* | Percentage of AUM |
|---|---|---|
| 1. | Upto 40% | 21% |
| 2. | 40%-50% | 11% |
| 3. | 50%-60% | 14% |
| 4. | 60%-70% | 19% |
| 5. | 70%-80% | 19% |
| 6. | 80%-90% | 11% |
| 7. | Above 90% | 5% |
| | **Total** | 100% |

*LTV as at March 31, 2022

**E.** ***Geographical classification of borrowers as on March 31, 2022:***

| S. No. | Top 5 States / UT | Percentage of AUM |
|---|---|---|
| 1. | Maharashtra | 29.29% |
| 2. | Delhi | 13.62% |
| 3. | Gujarat | 9.04% |
| 4. | Andhra Pradesh | 8.12% |
| 5. | Madhya Pradesh | 6.96% |
| | **Total** | **67.03%** |

***F. Details of loans overdue and classified as non-performing in accordance with RBI's guidelines as on March 31, 2022:***

***1. Movement of Gross NPAs***

| Sl. No. | Particulars | (₹ in lakhs) |
|---|---|---|
| 1. | Opening balance | 35,197.81 |
| 2. | Additions during the year | 16,214.23 |
| 3. | Reductions during the year | 9,116.33 |
| 4. | Closing balance | 42,295.71 |

***2. Movement of provisions for NPAs (excluding provisions on standard assets)***

| Sl. No. | Particulars | (₹ in lakhs) |
|---|---|---|
| 1. | Opening balance | 9,150.55 |
| 2. | Provisions made during the year | 5,231.99 |
| 3. | Write-off / write-back of excess provisions | 3,965.92 |
| 4. | Closing balance | 10,416.62 |

***G. Segment-wise gross NPA as on March 31, 2022:***

| S. No | Segment-wise gross NPA | Gross NPA (%) |
|---|---|---|
| **1.** | **Retail** | **2.01%** |
| **a.** | Mortgages (home loans and loans against property) | |
| **b.** | Gold loans | |
| **c.** | Vehicle finance | |
| **d.** | MFI | |
| **e.** | M&SME | |
| **f.** | Capital market funding (loans against shares, margin funding) | |
| **g.** | Others | |
| **2.** | **Wholesale** | **0.006%** |
| **a.** | Infrastructure | |
| **b.** | Real estate (including builder loans) | |
| **c.** | Promoter funding | |
| **d.** | Any other sector (as applicable) | |
| **e.** | Others | **0.006%** |
| | Total | **2.02%** |

**H.**

**1. Details of top 20 borrowers with respect to concentration of advances as on March 31, 2022** ***(₹ in lakhs)***

| Particulars | Amount |
|---|---|
| Total advances to twenty largest borrowers | 43,002.64 |
| Percentage of advances to twenty largest borrowers to total advances to our Company | 3.55% |

**2. Details of top 20 borrowers with respect to concentration of exposure as on March 31, 2022** ***(₹ in lakhs)***

| Particulars | Amount |
|---|---|
| Total exposure to twenty largest borrowers | 54,835.53 |
| Percentage of exposure to twenty largest borrowers to total exposure to our Company | 4.20% |

**3. Residual/Asset Liability Management Maturity pattern of certain items of Assets and Liabilities as on March 31, 2022**

**(₹ in lakhs)**

| Particulars | Up to 30/31 days | Over 1 month up to 2 months | Over 2 months up to 3 months | Over 3 months up to 6 months | Over 6 months up to 1 year | Over 1 year months up to 3 years | Over 3 year months up to 5 years | Over 5 years | Total |
|---|---|---|---|---|---|---|---|---|---|
| Deposits | - | - | - | - | - | - | - | - | **-** |
| Advances** | 14,911.07 | 3,899.12 | 3,248.70 | 10,128.52 | 36,675.57 | 2,44,733.28 | 1,01,689.14 | 7,74,260.69 | **11,89,546.09** |
| Investments (Net) | - | - | - | - | - | - | - | - | **-** |
| Borrowings* | 52,477.24 | 6,836.96 | 34,835.49 | 19,230.28 | 61,047.98 | 6,03,217.05 | 1,75,746.62 | 80,238.60 | **10,33,630.22** |
| Foreign Currency Assets | - | - | - | - | - | - | - | - | **-** |
| Foreign Currency liabilities | - | - | - | - | 37,894.74 | - | - | - | **37,894.74** |

* The above amount is net of unamortized discounting charges on commercial paper amounting to Rs. 21.66 lakh.

** Advances includes loan and advances in the nature of loans and excludes advances recoverable in cash or kind or for value to be received and advance payment of taxes and other Deposits.

***2. Others***

***a.*** Classification of loans/advances given to associates, entities/person relating to the board, senior management, promoters, others, etc.: As is being disclosed currently

***Our Company has not provided any loans/advances to associates, entities/person relating to the board, senior management, Promoter except as provided in the notes to financial statements ("Related Party Transaction") in the Annual report of the Company.***

**Onward lending to borrowers forming part of the "Group" as defined by RBI: Nil**

***b.*** **Lending policy:**

ABHFL's risk philosophy involves a competent and comprehensive credit risk management framework & robust policies and processes which minimize the element of uncertainty and help in developing and maintaining a healthy portfolio within its risk appetite and the regulatory framework. Credit Risk is managed and controlled through a Credit Risk Management framework comprising detailed risk evaluation of borrower and security. Distinct policies and processes are in place and people who occupy key positions are professionally qualified (CA/MBA). For each product, programs defining customer segments, underwriting standards, security structures, etc. are specified to ensure consistency of credit patterns. All the cases are approved by Credit Committees formulated at different levels with various approval limits. After sanctioning the loan, regular monitoring of the accounts is also done to sight irregularities if any and where required prompt action is initiated.

As Credit Risk is one of the major risk faced by a Company, the policies and processes are reviewed periodically and, if need be, is revised in order to keep them up-to-date. Keeping in view the fast changing business environment and customer requirements, ABHFL has also put in place a suitable mechanism to understand the business needs of the customer and address them swiftly. Accordingly, the Product Approval Committee (PAC) considers and approves new products for pilot runs and formal launch. This committee also reviews all existing products, whenever required, and approve any modifications in or variants of existing products. ABHFL has developed expertise to underwrite all kinds of customer segments (Salaries, self-employed professionals, self-employed non-professionals) and our underwriting guidelines are benchmarked to the market and adequate internal controls are put in place to maintain the quality of loans being approved. The credit appraisal process involves an in-depth study of the industry, financial, commercial, technical and managerial aspects of the borrower as warranted by the Product Program and the latest Credit assessment and decision-making process.

While ABHFL has been making efforts towards introducing risk management practices on an on-going basis, the credit policy would emphasize on initiating a paradigm transition towards a completely integrated risk management system in tune with the New Capital Adequacy Framework Establishment of Credit Culture. ABHFL's credit risk management strategy is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring. The policies and procedures established for this purpose are continuously benchmarked with market best practices. The RMC nurtures a healthy and independent risk management function to inculcate a strong risk management culture in the Company.

**Security / Further Borrowings**

The Secured, Redeemable Non-Convertible Debentures including payment of all interest, liquidated damages, remuneration of the Debenture Trustee and all other fees, costs, charges, expenses and other monies payable are secured by way of creation of pari-passu charge by way of hypothecation: -

1. On all current and future Receivables s. of the Company and all monies and receivables thereunder, such present and future current assets of the Company from time to time accepted by the Debenture Trustee, save and except those receivable(s) and assets of the Company, both present and future on which exclusive charge has been created to secure the Excluded Borrowings or any part thereof.

2. Securities held by the Company (such as NCDs, CPs, PSU bonds etc.)

ABHFL shall be entitled, from time to time, to make further issue of Debentures or such other instrument to the Public, members of the Company or to any other person(s) and/or raise further loans/advances and/or avail of further financial and/or guarantee(s) facilities from Indian or International Financial Institutions, Banks and/or any other person(s) on the security of the said properties or any part thereof and/ or such other assets and properties and having such ranking including ranking in priority to the security to be created in favour of the Trustees as may be decided by the Company from time to time.

The Company shall not create further Encumbrances on the Security without the consent of the Debenture Trustee. The Company shall provide, as and when required, a CA certificate to the Debenture Trustee confirming that the Required Security Cover for the outstanding Debenture is maintained.

The Debenture Trust Deed between the Debenture Trustee and the Company for Non-convertible Debentures aggregating to Rs. 2,000 crore to be issued from time to time in one or more series was executed on **June 25, 2021**

**Existing charges on debt contracted and permission to deal with assets charged**

The following assets are charged in favour of Vistra ITCL (India) Limited (formerly IL&FS Trust Company Limited), in the capacity of Debenture Trustee for various secured lenders, vide Debenture Trust Deed dated September 21, 2015.

a) All receivables of the Borrower arising out of its business,

b) All other book debts,

c) Receivables from senior and junior pass through certificates in which the Borrower has invested,

d) Such other currents Assets as may be identified by the Borrower from time to time and accepted by the Security Trustee, but exclude any specific receivables in respect of which lien (undertaking to create charge) or a mortgage or charge or other Encumbrance has been created to secure borrowings of any nature whatsoever, including in case of the issues of debentures, inter-corporate deposits term loans, working capital demand loans, cash credit and other fund based and non-fund based credit facility/(ies) availed by the Borrower.

"**Receivables**" shall mean to include:

a) All receivables of the Borrower arising out of its business,

b) All other book debts,

c) Receivables from senior and junior pass through certificates in which the Borrower has invested,

d) Such other currents Assets as may be identified by the Borrower from time to time and accepted by the Security Trustee, but exclude any specific receivables in respect of which lien (undertaking to create charge) or a mortgage or charge or other encumbrance has been created to secure borrowings of any nature whatsoever, including in case of the issues of debentures, inter-corporate deposits term loans, working capital demand loans, cash credit and other fund based and non-fund based credit facility/(ies) availed by the Borrower;

As per the Debenture Trust Deed dated **September 21, 2015**, the Company has the right to deal with the Current Assets including the right to create further first pari-passu charge on the Current Assets, so long as the Asset Cover is maintained**.**

1. The following assets are charged in favour of **Vistra ITCL (India) Limited (formerly IL&FS Trust Company Limited)** in its capacity as Debenture Trustee with respect to issue of Non-convertible Debentures of Rs 2,000 crore by the Company vide Debenture Trust Deed dated **September 21, 2015**.

2. First charge over Immovable Property - Office No.307 admeasuring about 1800 sq.ft. i.e.167.23 sq.mtrs. [Carpet area] on Third Floor in the Scheme known as "TURQUOISE" along with right to use undivided common amenities of the said building and undivided proportionate land admeasuring 50 sq. mts. constructed on the land of (1) Final Plot No. 680/1 admeasuring 3949 sq.mts. and (2) Final Plot No. 680/2 admeasuring 1068 sq.mts. Totally admeasuring 5017 sq.mts. Of Town Planning Scheme No. 3/5 situate, lying and being at Mouje Chhadavad, Taluka :-Sabarmati in the Registration District & Sub-District of Ahmedabad-3 (Memnagar).

    i. First pari passu charge over following Movable Assets-
        a. Receivables arising from unsecured loans / receivable on bill / LC discounting, trade advances given by the Company.
        b. Securities held by the Company (such as NCDs, CPs, PSU bonds etc.)
        c. Such other assets which the Company may add from time to time.

To the extent of a shortfall in asset cover charge, then on the other Current Assets of the Company by way of first pari passu charge in favour of the Debenture Trustee.

**Current Assets defined as:**

a. All receivables of the Company arising out of loan, lease and hire purchase transactions
b. All other book debts
c. Such other current assets as may be identified by the Company from time to time and accepted by the Debenture Trustee.

As per the Debenture Trust Deeds dated September 21, 2015 and June 25, 2021 the Company shall be entitled to borrow / raise loans or avail of financial assistance in whatever form and also issue debentures / bonds / other securities in any manner having *pari passu* ranking / second charge and, on such terms and conditions as the Company may think appropriate, without the consent of, or intimation to, the Debenture Holders or the Debenture Trustee in this connection provided that the Required Security Cover is always maintained.

The Company undertakes that the assets on which charge is created are free from any encumbrances and in cases where the assets are already charged to secure a debt, the permission or consent to create a second or pari-passu charge if required on the assets of the issuer has been obtained from the earlier creditor

**ABHFL shall be entitled, from time to time, to make further issue of Secured Debentures or such other instrument to the Public, members of the Company or to any other person(s) and/or raise further loans/advances and/or avail of further financial and/or guarantee(s) facilities from Indian or International Financial Institutions, Banks and/or any other person(s) on the security of the said properties or any part thereof and/ or such other assets and properties and having such ranking including ranking in priority to the security to be created in favour of the Trustees as may be decided by the Company from time to time.**

**The Debenture Trust Deed between the Debenture Trustee and the Company for Secured Non-convertible Debentures ("Secured Ncds") aggregating to Rs. 2,000 crore to be issued from time to time in one or more series was executed on June 25, 2021.**

**Details of Promoters of the Company**

Our Promoter was originally incorporated on October 15, 2007 under the Companies Act, 1956 as 'Aditya Birla Financial Services Private Limited' with the Registrar of Companies, Maharashtra at Mumbai. The registered office of the Company was changed from the from the state of Maharashtra to the State of Gujarat i.e. under the jurisdiction of the Registrar of Companies, Ahmedabad, Gujarat with effect from December 15, 2019. The Promoter was converted from a private limited company to a public limited company and thereafter the name of the Promoter was changed from 'Aditya Birla Financial Services Private Limited' to 'Aditya Birla Financial Services Limited' with effect from December 04, 2014. The name of our Promoter was further changed to its present name 'Aditya Birla Capital Limited' and a fresh certificate of incorporation was issued by the Registrar of Companies, Ahmedabad on June 21, 2017.

The Promoter has been registered with the RBI as a Non-Banking Finance Company- Non-Deposit taking- Systemically Important Core Investment Company (CIC-ND-SI) vide a certificate of registration dated October 16, 2015. As per this certificate of registration, our Company has been permitted to carry on the business of CIC-ND-SI and has to abide by all the instructions by the RBI on CIC-ND-SI as collated in Master Direction – Core Investment Companies (Reserve Bank) Directions, 2016 vide circular no. DNBR. PD.003/03.10.119/2016-17 dated August 25, 2016 and the instructions issued thereafter. Under this certificate of registration, RBI has provided the following disclaimer:

(a) Reserve Bank of India does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinions expressed by the Company and for discharge of liability by the Company.

(b) Neither is there any provision in law to keep, nor does the Company keep any part of the deposits with the Reserve Bank and by issuing the certificate of registration to the Company, the Reserve Bank neither accepts any responsibility nor guarantee for the payment of the deposit amount to any depositor.

The Board of Directors of the Company at its Meeting held on August 11, 2016 approved a Composite Scheme of Arrangement between (erstwhile) Aditya Birla Nuvo Limited ("ABNL"), Grasim Industries Limited ("Grasim") and Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited) and their respective Shareholders and Creditors ("the Composite Scheme"). The Hon'ble National Company Law Tribunal, Bench at Ahmedabad sanctioned the Composite Scheme on June 01, 2017 and the certified true copy of the Scheme as received on June 07, 2017 was filed with the Registrar of Companies (ROC) on July 04, 2017, being the effective date. The Demerger Committee of Aditya Birla Capital Limited fixed July 20, 2017 as the record date for allotment of Equity Shares as per the Share Entitlement ratio pursuant to the Composite Scheme. The Equity Shares of Aditya Birla Capital Limited was allotted to each eligible Shareholder of Grasim Industries Limited, whose names were recorded in the register of Members of Grasim as on the record date i.e. July 20, 2017 was made on August 14, 2017, as per the Share Entitlement ratio pursuant to the Composite Scheme.

The Equity Shares of our Promoter are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") (BSE and NSE shall together be collectively hereinafter referred to as "the Indian Stock Exchanges") and were admitted to trading on the Indian Stock Exchanges with effect from September 01, 2017. The Global Depositary Shares ("GDSs") issued pursuant to the Composite Scheme were listed on the official list of the Luxembourg Stock Exchange ("LSE") and admitted to trading on the Euro MTF market of LSE with effect from October 11, 2017.

Our Promoter is the holding company of various companies having presence across several business sectors including NBFC, asset management, life insurance, health insurance and wellness, housing finance, private equity, general insurance broking, wealth management, broking, online personal finance management, pension fund management and Asset Reconstruction Company.

We confirm that the Permanent Account Number and Bank Account Number of the Promoter and Permanent Account Number of the Directors have been submitted to the stock exchanges on which the non-convertible securities are proposed to be listed, at the time of filing the draft offer document.

**Details of Promoter Holding in the Company as on June 30, 2022**

| Sr. No. | Name of the shareholders | Total No of Equity | No. of shares in Demat form | Total shareholding as % of total no of equity shares | No of shares pledged | % of shares pledged with respect to shares owned |
|---|---|---|---|---|---|---|
| 1 | Aditya Birla Capital Limited (ABCL) | 50,11,97,682 | 50,11,97,668 | 100 | Nil | Nil |
| | **Total** | ***50,11,97,682** | **50,11,97,668** | **100** | | |

***50,11,97,682 **shares** are held by the holding company i.e. Aditya Birla Capital Limited (ABCL) inclusive of 14 shares which are being held by the nominees of ABCL.

**i)** **& j)** Columnar Representation of Audited Consolidated (wherever available) and Standalone dire ( like Profit & Loss statement, Balance Sheet and Cash Flow statement) for at least last three years and Latest Audited / Limited Review Half Yearly and auditor qualifications , if any.

## Aditya Birla Housing Finance Limited
### Balance sheet

*(Currency : Rupees in lakh)*

| Particulars | As at June 30, 2022 Limited Review | As at March 31, 2022 Audited | As at March 31, 2021 Audited | As at March 31, 2020 Audited |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **(1) FINANCIAL ASSETS** | | | | |
| (a) Cash and cash equivalents | 38,530.93 | 55,695.10 | 37,737.34 | 40,020.60 |
| (b) Derivative financial instruments | 3,238.77 | 1,420.03 | - | 1,070.50 |
| (c) Receivables | | | | |
| (I) Trade receivables | 1,602.61 | 1,224.70 | 250.45 | 213.77 |
| (II) Other receivables | 239.70 | 53.56 | 187.40 | 100.99 |
| (d) Loans | 11,92,201.69 | 11,89,546.08 | 11,80,262.71 | 12,11,209.09 |
| (e) Investments | 4,814.31 | - | 10,120.38 | 54,692.14 |
| (f) Other financial assets | 677.53 | 306.29 | 1,013.37 | 480.80 |
| | **12,41,305.54** | **12,48,245.76** | **12,29,571.65** | **13,07,787.89** |
| **(2) NON- FINANCIAL ASSETS** | | | | |
| (a) Current tax assets (Net) | 244.44 | 232.75 | 156.86 | 1,257.04 |
| (b) Deferred tax assets (Net) | 5,666.99 | 5,372.56 | 3,931.01 | 2,232.68 |
| (c) Property, plant and equipment | 1,001.07 | 830.69 | 658.84 | 903.29 |
| (d) Right to use assets | 2,393.23 | 1,921.43 | 1,493.32 | 2,288.82 |
| (e) Intangible assets under development | 184.09 | 61.42 | 119.55 | 28.02 |
| (f) Other intangible assets | 563.03 | 561.33 | 485.52 | 510.11 |
| (g) Other non-financial assets | 1,819.65 | 1,844.16 | 1,161.42 | 1,141.43 |
| | **11,872.50** | **10,824.34** | **8,006.52** | **8,361.39** |
| **TOTAL ASSETS** | **12,53,178.04** | **12,59,070.10** | **12,37,578.17** | **13,16,149.28** |
| **LIABILITIES AND EQUITY** | | | | |
| **LIABILITIES** | | | | |
| **(1) FINANCIAL LIABILITIES** | | | | |
| (a) Payables | | | | |
| Trade payables | | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | 10.73 | 49.22 | 28.70 | 69.55 |
| (ii) total outstanding dues of creditors other than micro enterprises and small | 2,851.56 | 2,776.70 | 3,412.38 | 2,621.35 |
| (b) Derivative financial instruments | - | - | 306.73 | |
| (c) Debt securities | 2,20,995.06 | 2,19,114.54 | 1,73,428.50 | 1,91,000.88 |
| (d) Borrowings other than debt securities | 8,03,985.94 | 8,18,218.60 | 8,61,134.24 | 9,49,081.79 |
| (e) Subordinated liabilities | 33,291.96 | 34,191.81 | 34,199.24 | 26,608.02 |
| (f) Lease Liability | 2,387.80 | 2,019.30 | 1,584.65 | 2,602.12 |
| (g) Other financial liabilities | 9,431.04 | 8,953.04 | 10,386.88 | 3,756.91 |
| | **10,72,954.09** | **10,85,323.21** | **10,84,481.32** | **11,75,740.62** |
| **(2) NON- FINANCIAL LIABILITIES** | | | | |
| (a) Current tax liabilities (Net) | 739.96 | 11.11 | 68.94 | - |
| (b) Provisions | 925.23 | 948.44 | 823.43 | 779.79 |
| (c) Other non-financial liabilities | 695.85 | 688.26 | 289.19 | 1,342.62 |
| | **2,361.04** | **1,647.81** | **1,181.56** | **2,122.41** |
| **TOTAL LIABILITIES** | **10,75,315.13** | **10,86,971.02** | **10,85,662.88** | **11,77,863.03** |
| **(3) EQUITY** | | | | |
| (a) Equity share capital | 50,119.77 | 50,119.77 | 50,119.77 | 50,119.77 |
| (b) Other equity | 1,27,743.14 | 1,21,979.31 | 1,01,795.52 | 88,166.48 |
| **TOTAL EQUITY** | **1,77,862.91** | **1,72,099.08** | **1,51,915.29** | **1,38,286.25** |
| **TOTAL LIABILITIES AND EQUITY** | **12,53,178.04** | **12,59,070.10** | **12,37,578.17** | **13,16,149.28** |

## Aditya Birla Housing Finance Limited
## Statement of Profit and Loss

*(Currency : Rupees in lakh)*

| | Particulars | For the year ended June 30, 2022 | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|---|---|
| | **Revenue from operations** | | | | |
| | Interest income | 30,163.14 | 1,18,567.54 | 1,23,451.45 | 1,24,343.78 |
| | Fees and commission income | 1,104.01 | 2,713.99 | 3,801.00 | 4,083.02 |
| | Net gain on fair value changes in investments | 20.91 | 234.19 | 803.29 | 1,412.67 |
| | Net gain on derecognition of financial instruments | - | - | - | 121.95 |
| **I** | **Total revenue from operations** | 31,288.06 | 1,21,515.72 | 1,28,055.74 | 1,29,961.42 |
| **II** | Other income | 30.69 | 108.60 | 435.28 | 156.23 |
| **III** | **Total income (I+II)** | **31,318.75** | **1,21,624.32** | **1,28,491.02** | **1,30,117.65** |
| | **EXPENSES** | | | | |
| | Finance costs | 16,521.76 | 69,493.52 | 84,922.79 | 92,698.53 |
| | Net loss on derecognition of financial instruments classified under amortised cost category | 80.09 | 1,023.69 | 10.83 | - |
| | Impairment of financial instruments | 1,469.28 | 6,446.77 | 8,740.25 | 7,127.68 |
| | Employee benefit expenses | 4,159.25 | 13,173.98 | 11,239.33 | 11,325.27 |
| | Depreciation, amortization and impairment | 297.40 | 1,003.10 | 1,117.79 | 1,165.53 |
| | Other expenses | 1,628.90 | 5,158.14 | 4,822.18 | 4,181.81 |
| **IV** | **Total expenses** | **24,156.68** | **96,299.20** | **1,10,853.17** | **1,16,498.82** |
| **V** | **Profit before tax (III-IV)** | **7,162.07** | **25,325.12** | **17,637.85** | **13,618.83** |
| **VI** | **Tax expenses** | | | | |
| | (1) Current tax | 1,922.25 | 7,108.81 | 5,415.69 | 3,613.72 |
| | (2) Deferred tax | (352.21) | (1,594.41) | (1,666.63) | (74.56) |
| | (3) Income tax for earlier years | - | 81.43 | 165.47 | (185.58) |
| | **Total tax expenses** | **1,570.04** | **5,595.83** | **3,914.53** | 3,353.58 |
| **VII** | **Profit for the year (V-VI)** | **5,592.03** | **19,729.29** | **13,723.32** | **10,265.25** |
| **VIII** | **Other comprehensive income** | | | | |
| | (1) Items that will not be reclassified to profit or loss | | | | |
| | *Re-measurement gains/ (losses) on defined benefit plans* | 58.83 | 67.66 | 99.84 | (91.03) |
| | *Income tax relating to the items that will not be reclassified to profit or loss* | (14.81) | (17.03) | (25.13) | 22.91 |
| | (2) Items that will be reclassified to profit or loss | | | | |
| | *Re-measurement gains/ (losses) on hedge instruments* | 170.75 | 539.71 | (225.83) | (978.81) |
| | *Income tax relating to the items that will not be reclassified to profit or loss* | (42.97) | (135.83) | 56.84 | 246.35 |
| | **Other comprehensive income** | **171.80** | **454.51** | **(94.28)** | **(800.58)** |
| **IX** | **Total comprehensive income for the year (VII+VIII) (Comprising profit and other comprehensive income for the year)** | **5,763.83** | **20,183.80** | **13,629.04** | **9,464.68** |
| **X** | **Earnings per equity share of Rs. 10 each** | | | | |
| | Basic & diluted earnings per equity share | **1.12** | **3.94** | **2.74** | **2.16** |

## Aditya Birla Housing Finance Limited
### Cash Flow Statement

*(Currency : Rupees in lakh)*

| Particulars | For the year ended June 30, 2022 | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|---|
| **A. Cash flow from operating activities** | | | | |
| ***(a) Profit before tax*** | **7,162.07** | **25,325.12** | **17,637.85** | **13,618.83** |
| *Adjustments for:* | | | | |
| Depreciation and amortisation | 297.40 | 1,003.10 | 1,117.79 | 1,165.53 |
| Interest on lease liability | 38.34 | 139.71 | 176.37 | 225.25 |
| Profit on surrender of lease liability/ income from rent concession | - | (21.93) | (331.84) | - |
| Impairment on financial instruments including loss on derecognition of financial assets at amortised cost | 1,549.37 | 7,470.46 | 8,751.08 | 7,005.73 |
| Net gain on Fair value changes | (20.91) | (234.19) | (803.29) | (1,412.67) |
| Loss/ (profit) on derecognition of property, plant and equipment | (3.73) | 0.44 | (2.80) | 0.23 |
| ***(b) Operating profit before working capital changes*** | **9,022.54** | **33,682.71** | **26,545.16** | **20,602.90** |
| *Adjustments for:* | | | | |
| Decrease/(increase) in trade receivables | (564.05) | (840.41) | (123.09) | (119.23) |
| Decrease/(increase) in loans | (4,204.98) | (16,753.83) | 22,195.30 | (73,720.85) |
| Decrease/(increase) in other financial assets | (371.24) | 707.08 | (532.57) | (75.80) |
| Decrease/(increase) in derivative financial instruments | (1,647.99) | (1,187.05) | 1,151.40 | (2,049.31) |
| Decrease/(increase) in other assets | (59.60) | (698.97) | (332.44) | (155.95) |
| (Decrease)/increase in trade payables | 36.37 | (615.16) | 750.18 | 80.06 |
| (Decrease)/increase in provisions | 35.62 | 192.67 | 143.48 | 171.45 |
| (Decrease)/increase in other financial liabilities | 2,107.24 | (3,053.24) | 8,949.42 | 3,477.68 |
| (Decrease)/increase in other liabilities | 7.59 | 399.07 | (82.55) | 113.20 |
| ***(c) Cash from operating activities*** | **4,361.50** | **11,832.87** | **58,664.29** | (51,675.85) |
| Direct taxes paid (net of refund) | (1,205.09) | (7,323.96) | (4,412.04) | (3,991.07) |
| **Net cash from operating activities (A)** | **3156.41** | **4,508.91** | **54,252.25** | **(55,666.92)** |
| **B. Cash flow from investing activities** | | | | |
| Purchase of property, plant and equipment, acquisition of intangible assets | (547.22) | (865.67) | (538.04) | (527.63) |
| Proceeds from sale of property, plant and equipment | 5.57 | 22.05 | 21.65 | 17.84 |
| Profit on sale of current investments | | 355.07 | 874.55 | 1,220.53 |
| (Purchase)/sale of current investments (net) | (4,793.40) | 9,999.50 | 44,500.50 | (54,500.00) |
| **Net cash from investing activities (B)** | **(5,335.05)** | **9,510.95** | **44,858.66** | **(53,789.26)** |
| **C. Cash flow from financing activities** | | | | |
| Proceeds from share capital issue including securities premium (net of share issue expense) | | - | - | 9990.00 |
| Payment of lease liability | (128.62) | (436.20) | (525.56) | (672.43) |
| Proceeds from long term borrowings | 15,000.00 | 55,957.49 | 2,60,261.00 | 3,13,945.00 |
| Repayment of long term borrowings | (81,501.14) | (71,969.67) | (2,74,010.41) | (1,72,139.39) |
| Net proceeds/ repayment for short term borrowings | 51,644.23 | 20,386.28 | (87,119.20) | (1,654.57) |
| **Net cash from/(used in) financing activities (C)** | **(14,985.53)** | **3,937.90** | **(1,01,394.17)** | **1,49,468.61** |
| **D. Net increase/ (decrease) in cash and cash equivalents (A+B+C)** | **(17,164.17)** | **17,957.76** | **(2,283.26)** | **40,012.43** |
| **E. Cash and cash equivalents at the beginning of the year** | **55,695.10** | **37,737.34** | **40,020.60** | **8.17** |
| **F. Cash and cash equivalents at the end of the year*** | **38,530.93** | **55,695.10** | **37,737.34** | **40,020.60** |
| **Additional Information:** | | | | |
| Interest received | 30,174.00 | 1,15,277.75 | 1,22,307.72 | 1,22,684.08 |
| Interest paid | 22,518.96 | 86,489.37 | 81,111.42 | 90,327.55 |

**Incudes fixed deposits of NIL (March 31, 2020 Rs. 35,143.84 Lakh) & Current account balance of Rs. 34,819.50 Lakh (March 31, 2020; NIL) which are earmarked for disbursement of loan in affordable segment.*

k) Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc) at the time of issue which may affect the issue or the investor‟s decision to invest / continue to invest in the debt securities
**None**

l) The names of the debenture trustee(s) shall be mentioned with statement to the effect that debenture trustee(s) has given his consent to the Issuer for his appointment under regulation 4 (4) and in all the subsequent periodical communications sent to the holders of debt securities

The Company has appointed **Vistra ITCL (India) Limited** as the Debenture Trustee for the Issue. The address and contact details of the Debenture Trustee are as under:

**Address** : ILFS Financial Centre, Plot C-22, G-Block Bandra Kurla Complex Bandra (E), Mumbai - 400 051

Tel: 022-2659 3535 Fax: 022- 2653 3297 Website : www.itclindia.com

**Contact : Ms. Sandesh Vaidya** Email: Sandesh.Vaidya@vistra.com;
**SEBI Reg. No**. IND000000452

**Vistra ITCL (India) Limited** has given its consent to the Company under Scehdule II Regulation 2.3.20 of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended to be appointed as the Debenture Trustee for this Issue.

All the rights and remedies of the Debenture Holders under this issue shall vest in and shall be exercised by the Debenture Trustees without reference to the Debenture Holders. All investors under this issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee appointed by the Company to act as their trustees and for doing such acts and signing such documents to carry out their duty in such capacity. Any payment by the Company to the Debenture Trustees on behalf of the Debenture holders shall completely and irrevocably, from the time of making such payment, discharge the Company pro tanto as regards its liability to the Debenture Holders.

m) The detailed rating rationale (s) adopted (not older than one year on the date of opening of the issue)/ credit rating letter issued (not older than one month on the date of opening of the issue) by the rating agencies shall be disclosed

**A copy of the rating letters along with raitionale obtained from ICRA Limited and India Ratings & Research is enclosed in Annexure II**

n) If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure( procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document. None
o) Copy of consent letter from the Debenture Trustee shall be disclosed
p) The Debenture Trustee i.e. Vistra ITCL (India) Limited has given its consent vide letter dated **June 25, 2021** to act as Debenture Trustee to the proposed issue.
q) Names of all the recognised stock exchanges where the debt securities are proposed to be listed clearly indicating the designated stock exchange.

BSE Limited (Designated Stcok Exchange) and National Stock Exchange of India Limited

**Other Details**

i) **DRR creation - relevant regulations and applicability**

No Debenture Redemption Reserve is being created for the issue of NCDs in pursuance of this Document since creation of Debenture Redemption Reserve is not required for the proposed issue of Debentures. In accordance with Rule the 18 (7) (b) (iii) (B) of Companies (Share Capital and Debentures) Rules 2014, Housing Finance Companies registered with National Housing Bank issuing debentures which are privately placed are not required to create DRR.

ii) **Issue/instrument specific regulations - relevant details (Companies Act, RBI guidelines, etc)**

The Company, the Debentures and Company's obligations under the Debentures shall, at all times, be subject to the provisions of the Act,regulations/guidelines/directions of RBI, SEBI and Stock Exchanges and other applicable laws and regulations from time to time.

The Debentures are governed by and shall be construed in accordance with the existing Indian laws as applicable in the state of Gujarat. Any dispute arising in respect thereof will be subject to the exclusive jurisdiction of the courts and tribunals of Ahmedabad.

Further, the said Debentures shall be subject to the terms and conditions as contained in the application form, Placement Memorandum, Debenture Trust Deed, Debenture Trustee Agreement and other Transaction / Security document.

**iii) Application process**

**Who can Apply**

As decided vide the Board resolution, only the following categories of investors, when specifically contacted, are eligible to invest in these Debentures:

1. Qualified Institutional Buyer as defined under the SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2009;
2. Company as defined under Companies Act, 2013;
3. Provident fund(s), pension fund(s), superannuation fund(s) and gratuity fund(s) (with no restriction on their corpus amount);
4. Individual, HUF, Partnership firm, Limited Liability Partnership (LLP) with a minimum subscription for NCDs of Rs. 1 Crore;
5. Any Non-Banking Finance company registered with RBI
6. International / multilateral / bilateral agencies
7. Sovereign wealth funds and
8. Foreign portfolio investor as defined under Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
9. Foreign Financial Institutions and
10. Foreign and Domestic Banks

All investors are required to comply with the relevant regulations / guidelines applicable to them for investing in this issue of NCDs.

Every application is to be accompanied by bank account details and MICR code of the bank for the purpose of availing direct credit of interest and all amounts through electronic transfer of funds or RTGS.

**Application by Scheduled Commercial Banks**

The application must be accompanied by certified true copies of (i) Board Resolution authorising investments; (ii) Letter of Authorization or Power of Attorney and (iii) specimen signatures of authorised signatories

**Application by Co-operative Banks**

The application must be accompanied by certified true copies of: (i) Resolution authorizing investment along with operating instructions/power of attorney; and (ii) specimen signatures of authorised signatories.

**Applications by Companies/Financial Institutions**

The applications must be accompanied by certified true copies of (i) Memorandum and Articles of Association/Constitution/Bye-laws (ii) resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorised signatories.

**Application by Mutual Funds**

(i) A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. (ii) Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made. The applications must be accompanied by certified true copies of (i) SEBI Registration Certificate and Trust Deed (iii) resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorised signatories.

**Application by Insurance Companies**

The applications must be accompanied by certified copies of (i) Memorandum and Articles of Association (ii) Power of Attorney (iii) Resolution authorising investment and containing operating instructions (iv) Specimen signatures of authorised signatories.

**Application by Provident, Gratuity, Pension Fund**

The applications must be accompanied by certified true copies of (i) Trust Deed / Bye Laws / Resolutions, (ii) Resolution authorising investment and (iii) Specimen signatures of the authorised signatories.

**Applications under Power of Attorney / Relevant Authority**

In case of applications made under a Power of Attorney or by a Limited Company or a Body Corporate or Registered Society or Mutual Fund, and scientific and/or industrial research organisations or Trusts etc., the relevant Power of Attorney or the relevant resolution or authority to make the application, as the case may be, together with the certified true copy thereof along with the certified copy of the Memorandum and Articles of Association and/or Bye-Laws as the case may be must be attached to the Application Form or lodged for scrutiny separately with the photocopy of the Application Form, quoting the serial number of the Application Form at the Company's office where the application has been submitted failing which the applications are liable to be rejected.

**DISCLAIMER:**

Please note that only those persons to whom the information document has been specifically addressed are eligible to apply. However, an application, even if complete in all respects, is liable to be rejected without assigning any reasons for the same. The list of documents provided in this information document is only indicative, and an investor is required to provide all those documents / authorisations / information, which are likely to be required by the company. The company may, but is not bound to revert to any investor for any additional documents/information, and can accept or reject an application as it deems fit. The regulations/notifications regarding investment mentioned above are merely in the form of guidelines and the company

Does not warrant that they are accurate, or have not been modified. Each of the above categories of investors is required to check and comply with extant rules/regulations/ guidelines, etc. Governing or regulating their investments as issued by their respective regulatory authorities, and the company is not, in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the company required to check or confirm the same.

**Market Lot**

The market lot would be one debenture.

**Issue of Debentures only in Demat Form**

ABHFL will make necessary arrangements with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL) for the issue of Debentures in Dematerialized form. Investors shall hold the Debentures and deal with the same as per the provisions of Depositories Act, 1996 /rules as notified by NSDL / CDSL from time to time.

Investors should mention their Depository Participants name, DP-ID and Beneficiary Account Number in the appropriate place in the Application Form. ABHFL shall take necessary steps to credit the Depository Account of the allottee (s) with the number of debentures allotted. In case of incorrect details provided by the investors and inability of the Company to credit the depository account, the allotment of debentures would be held in abeyance till the investors furnish the correct depository account details to the Company.

Notwithstanding the foregoing applicant(s) have the option to seek rematerialisation of Debentures (i.e., the investors shall have the right to hold the Debentures in physical form) at any time in the future.

**Mode of Subscription**

The Company is following the procedure laid down by SEBI vide its circular dated January 5, 2018 **Electronic book mechanism for issuance of securities on private placement basis and as amended from time to time.** The company is issuing debentures on private placement basis as per the said referred circular. The Company will use the electronic platform of either of NSE or BSE for the same. The investors too will have to bid according to the said circular. Additionally, the below mentioned process too has to be compiled with.

During the period of the issue, investors can subscribe to the Debentures by completing the application forms for the Debentures in the prescribed form. The application form should be filled in block letters in English.

In case the bidding is taking place on BSE's platform, the payment should be credited in RTGS form to **ANY ONE OF** the Designated Bank Accounts of ICCL as under:

| **Beneficiary Name** | **INDIAN CLEARING CORPORATION LTD** | | |
|---|---|---|---|
| **Name of Bank** | **ICICI Bank** | **Yes Bank** | **HDFC Bank** |
| Account No | ICCLEB | ICCLEB | ICCLEB |
| IFSC Code | ICIC0000106 | YESB0CMSNOC | HDFC0000060 |
| Mode | NEFT / RTGS | NEFT / RTGS | NEFT / RTGS |

In case the Issuer has received moneys from applicants for Debentures in excess of the aggregate of the application moneys relating to the Debentures in respect of which allotments have been made, the Issuer shall repay the moneys to the extent of such excess forthwith without interest, and if such money is not repaid within eight days after the Issuer becomes liable to repay it, the Issuer and every Director of the Issuer who is an officer in default shall, on and from the expiry of the eighth day be jointly and severally liable to repay that money with interest at the rate of fifteen per cent having regard to the length of the period of delay in making the repayment of such money.

**C. Issue Details (Summary Term Sheet)**

**Private Placement of 5,000 Secured, Rated, Listed, Taxable, Redeemable, Non-Convertible Debentures of the Face Value of Rs. 10,00,000/- each aggregating to Rs. Five Hundred Crore only with a Green Shoe option of Rupees One Hundred crore only**

| | |
|---|---|
| Issuer | Aditya Birla Housing Finance Ltd. |
| Security Name | ABHFL NCD Series 'G1' FY2022-23 (October 25, 2032) |
| Series | ABHFL NCD Series 'G1' FY2022-23 |
| Type of Instrument | Secured, Rated, Listed, Taxable, Redeemable Non-Convertible Debentures ("NCDs" or Debentures") |
| Nature of Instrument | Secured |
| Seniority | Senior |
| Mode of Issue | Private Placement |
| Eligible Investors | As per "Who Can Apply" in the Placement Memorandum - Mentioned in the Placement Memorandum (Page No: 56-57) |
| Listing (name of stock exchange(s) where it will be listed and timeline for listing | On the Debt Market (DM) segment of NSE and BSE to be completed by T+4 trading days<br><br>*(T being Issue Closure Date)* |
| Rating of the Instrument | [ICRA] AAA (Stable) from ICRA Ltd &<br>IND AAA (Stable) from India Ratings |
| Base Issue Size | Rs. 500.00 Crore (Rupees Five Hundred Crores only) |
| Option to retain oversubscription (Amount) | Rs. 100.00 Crore (Rupees One Hundred crore only) |
| Total issue Size | Rs. 600.00 Crore (Rupees Six Hundred Crores only) |
| Minimum subscription | 10 Debentures of Rs.10,00,000 each and in multiples of 1 Debenture thereafter |
| Market Lot/Trading Lot | 1 Debenture |
| Objects of the issue | The fund raised through this Issue, after meeting the expenditure of and related to the Issue, will be used for our various financing activities, to repay our existing loans and our business operations including for our capital expenditure, working capital and investment requirements.<br><br>The Main Objects clause of the Memorandum of Association of the Company permits the Company to undertake the activities for which the funds are being raised through the present Issue and also the activities which the Company has been carrying on till date. |
| Detail of the utilization of the proceeds | The management of the Company, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above, the Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities.<br><br>Regulation 57 of RBI Master Direction *"57. Purpose of the issue 57.1. A housing finance company shall issue non-convertible debentures for deployment of funds for creation of own assets. 57.2. No housing finance company shall issue non-convertible debentures to facilitate resource requests of or utilization by group entities/ parent company/ associates."* |
| Coupon Rate (%) | 8.15% |

| | |
|---|---|
| Benchmark | N.A. |
| Yield (%) | N.A. |
| Coupon Payment Frequency | Annually and on maturity |
| Step Up/Step Down Coupon Rate /Coupon Payment Frequency | N.A. |
| Coupon Payment Dates | Annually and on maturity on,<br>Wednesday, 25 October, 2023; Friday, 25 October, 2024; Saturday, 25 October, 2025; Sunday, 25 October, 2026; Monday, 25 October, 2027; Wednesday, 25 October, 2028; Thursday, 25 October, 2029; Friday, 25 October, 2030; Saturday, 25 October, 2031; Monday, 25 October, 2032 |
| Coupon Type | Fixed |
| Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.). | N.A. |
| Bid Book type | Closed |
| Pay-in of Funds | Clearing Corporation ~~/ Escrow Bank Account~~ |
| Type of allotment | Uniform |
| Day Count Basis | Actual / Actual |
| Interest on Application Money | N.A. |
| Default Interest Rate | 2% pa over the coupon rate on the defaulted interest and/or principal redemption amount for the duration of default |
| Tenor | 3653 Days |
| Redemption Date | Monday, 25 October, 2032 |
| Redemption Amount | Rs.10,00,000/- (Rupees Ten Lakh only) per Debenture |
| Redemption Premium per debenture | N.A. |
| Issue Price | Rs.10,00,000/- (Rupees Ten Lakh only) per Debenture |
| Discount at which security is issued and the effective yield as a result of such discount. | N.A. |
| Put option Date | N.A. |
| Put Option Price | N.A. |
| Call Option Date | N.A. |
| Call Option Price | N.A. |
| Put Notification Time | N.A. |
| Call Notification Time | N.A. |
| Face Value | Rs.10,00,000/- (Rupees Ten Lakh only) per Debenture |
| Minimum Application & in multiples of Debt securities thereafter | 10 Debentures of Rs.10,00,000 each and in multiples of 1 Debenture thereafter |
| 1. Issue Opening Date | Friday, October 21, 2022 |

| | |
|---|---|
| 2. Issue Closing Date | |
| 3. Pay in Date | Tuesday, October 25, 2022 |
| 4. Deemed Date of Allotment | |
| Issuance mode of the Instrument | Demat only (for private placement) |
| Trading mode of the Instrument | Demat only (for private placement) |
| EBP | On BSE Platform |
| **Settlement Cycle** | **The process of pay-in of funds by investors and pay-out to issuer shall be done on T+1 day basis (i.e. October 25, 2022), where T day is the issue day i.e. October 21, 2022).** |
| Settlement mode of the Instrument<br>**(Designated Bank Accounts of BSE EBP)** | **1. HDFC BANK:**<br>Beneficiary Name: INDIAN CLEARING CORPORATION LTD<br>Account Number: ICCLEB<br>IFSC Code: HDFC0000060<br>Mode: NEFT/RTGS<br><br>**2. ICICI Bank:**<br>Beneficiary Name: INDIAN CLEARING CORPORATION LTD<br>Account Number: ICCLEB<br>IFSC Code: ICIC0000106<br>Mode: NEFT/RTGS<br><br>**3. YES Bank:**<br>Beneficiary Name: INDIAN CLEARING CORPORATION LTD<br>Account Number: ICCLEB<br>IFSC Code: YESB0CMSNOC<br>Mode: NEFT/RTGS |
| Depository(ies) | NSDL / CDSL:<br><br>Depositories (NSDL / CDSL) will/ shall activate the ISINs of debt securities issued on private placement basis only after the Stock Exchange(s) have accorded approval for listing of such securities.<br><br>Further, in order to facilitate re-issuances of new debt securities in an existing ISIN,<br><br>Depositories (NSDL / CDSL) will/ shall allot such new debt securities under a new temporary ISIN which shall be kept frozen. Upon receipt of listing approval from Stock Exchange(s) for such new debt securities, the debt securities credited in the new temporary ISIN shall be debited and the same shall be credited in the pre-existing ISIN of the existing debt securities, before they become available for trading.<br><br>Stock Exchange(s) shall inform the listing approval details to the Depositories whenever listing permission is given to debt securities issued on private placement basis. |

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| Working Day Convention | Working Day' shall be a day on which commercial banks are open for business in the city of Mumbai, Maharashtra and when the money market is functioning in Mumbai. If the date of payment of interest/redemption of principal does not fall on a Working Day, the payment of interest/principal shall be made in accordance with Issue and Listing of Non-Convertible Securities) Regulations, 2021 Dated August 09, 2021 and SEBI Circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021.<br><br>If the date of payment of interest does not fall on a Working Day, then the succeeding Working Day will be considered for such payment of interest, however the amount of interest to be paid would be computed as per the schedule originally stipulated at the time of issuing the security. |
| Record Date | 15 days prior to each Coupon Payment / Principal repayment. If the record date is non-business day, then the previous working day will be considered. |
| All covenants of the issue (including side letters, accelerated payment clause, etc.) | Nil |
| Description regarding Security (where applicable) including type of security (movable/ immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security / likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document/ Information Memorandum. | As per Debenture Trust Deed dated June 25, 2021 - hypothecation by way of first pari passu charge in favour of the Debenture Trustee over its Receivables, Securities, future moveable assets and Current Assets as may be identified by the Company from time to time.<br><br>**1.25 times** security cover covering principal and interest.<br><br>Default Interest Rate is 2% pa over the coupon rate and further as stated in the covenants section of the term sheet below. |
| Undertaking on Creation of Security | The Company has provided hypothecation by way of first pari passu charge in favour of the Debenture Trustee over its Receivables, Securities, future moveable assets and Current Assets for its NCD issuances. The said security has been created. |
| Security cover | As per Debenture Trust Deed dated **June 25, 2021**<br><br>**1.25 times** security cover covering principal and interest<br><br>In case the Primary subscriber sells the debenture(s) the security cover in such case(s) will be 1 time only for all subsequent debenture holders. The security cover on further issuances under this ISIN will be decided at the time of each subsequent reissuance. |
| Rating Condition | a) If the rating is downgraded to "double A minus (AA-)" or below at any time during the currency of the NCDs, the Debenture holder (s) reserves the right to increase the interest rate by upto 25 bps for each notch downgrade with effect from the date of downgrade.<br>b) In case the rating falls to "A" or below at any time during the currency of the NCDs, the Debenture holder (s) reserves the right to recall the outstanding principal amount on the aforesaid NCDs (i.e. redemption at par) along with other monies/ accrued interest due in respect thereof including compensation for all real/ notional losses calculated on the basis as the Debenture holder (s) may deem fit.The above covenant will be applicable only to the Primary Investors. |
| Transaction Documents | Placement Memorandum, Debenture Trust Deed, Debenture Trustee Agreement and any other document that may be designated by the Debenture Trustee as a Transaction Document. This Placement Memorandum shall be read in conjunction with the other Transaction Documents and in case of any ambiguity or inconsistency or differences with any Transaction Document including the Debenture Trust Deed, this Placement Memorandum shall prevail. |

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| Condition Precedent to Disbursement | N.A. |
| Condition Subsequent to Disbursement | N.A. |
| Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement) | Detailed Events of Default are stated in the Debenture Trust Deed dated **June 25, 2021** |
| Creation of Recovery Expense Fund (REF) | Furnished Bank Guarantee of Rs. 25 Lacs for REF on January 14, 2021 (Amendment Date: January 04,2022) in favour of BSE Limited. Expiry Date:January 12, 2023 and Claim Date: January 12, 2024. |
| Conditions for breach of covenants (as specified in Debenture Trust Deed) | Detailed Conditions for breach of covenants are stated in the Debenture Trust Deed dated **June 25 , 2021** |
| Provisions related to Cross Default Clause | N.A. |
| Role and Responsibilities of Debenture Trustee | As per Debenture Trust Deed dated **June 25, 2021** |
| Risk factors pertaining to the issue | Please refer to the risk factors disclosed on Page Nos. 10 to 16 in the IM |
| Governing Law and Jurisdiction | Indian Law, Ahmedabad |
| Covenants | i) In case of delay in execution of Trust Deed and Charge documents, the Company will refund the subscription with agreed rate of interest or will pay penal interest of at least 2% p.a. over the coupon rate till these conditions are complied with at the option of the investor.<br><br>ii) In case of delay in listing of securities issued on privately placement basis beyond the timelines specified above, the issuer;<br><br>1. Will pay penal interest of 1% p.a. over the coupon rate for the period of delay to the investor (i.e. from date of allotment to the date of listing).<br><br>2. Will be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from Stock Exchanges. |

*The proposed bond issue does not form part of non-equity regulatory capital mentioned under Chapter V of SEBI NCS Regulations, 2021

| **Cash Flow – Series ABHFL NCD 'G1' FY2022-23** | |
|---|---|
| Company | Aditya Birla Housing Finance Ltd |
| Face Value (per security) (in Rs.) | Rs. 10,00,000/- (Rupees Ten Lakh only) per Debenture |
| Issue Date / Deemed Date of Allotment | Tuesday, October 25, 2022 |
| Redemption Date | Monday, 25 October, 2032 |
| Coupon Rate | 8.15% |
| Benchmark | N.A. |
| Frequency of Interest payment with specified date | Annually and on maturity on,<br>Wednesday, 25 October, 2023; Friday, 25 October, 2024; Saturday, 25 October, 2025; Sunday, 25 October, 2026; Monday, 25 October, 2027; Wednesday, 25 October, 2028; Thursday, 25 October, 2029; Friday, 25 October, 2030; Saturday, 25 October, 2031; Monday, 25 October, 2032 |
| Day count Convention | Actual / Actual |

| **Cash Flows** | **Date** | **No. of days in Coupon Period** | **Amount per Debenture (In Rupees)** |
|---|---|---|---|
| Inflow | Tuesday, 25 October, 2022 | | 10,00,000.00 |
| 1st Coupon | Wednesday, 25 October, 2023 | 365 | 81,500.00 |
| 2nd Coupon | Friday, 25 October, 2024 | 366 | 81,500.00 |
| 3rd Coupon | Saturday, 25 October, 2025 | 365 | 81,500.00 |
| 4th Coupon | Sunday, 25 October, 2026 | 365 | 81,500.00 |
| 5th Coupon | Monday, 25 October, 2027 | 365 | 81,500.00 |
| 6th Coupon | Wednesday, 25 October, 2028 | 366 | 81,500.00 |
| 7th Coupon | Thursday, 25 October, 2029 | 365 | 81,500.00 |
| 8th Coupon | Friday, 25 October, 2030 | 365 | 81,500.00 |
| 9th Coupon | Saturday, 25 October, 2031 | 365 | 81,500.00 |
| 10th Coupon | Monday, 25 October, 2032 | 366 | 81,500.00 |
| **Principal Outflow** | | **3653** | **10,00,000.00** |

***Notes:***

i. The Company reserves the right to change the Series timetable. The Company reserves the right to further issue debentures under aforesaid series / ISIN;

ii. While the debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of offer document/ information Memorandum, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained.

iii. The Company undertakes that the assets on which charge is created are free from any encumbrances and in cases where the assets are already charged to secure a debt, the permission or consent to create ~~a second or~~ pari-passu charge on the assets of the issuer has been obtained from the earlier creditor

iv. The Company has complied with the disclosure requirements as required under the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and other relevant circulars as amended from time to time.

**Link of Financials and Reports: -**

https://adityabirlacapital.com/investor-relations/financial-reports-for-other-subsidiary-companies

**C . Disclosures pertaining to wilful default : None**

**Listing**

The Secured, Rated, Listed, Redeemable Non-Convertible Debentures ("NCDs" or Debentures") to be issued in terms of this Document are proposed to be listed on the **Debt Market (DM) segment** of the **NSE and BSE Limited**. The Company shall comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended from time to time.

Application shall be submitted to **NSE and BSE to list the Debentures** to be privately placed through Placement Memorandum and to seek permission to deal in such Debentures.

The Company shall complete all the formalities relating to listing of the Debentures within 4 days from the date of closure of each issue in accordance with the SEBI Circular No. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021.

In line with the regulation of Reserve Bank of India, RBI/2011-12/423 A.P. (DIR Series) Circular No. 89 dated March 01, 2012, in the scenario of the NCDs being subscribed by SEBI registered FIIs / sub-accounts of FIIs and if NCD issue has not been listed on the BSE within prescribed timelines in SEBI Circular No. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, then the Company will buy back the said securities, where applicable.

**Monitoring of Utilization of Funds**

There is no requirement for appointment of a monitoring agency in terms of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021

**Material Event / Development or change**

There are no material events / developments or changes at the time of the Issue other than those mentioned in this Document which may affect the issue or the investor's decision to invest in the debt securities.

**Additional Notes to Issue Details**

1. **Terms of the Issue**

   For terms of Issue please refer paragraph titled 'Term Sheet'.

2. **Rights of Debenture Holders**

   The Debenture Holders will not be entitled to any rights and privileges of shareholders other than those available to them under statutory requirements. The Debentures issued under any Series under this Information Document shall not confer upon the Debenture Holders, the right to receive notice, or to attend and vote at the general meetings of shareholders or Debenture Holders issued under any other Series or issued other than under this Information Document or of any other class of securities of the Company.

3. **Modification of Rights**

   The rights, privileges, terms and conditions attached to each Series of the Debentures under this Information Document may be varied, modified or abrogated with the consent, in writing, of those registered holders of the Series of Debentures in the physical form and beneficial owners of the Debentures in the dematerialized form who hold at least three fourths of the outstanding amount of the relevant Series of Debentures or with the sanction accorded pursuant to a resolution passed at a meeting of the relevant Series of Debenture Holders, provided that nothing in such consent or resolution shall be operative against the Company where such consent or resolution modifies or varies the terms and conditions of the Debentures, if the same are not acceptable to the Company.

**4. Minimum subscription**

Minimum subscription is not applicable to privately placed debt securities.

**5. Issue of Debentures only in Demat Form**

ABHFL will make necessary arrangements with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL) for the issue of Debentures in Dematerialized form. Investors shall hold the Debentures and deal with the same as per the provisions of Depositories Act, 1996 /rules as notified by NSDL / CDSL from time to time.

Investors should mention their Depository Participants name, DP-ID and Beneficiary Account Number in the appropriate place in the Application Form. ABHFL shall take necessary steps to credit the Depository Account of the allottee (s) with the number of debentures allotted. In case of incorrect details provided by the investors and inability of the Company to credit the depository account, the allotment of debentures would be held in abeyance till the investors furnish the correct depository account details to the Company.

Notwithstanding the foregoing applicant(s) have the option to seek rematerialisation of Debentures (i.e., the investors shall have the right to hold the Debentures in physical form) at any time in the future.

**6. Refunds**

For applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within 7 (seven) days from the Deemed Date of Allotment of the Debentures without interest.

In case the Issuer has received moneys from applicants for Debentures in excess of the aggregate of the application moneys relating to the Debentures in respect of which allotments have been made, the Issuer shall repay the moneys to the extent of such excess forthwith without interest, and if such money is not repaid within eight days after the Issuer becomes liable to repay it, the Issuer and every Director of the Issuer who is an officer in default shall, on and from the expiry of the eighth day be jointly and severally liable to repay that money with interest at the rate of fifteen per cent having regard to the length of the period of delay in making the repayment of such money.

**7. Deemed Date of Allotment**

The deemed date of allotment for each series will be mentioned in the respective Placement Memorandums.

**8. Interest on The Coupon Bearing Debentures**

**Interest rate**

1. In case of fixed rate Debentures, they shall carry interest at fixed coupon rate as per the respective Placement Memorandums from the corresponding deemed date of allotment.

2. In case of floating rate Debentures, the relevant coupon for any interest period shall be determined by the underlying benchmark, mark up/down on the same and the reset frequency as per the respective Placement Memorandums.

The interest shall be subject to deduction of tax at source at the rates prevailing from time to time under the provisions of the Income tax Act, 1961, or any other statutory modification or re-enactment

thereof, for which a certificate will be issued by ABHFL.

**Computation of interest**

Interest for each of the interest periods shall be computed on actual by actual number of day basis on the principal outstanding on the Debentures at the coupon rate as mentioned in the Placement Memorandums.

**Payment of interest**

Payment of interest on the Debenture(s) will be made to those of the debenture holders whose name(s) appear in the register of debenture holder(s) (or to the first holder in case of joint holders) as on the Record Date fixed by the Company for this purpose and /or as per the list provided by NSDL/CDSL to the Company of the beneficiaries who hold Debentures in demat form on such Record Date, and are eligible to receive interest. Payment will be made by the Company after verifying the bank details of the Investors by way of direct credit through Electronic Clearing Service (ECS), Real Time Gross Settlement (RTGS) or National Electronic Funds Transfer (NEFT) and where such facilities are not available, the Company shall make payment of all such amounts by way of cheque(s)/demand draft(s)/interest warrant(s), which will be dispatched to the debenture holder(s) by registered post/ speed post/ courier or hand delivery on or before the Interest Payment Dates as specified in the relevant Placement Memorandums.

**9. Interest on Application Money**

Interest at the applicable coupon rate/implicit yield (subject to deduction of tax at source at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961, or any other statutory modification or re- enactment thereof for which a certificate will be issued by ABHFL) will be paid on the application money. Such interest shall be paid from the date of realization of the cheque(s) / demand draft(s) up to but not including the deemed date of allotment. The respective interest payment instruments along with the letters of allotment / refund orders, as the case may be, will be dispatched by registered post to the sole / first applicant, at the sole risk of the applicant.

**10. Tax Deduction at Source (TDS)**

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. For seeking TDS Exemption / lower rate of TDS, relevant certificate / document must be lodged by the debenture holders at the office of registrar and transfer agent, at least 15 days prior to the Interest Payment Date. Tax exemption certificate in respect of non- deduction of tax on interest on application money, must be submitted along with the Application Form to the satisfaction of the Issuer. The prospective investor is advised to consult his tax advisor before investing in the Debentures to be issued by the Issuer.

However, Investors may note that as per Finance Act, 2008, tax is not required to be deducted at source on interest payable on security issued by a company, where such security is in dematerialized form and is listed on a recognized Stock Exchange in India in accordance with the Securities Contracts.

**11. Redemption**

The Debentures shall be redeemed at such price, at the expiry of the respective tenor as mentioned in the Placement Memorandums. In case the Deemed Date of Allotment is revised then the Redemption Date will also stand revised accordingly.

**12. Mode of Transfer**

All requests for transfer should be submitted to the respective Depository Participants prior to the Record Date for payment of interest/ principal.

Provided further that nothing in this section shall prejudice any power of the Company to register as Debenture holder any person to whom the right to any Debenture of the Company has been transmitted by operation of law.

Transfer of Debentures would be in accordance with the rules / procedures as prescribed by NSDL / CDSL/ Depository participant.

**13. Payment on Redemption**

*Debentures held in Demat Form*

In case of the NCDs held in demat form, no action is required on the part of the debenture holder(s) at the time of redemption of the NCDs and on the Redemption Date, the redemption proceeds would be paid to those debenture holder(s) whose name(s) appear on the list of beneficial owners given by the Depositories to the Company. The name(s) would be as per the Depositories' records on the Record Date fixed for the purpose of redemption.
All such NCDs will be simultaneously redeemed through appropriate debit corporate action.

The Company shall compute the redemption amounts to be paid to each of the debenture holders based on the relevant Placement Memorandums.

The redemption proceeds shall be directly credited through Electronic Clearing Service (ECS), RTGS or National Electronic Funds Transfer (NEFT) and where such facilities are not available the Company shall make payment of all such amounts by way of cheque/ demand draft. The cheque/demand draft for redemption proceeds, will be dispatched by courier or hand delivery or registered post at the address provided in the Application / at the address as notified by the debenture holder(s) or at the address with Depositories' record. Once the redemption proceeds have been credited to the account of the debenture holder(s) or the cheque/demand draft for redemption proceeds is dispatched to the debenture holder(s) at the addresses provided or available from the Depositories record, the Company's liability to redeem the NCDs on the date of redemption shall stand extinguished and the Company will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

**14. Effect of Holidays**

If the coupon payment dates, excepting the date of allotment, falls on Saturday, Sunday or a public holiday the next working day will be considered as the effective date(s). If the maturity date fall on Saturday, Sunday or a public holiday, the redemption proceeds will be paid on the previous working day.

**15. Issue of Duplicate Debenture Certificate(s)**

If any debenture certificate(s) is / are mutilated or defaced or the pages for recording transfers of NCDs are fully utilised, the same may be replaced by the Company against the surrender of such certificate(s) and upon payment by the claimant of such costs as may be determined by the Company. Provided, where the Debenture Certificate(s) is / are mutilated or defaced, the same will be replaced as aforesaid, only if the certificate numbers, debenture holder number(s) and the distinctive numbers are legible. If any Debenture Certificate(s) is / are destroyed, stolen or lost, then upon production of proof thereof to the satisfaction of the Company and upon furnishing such indemnity / security and / or documents as the Company may deem adequate, duplicate Debenture Certificate(s) shall be issued subject to the charge for the same being borne by the Debenture holder.

**16. Debenture Certificate in Dematerialised mode**

ABHFL shall allot Debentures within such number of days as prescribed under Companies Act, 2013 to investors in due course after verification of the application form, the accompanying documents and on realization of the application money and will comply with the provisions of the section 42(6) of the Companies Act, 2013 and rules framed thereunder. The allotted Debentures at the first instance will be credited in dematerialised form within two days of the date of allotment.

**17. Right to accept or reject applications**

ABHFL is entitled at its sole and absolute discretion to accept or reject an application, in part or in full, without assigning any reason thereof. The application form, which is not complete in all respects, shall be liable to be rejected. Any application, which has been rejected, would be intimated by ABHFL along with the refund warrant / cheques.

**18. Record Date**

Record Dates for each interest payment/principal repayment or any other event will be 15 calendar days prior to the relevant event. In case the same is a non-business day, then the previous working will be considered.

**19. Right of the Company to Purchase & Re-Issue Debentures**

ABHFL will have the power exercisable at its absolute discretion from time to time to purchase some or all of the Debentures held by the Debenture holder at any time prior to the specified date(s) of redemption. Such buy- back of debentures may be at par or at premium/discount to the par value at the sole discretion of ABHFL. In the event of the Debentures being so purchased and/or redeemed before maturity in any circumstances whatsoever, ABHFL shall have the right to re-issue the Debentures under Section 71 and/or applicable provisions of the Companies Act 2013.

**20. Right to Securitize**

The Company is permitted to securitize its receivables, including the receivables that form the part of Mortgaged Properties, from time to time, provided it maintains the Required Security Cover at all times during the tenor of the Debentures.

**21. Fictitious Applications**

As a matter of abundant caution and although not applicable in the case of Debentures, attention of applicants is specially drawn to the provisions of Section 38 of the Companies Act, 2013:
"Any person who:

a) Makes in a fictitious name an application to a Company for acquiring, or subscribing for, any shares therein, or
b) Otherwise induces a Company to allot, or register any transfer of, shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.

**22. Notices**

The notices to the Debenture holders required to be given by ABHFL or the Trustees shall be deemed to have been given if sent by ordinary post to the sole/first allottee or sole/first registered holder of the Debentures, as the case may be. All notices to be given by debenture holders shall be sent by registered post or by hand delivery to ABFL at its Registered / Corporate Office.

**23. Succession**

In the event of demise of the Debenture holder, ABHFL will recognize the executor or administrator of the deceased Debenture holder, or the holder of succession certificate or other legal representative as having title to the Debentures. ABHFL shall not be bound to recognize such executor, administrator or holder of the succession certificate or other legal representative as having title to the Debentures, unless such executor or administrator obtains probate or letter of administration or such holder is the holder of succession certificate or other legal representation, as the case may be, from a competent Court in India having jurisdiction over the matter. The Directors of ABHFL may, in their absolute discretion, where they think fit, dispense with production of probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Debentures standing in the name of the deceased Debenture holder on production of sufficient documentary proof or indemnity.

**24. Allotment Basis**

Acceptance of the offer to invest and the allotment shall be decided by ABHFL. The Company reserves the right to reject in full or part any or all of the offers received by them to invest in the debentures without assigning any reason for such rejection. Acceptance of the offer shall be subject to completion of subscription formalities as detailed in the application form.

**25. Trustee**

**Vistra ITCL (India) Limited** has been appointed to act as the Trustees for the Debenture holders (hereinafter referred to as "Trustees"). All remedies of the Debenture holder(s) for the amounts due on the Debentures will be vested with the Trustees on behalf of the Debenture holder(s).

The Debenture holders shall without any further act or deed be deemed to have irrevocably given their consent and authorize the Trustees or any of their Agents or authorized officials to do inter alia acts, deeds and things necessary in respect of or relating to the creation of security in terms of this Information Document of Private Placement.

**26. Register of Debenture Holders**

ABHFL shall maintain Register of Debenture holders containing necessary particulars at its Registered Office / Registrar & Share Transfer Agent's office.

**27. Modification of Rights**

The rights, privileges, terms and conditions attached to each Series of the NCDs may be varied, modified or abrogated with the consent, in writing, of those registered holders of the Series of NCDs in the physical form and beneficial owners of the NCDs in the dematerialised form who hold at least three fourths of the outstanding amount of the relevant Series of NCDs or with the sanction accorded pursuant to a resolution passed at a meeting of the relevant Series of debenture holders, provided that nothing in such consent or resolution shall be operative against the Company where such consent or resolution modifies or varies the terms and conditions of the NCDs, if the same are not acceptable to the Company.

**28. Application under Power of Attorney**

In the case of applications made under Power of Attorney or by limited companies, corporate bodies, registered societies, trusts etc. a certified true copy of the Power of Attorney or the relevant authority, as the case may be along with a certified copy of the Document & Articles of Association and/or Bye Laws and/or the Deed of Trust, certified true copy of the Board Resolution, list of authorized signatories must be lodged along with the application or sent directly to the Company along with a copy of the Application Form.

**29. Tax Benefits**

There are no specific tax benefits attached to the Debentures. Investors are advised to consider the tax implications of their respective investment in the Debentures.

**30. Appointment of Debenture Trustee**

That the Company hereby appoints Vistra ITCL (India) Limited as the Debenture Trustee for the Debenture holders of all the series of the Debentures aggregating to Rs. 2,000 crore (Rupees Two thousand crores only) to be issued by the Company under DTD dated June 25, 2021 from time to time and Vistra ITCL (India) Limited hereby agrees to act as Debenture Trustee for the Debenture holders, subject to the completion of diligence of all relevant information pertaining to the assets of the Company and security to be created to secure the Debentures, to the satisfaction of the Debenture Trustee. The Debenture

Trustee and the Company shall also enter into a debenture trust deed (hereinafter referred to as the "Debenture Trust Deed") and such other documents as may be required from time to time in relation to the Debentures. The Debenture Trustee agrees to act as Debenture Trustee on behalf of and for the benefit of the Debenture Holders and for the purposes related thereto, strictly in accordance with the provisions of the Transaction Documents and more particularly given in the Debenture Trust Deed. Notwithstanding anything to the contrary, the Debenture Trustee shall not act on any instructions of the Company and shall at all times only act in accordance with the instruction of the Debenture Holders in accordance with Debenture Trust Deed.

i. The Debenture Trust Deed shall be finalized by the parties and consist of two parts: Part A containing statutory/standard information pertaining to the debt issue consisting of clauses pertaining to Form SH-12 in terms of Rule 18(5) of the Companies (Share Capital and Debentures) Rules, 2014; and Part B containing details specific to the particular debt issue.

ii. As the Debentures are to be secured, the Company shall create the securities over such of its moveable properties and on such terms and conditions as disclosed in the Placement Memorandum and execute the Debenture Trust Deed and other necessary security documents for all series of Debentures as approved by the Debenture Trustee, prior to filing of the application for listing of the Debentures, in accordance with the extant Debt Listing Regulations and other applicable regulations and circulars issued by SEBI, and shall be registered with Registrar of Companies, Central Registry of Securitization Asset Reconstruction and Security Interest (CERSAI), Depository etc., as applicable, within 30 days of creation of charge. The Company agrees that, in case the charge is not registered anywhere or is not independently verifiable, then the same shall be considered a breach of covenants/ terms of the issue by the Company.

iii. The Company shall comply with the provisions of SEBI Debenture Trustee Regulations, Debt Listing Regulations, debt listing agreement, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended from time to time), the Companies Act and other applicable provisions under applicable laws, regulations, circulars and guidelines ("Relevant Laws") in connection with the issuance, allotment, listing and ensuring continued compliance of the Debentures until the redemption in full of the Debentures. Further the Company undertakes to comply with all regulations/provisions of Companies Act, 2013, guidelines of other regulatory authorities in respect of allotment of debentures till redemption.

iv. The Company will submit the required details along with the necessary documents mentioned in the checklist of the listing application, for the purpose of listing the Debentures on the Wholesale Debt Markets segment of the Bombay Stock Exchange Limited and/or National Stock Exchange ("Stock Exchange"), after the allotment of the Debentures, and will apply to obtain the listing approval from the Stock Exchange. A copy of the listing approval received from the Stock Exchange will be forwarded to the Debenture Trustee.

v. The Company hereby declares and confirms that the Company or the person in control of the Company, or its promoter has not been restrained or prohibited or debarred by the SEBI from accessing the securities market or dealing in securities.

vi. The terms of this Agreement shall be effective only upon the submission by the Company of the requisite information and documents to the satisfaction of the Debenture Trustee for carrying out the requisite due diligence as required in terms of the Relevant Laws including in connection with verification of the security / contractual comforts and the asset cover for the Debentures, which is undertaken by the Company to be submitted simultaneously with or prior to the execution of this Agreement. In view of the foregoing , the Company shall provide all the information and documents as set out in Annexure A hereto, as applicable.

**31. Terms of carrying out due diligence by Debenture Trustee**

a) The Debenture Trustee, either through itself or its agents /advisors/consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets (on which the charge is proposed to be created) and whether all permissions or consents (if any) as may be required to create the security as stipulated in the Placement Memorandum, has been obtained. For the purpose of carrying out the due diligence as required in terms of the Relevant Laws, the Debenture Trustee, either through itself or its agents /advisors/consultants, shall have the power to examine the books of account of the Company and to have the Company's assets (on which the charge is proposed to be created) inspected by its officers and/or external auditors/valuers/consultants/lawyers/technical experts/management consultants appointed by the Debenture Trustee.

b) The Company shall provide all assistance to the Debenture Trustee to enable verification from the Registrar of Companies, CERSAI, depositories, information utility or any other authority, as may be relevant, where the assets on

which the charge is proposed to be created and/or encumbrances in relation to such assets or any third party security provider are registered / disclosed.

c) Further, in the event that existing charge holders have provided conditional consent / permissions to the Company to create further charge on the assets, the Debenture Trustee shall also have the power to verify such conditions by reviewing the relevant transaction documents or any other documents executed between existing charge holders and the Company. The Debenture Trustee shall also have the power to intimate the existing charge holders about proposal of creation of further encumbrance and seeking their comments/ objections, if any.

d) Without prejudice to the aforesaid, the Company shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the Debentures, in accordance with the Relevant Laws.

e) The Debenture Trustee shall have the power to either independently appoint, or direct the Company to (after consultation with the Debenture Trustee) appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Company.

i. The Company shall pay to the Debenture Trustees so long as they hold the office of the Debenture Trustee, remuneration for their services as Debenture Trustee in addition to all legal, traveling and other costs, charges and expenses which the Debenture Trustee or their officers, employees or agents may incur in relation to execution of the Debenture Trust Deed and all other documents executed/to be executed to give effect to the creation of security for securing the Debentures and such any other expenses like advertisement, notices, letters to debenture holders etc. as per the offer letter dated May 04, 2020 as may be amended/modified from time to time ("DT Offer Letter"). The Company agreed to pay to the Debenture Trustee an amount of **Rs 5,00,000**/- as acceptance of the offer and annually of **Rs 1,50,000**/- till the Debentures under the Trust deed are fully repaid & form for release of charge for the trust deeds are filed. Additionally in the event of Defaut or in case of enforcement of security, a minimum of **Rs. 5,00,000**/- shall be payable in advance by the Lender/Investor towards assistance in initiation of any proceedings.

ii. The Company undertakes to promptly furnish all and any information as may be required by the Debenture Trustee, including such information as required to be furnished in terms of the Relevant Laws and the Debenture Trust Deed on a regular basis, including without limitation the following documents, as may be applicable:

a. Draft Placement Memorandum in relation to the issue of Debentures to facilitate the Debenture Trustee to review and provide comments, if any;
b. The necessary corporate authorisations by way of board resolution and/or shareholder resolution necessary for the issue, allotment and the creation of security thereunder;
c. Certificate issued by the Registrar of Companies in relation to the charge created to secure the Debentures;
d. Letters from credit rating agencies about ratings;
e. Proof of credit of the Debenture in favour of the Debenture holders/dispatch of Debenture certificates to the Debenture holder within 30 days of registration of charge with the registrar of companies (in case where the allotment letter has been issued and debenture certificate is to be issued after registration of charge);
f. Depository details;
g. Latest annual report;
h. Executed Debenture Trustee Agreement;
i. Debenture trust deed;
j. Security documents executed in relation to the Debentures; Certified true copy of the resolution(s) for allotment of Debentures
k. Confirmation/proofs of payment of interest and principal amounts made to the Debenture Holders on due dates as per the terms of the debenture trust deed and Relevant Laws and regulations as may be issued by Securities and Exchange Board of India including Relevant Laws;
l. Statutory auditor's certificate for utilization of funds/issue proceeds;
m. Statutory auditor certificate, on a half yearly basis giving the value of book debt and receivables, including compliance with the covenants of the offer document/ information memorandum, in case where listed debt securities are secured by way of receivables;

n. Information to enable the Debenture Trustee to carry out the necessary due diligence and monitor the asset cover on a quarterly basis and to ensure the implementation of the conditions regarding creation of security for the debentures, if any, debenture redemption reserve and recovery expense fund;
o. Periodical reports / information on quarterly/ half yearly / annual basis as required to be submitted to stock exchanges under the SEBI Debenture Regulations, Debt Listing Regulation, debt listing agreement or the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended from time to time);
p. Beneficiary position reports as provided by the registrar and transfer agent;
q. Approval for listing of the Debentures from the stock exchange;
r. Due diligence certificate from legal counsel, if any;
s. Acknowledgement of filing prospectus / information memorandum / Placement Memorandum with the Stock Exchange/ Registrar of Companies ;
t. Listing & trading permission from the Stock Exchange;
u. Such other documents as may be reasonably required by the Debenture Trustee.

iii. The Company shall, pay on demand, all actual costs and expenses (including legal fees) incurred by the Debenture Trustee in connection with the preparation, negotiation of or entry into this Agreement and/or any amendment of, supplement to or waiver in respect of this Agreement and against submission of the requisite supporting documents, as evidenced by way of receipt or invoice by the Debenture Trustee. Apart from the Debenture Trustee fees, the Company shall, from time to time, make payment to/ reimburse the Debenture Trustee in respect of all expenses and out-of-pocket costs incurred by the Debenture Trustee. The Company shall promptly pay, and in any event before any interest or penalty becomes payable, any stamp, documentary, registration or similar tax payable in connection with the entry into, registration, performance, enforcement or admissibility in evidence of this Agreement or any such other documents executed in connection to this transaction and/or any such amendment, supplement or waiver.

**32. Governing Laws**

The Debentures are governed by and shall be construed in accordance with the existing Indian laws. Any dispute between the Company and the Debenture holder will be subject to the jurisdiction of the courts in the city of Mumbai.

**33.** ABHFL hereby undertakes that it shall use a common form of transfer for all debentures issued by the Issuer.

**34. Delay in Allotment of securities:** ABHFL will adhere to SEBI Operational Circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021

**SECTION IV**

**DISCLOSURES UNDER FORM PAS-4 PRESCRIBED UNDER COMPANIES ACT, 2013**

**FORM NO PAS-4**

PRIVATE PLACEMENT OFFER LETTER

[Pursuant to section 42 and rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014]

| Sr. No. | Disclosure Requirements | Page No. |
|---|---|---|
| **1.** | **GENERAL INFORMATION** | |
| i. | Name, address, website and other contact details of the company indicating both registered office and corporate office. | Page 1 and 17-18 |
| ii. | Date of incorporation of the company. | July 27, 2009 |
| iii. | Business carried on by the company and its subsidiaries with the details of branches or units, if any. | Page 19 – 24 |
| iv. | Brief particulars of the management of the company. | Page 25 |
| v. | Names, addresses, Director Identification Number (DIN) and occupations of the directors. | Page 33 – 36 |
| vi. | Management's perception of risk factors. | Page 10 – 16 |
| vii. | Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of:<br>(a) Statutory dues;<br>(b) Debentures and interest thereon;<br>(c) Deposits and interest thereon; and<br>(d) Loan from any bank or financial institution and interest thereon. | Nil |
| viii. | Names, designation, address and phone number, email ID of the nodal/ compliance officer of the company, if any, for the private placement offer process. | Page 1 and 17-18 |
| ix. | Any default in Annual filing of the Company under the Companies Act, 2013 or the rules made thereunder. | None |
| **2.** | **PARTICULARS OF THE OFFER** | |
| i. | Financial Position of the Company for last 3 years | Page 28 – 30 and 51-53 |
| ii. | Date of passing of board resolution. | May 17, 2022 |
| iii. | Date of passing of resolution in the general meeting, authorising the offer of securities. | Special Resolution for the issue of NCDs on private placement basis was passed at the Extraordinary General Meeting held on May 18, 2021. |
| iv. | Kinds of securities offered (i.e. whether share or debenture) and class of security; the total number of shares or other securities to be issued; | Secured, Rated, Listed, Redeemable Non-Convertible Debentures ("NCDs" or Debentures") |
| v. | Price at which the security is being offered including the premium, if any, along with justification of the price. | Rs. 10,00,000 per NCD |
| vi. | Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with report of the registered valuer; | Not Applicable |
| vii. | Relevant date with reference to which the price has been arrived at. [Relevant Date means a date atleast thirty days prior to the date on which the general meeting of the company is scheduled to be held] | Not Applicable |
| viii. | The class or classes of persons to whom the allotment is proposed to be made; | Page 56-57 |

| Sr. No. | Disclosure Requirements | Page No. |
|---|---|---|
| ix. | The proposed time within which the allotment shall be completed; | Refer Issue Details |
| x. | The change in control, if any, in the company that would occur consequent to the private placement; | Not Applicable |
| xi. | the number of persons to whom the allotment on preferential basis/private placement/ rights issue has already been made during the year, in terms of number of securities as well as price; | Not Applicable |
| xii. | the justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer; | Not Applicable |
| xiii. | Amount which the company intends to raise by way of proposed offer of securities; | Refer Issue Details |
| xiv. | Terms of raising of securities: (i)Duration, if applicable; (ii)Rate of dividend; (iii)Rate of interest; (iv)Mode of payment; and (v)Repayment date and schedule | Refer Issue Details |
| xv. | Proposed time schedule for which the private placement offer cum application letter is valid. | Refer Issue Details |
| xvi. | Purposes and objects of the offer. | Refer Issue Details |
| xvii. | Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects. | Not Applicable |
| xviii. | Principle terms of assets charged as security, if applicable. | Refer Issue Details |
| xix. | The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the company and its future operations; | NHB in exercise of the powers vested under Section 52(A) of the National Housing Bank Act, 1987, has imposed a penalty of Rs. 10,000/- (Rupees Ten Thousand only) in connection with the inspection carried out with reference to its position as on March 31, 2019. The above penalty has been imposed on account of contravention of Policy Circular No.41.<br>The Company has duly paid the penalty.<br>**Further this does not affect the going concern of Aditya Birla Housing Finance Limited**.<br><br>There are no other regulatory strictures affecting going concern status of the Company |
| 3. | Mode of payment for subscription -<br>Other Banking Channels | Refer Issue Details & Application form |
| 4. | **DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.** | |
| a. | Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons. | None |
| b. | Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer | There are no litigation or legal action pending against Aditya Birla Capital Ltd. (subsidiary of Grasim Industries Limited) |

| Sr. No. | Disclosure Requirements | Page No. |
|---|---|---|
| | letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legalaction shall be disclosed. | |
| c. | Remuneration of directors (during the current year and last three financial years). | Refer Financial Statements attached |
| d. | Related party transactions entered during the last three financial years immediately preceding the year of issue of private placement offer cum application letter including with regard to loans made or, guarantees given or securities provided. | Refer Financial Statements attached |
| e. | Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of issue of private placement offer cum application letter and of their impact on the financial statements and financial position ofthe company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark. | None |
| f. | Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the company and all of its subsidiaries. | None |
| g. | Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company. | Refer Financial Statements attached |
| 5. | **FINANCIAL POSITION OF THE COMPANY** | |
| a. | The capital structure of the company in the following manner in a tabular form: | |
| (i)(a) | The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value); | Page 31-33 |
| (b) | Size of the present offer; and | Refer Issue Details |
| (c) | Paid up capital:<br>(I) After the offer; and<br>(II)After conversion of convertible instruments (if applicable); | <br>Not Applicable<br>Not Applicable |
| (d) | Share premium account (before and after the offer). | Not Applicable |
| (ii) | The details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration.<br><br>Provided that the issuer company shall also disclose the number and price at which each of the allotments were made in the last one year preceding the date of the offer letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case | Page 29 - 31<br><br>Not applicable |

| Sr. No. | Disclosure Requirements | Page No. |
|---|---|---|
| b. | Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of private placement offer cum application letter | Refer Financial Statements attached |
| c. | Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid) | Refer Financial Statements attached |
| d. | A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of issue of private placement offer cum application letter | Page 28 – 30 and 51-53 |
| e. | Audited Cash Flow Statement for the three years immediately preceding the date of issue of private placement offer cum application letter | Refer Financial Statements attached |
| f. | Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company. | Refer Financials Statements Attached |
| | | |
| **Part – B (To be filed by the Applicant)** | | |
| a. Name<br>b. Father's Name<br>c. Complete Address including flat/house number, street, locality, pin code Phone Number, if any<br>d. Email id, if any<br>e. PAN<br>f. Bank Account Details<br><br>Signature<br>Initial of the officer of the Company designated to keep the record | | **As per respective Investor Application Form** |

**SECTION V**

***Material Contracts and Documents***

The list of material contracts and documents is as under:

1. Letter dated **September 20, 2022** from India Ratings & Research Limited assigning the credit rating to the Secured, Rated, Listed, Redeemable Non-Convertible Debentures ("NCDs" or Debentures")

2. Letter dated **September 15 28, 2022** from ICRA Limited assigning the credit rating to the Secured, Rated, Listed, Redeemable Non-Convertible Debentures ("NCDs" or Debentures").

3. Audited Balance Sheet for year ended, 31st March 2020 31st March 2021 and 31st March 2022.

4. Un-audited Financial Results with Limited Review Report for Quarter Ended June 30, 2022.

5. Letter from Vistra ITCL (India) Limited dated **July 12, 2021** giving consent for acting as Trustees.

6. Debenture Trustee Agreement (DTA) and Debenture Trust Deed (DTD) June 25, 2021 executed between theDebenture Trustee and the Company for Non- Convertible Debentures aggregating to **Rs. 2,000** crore to be issued from time to time in one or more series6. Certificate of incorporation of the Company dated July 27, 2009.

7. Memorandum and Articles of the Company.

8. Copy of resolution passed by the Board of Directors at their meeting held on July 27, 2022, approving the issuances of Secured, Rated, Listed, Redeemable Non-Convertible Debentures ("NCDs" or Debentures").

9. Copy of resolution passed by the shareholders of the Company at Extraordinary General Meeting of the Company held on **May 17, 2022**, authorizing the issuances of Secured Redeemable Non-Convertible Debentures on a private placement basis.

10. Copy of resolution passed by the shareholders of the Company at Extraordinary General Meeting of the Company held on **May 17, 2022**, approving the overall borrowing of the Company

11. Copy of Auditor's Certificate pursuant to NHB/RBI Master Circular on issuance of NCDs on private placement basis

**DECLARATION BY THE DIRECTORS THAT**

a. the company has complied with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act and the rules and regulations made thereunder;

b. the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government;

c. the monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter;

d. whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association

I am authorized by the Board of Directors of the Company vide resolution dated July 27, 2022 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

**For Aditya Birla Housing Finance Limited**

| | |
|---|---|
| Name: Shraddha Wade<br>Designation: Team Lead - Debt Market Borrowings | Shraddha Suresh Wade<br>Digitally signed by Shraddha Suresh Wade<br>Date: 2022.10.19 16:19:32 +05'30' |
| Name: Swati Singh<br>Designation: Company Secretary | Swati Singh<br>Digitally signed by Swati Singh<br>DN: c=IN, o=Personal, 2.5.4.20=9ef961abec6b2965ed31395b35ef5cc2949f48d9780745fdbaa2cc0271 93df90, postalCode=421201, st=Maharashtra, serialNumber=c2428a500938b02e0a0e8402da4fbfe226f745b2705e7fd2736bda9f6e8e6891, cn=Swati Singh<br>Date: 2022.10.19 16:24:34 +05'30' |

**Authorised Signatories**

Date: October 19, 2022

1. *Copy of board resolution*
2. *Copy of shareholders resolution*

**SECTION VI**

**ANNEXURES**

I. Audited Financial Statements with Audit Report For FY 2021-22, 2020-21 & 2019-20

II. Un-audited Financial Results with Limited Review Report for June 30, 2022

III. Credit Rating Letters & Rationale

IV. Consent Letter

V. Annexure A & Annexure B from the Debenture Trustee

VI. EBP - Final Allocation Report

VII. Application Form

**Deloitte**
**Haskins & Sells LLP**

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th -32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai – 400 013
Maharashtra, India

Tele: +91 22 6185 4000
Fax: +91 22 6185 4001

# INDEPENDENT AUDITOR'S REPORT

## To The Members of Aditya Birla Housing Finance Limited
## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of Aditya Birla Housing Finance Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act ("SA"s). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Emphasis of Matter

We draw attention to Note 8 to the Financial Statements in which the Company describes the uncertainties arising from COVID 19 pandemic.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. 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.

We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key Audit Matter | Auditor's Response |
|---|---|
| **Allowances for Expected Credit Losses:**<br><br>(Refer Note 8 to the financial statements)<br><br>As at March 31, 2020, loan assets aggregated ₹12,11,209.09 lakh measured at amortised cost, constituting 92.03% of the Company's total assets. Significant judgement is used in classifying these loan assets and applying appropriate measurement principles. The allowance for expected credit losses ("ECL") on such loan assets measured at amortised cost is a critical estimate involving greater level of management judgement.<br><br>As part of our risk assessment, we determined that the allowance for ECL on loan assets (including undisbursed commitments) has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the financial statements.<br><br>The elements of estimating ECL which involved increased level of audit focus are the following:<br>• Qualitative and quantitative factors used in staging the loan assets measured at amortised cost.<br>• Basis used for estimating Probabilities of Default ("PD"),<br>• Basis used for estimating Loss Given Default ("LGD")<br>• Judgements used in projecting economic scenarios and probability weights applied to reflect future economic conditions. | **Principal audit procedures:**<br><br>We have examined the policies approved by the Board of Directors of the Company that articulate the objectives of managing each portfolio and their business. We have also verified the methodology adopted for computation of ECL ("ECL Model") that addresses policies approved by the Board of Directors, procedures and controls for assessing and measuring credit risk on all lending exposures measured at amortised cost.<br><br>Additionally, we have confirmed that adjustments to the output of the ECL Model is consistent with the documented rationale and basis for such adjustments and that the amount of adjustment has been approved by the Audit Committee of the Board of Directors.<br><br>Our audit procedures related to the allowance for ECL included the following, among others:<br>• Testing the design and effectiveness of internal controls over the:<br>– completeness and accuracy of the Exposure at Default ("EAD") and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors to be applied.<br>– Completeness, accuracy and appropriateness of information used in the estimation of the PD and LGD for the different stages depending on the nature of the portfolio; and<br>– computation of the ECL including methodology used to determine macro economic overlays and adjustments to the output of the ECL Model.<br>• Also, for a sample of ECL on loan assets tested:<br>– we tested the input data such as ratings and period of default and other related information used in estimating the PD;<br>– we evaluated reasonableness of LGD estimates by comparing actual recoveries post the loan asset becoming credit impaired with estimates of LGD.<br>– we evaluated the incorporation of the applicable assumptions into the ECL Model and tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company.<br>• We also tested the adequacy of the adjustment after stressing the inputs used in determining the output as per the ECL Model and ensured that the adjustment was in conformity with the amount approved by the Audit Committee. |

| Key Audit Matter | Auditor's Response |
|---|---|
| Adjustments to model driven ECL results to address emerging trends. | We also assessed the disclosures made in relation to the ECL allowance to confirm compliance with the provisions of Ind AS 107. |

**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 Directors report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

**Auditor's Responsibility for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the standalone 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 financial 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 system 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 the 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 standalone 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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 current period 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**

1. As required by Section 143(3) of the Act, based on our audit we report, that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so

far as it appears from our examination of those books and the reports of the other auditors

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

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of 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 litigations on its financial position in its standalone financial statements;

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

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

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

**For Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)



Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)
UDIN: 20039826AAAAEV3571

MUMBAI, June 11, 2020

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

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

We have audited the internal financial controls over financial reporting of Aditya Birla Housing Finance Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation

of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on "the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Sanjiv V. Pilgaonkar
Partner
(Membership No.039826)
(UDIN: 20039826AAAADL6741)

Mumbai, June 11, 2020

## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. In respect of its property, plant and equipment:

   a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the property, plant and equipment.

   b) The property, plant and equipment were physically verified during the current year by the Management in accordance with a regular programme of verification, which in our opinion provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.

   c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

2. According to the information and explanations given to us, the Company is engaged primarily in services related to Housing Finance and its activities do not require it to hold any inventories and hence reporting under clause (ii) of the CARO 2016 is not applicable.

3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.

4. According to the information and explanations given to us, the Company has not granted any loans, made investments, provide guarantees and security under provisions of section 185 and 186 of the Companies Act, 2013 and hence reporting under clause (iv) of the CARO 2016 is not applicable.

5. According to the information and explanations given to us, the Company has not accepted any deposit during the year hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder is not applicable.

6. Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the CARO 2016 is not applicable.

7. According to the information and explanations given to us in respect of statutory dues:

   a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Family Pension Fund, Income-tax, Goods and Service Tax and other statutory dues applicable to it with the appropriate authorities. To the best of our knowledge and belief, the Company was not required to deposit or pay any dues in respect of Employee's State Insurance, Duty of Customs, Duty of Excise and Cess during the year.

   b) There were no undisputed amounts payable in respect of Provident Fund, Family Pension Fund, Income-tax, Goods and Service Tax and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

   c) There were no dues in respect of Income-tax, Goods and Service Tax, Duty of Customs, Duty of Excise, and Value Added Tax or Cess which have not been deposited as on March 31, 2020 on account of disputes.

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.

9. According to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purpose for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).

10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

11. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. According to the information and explanations given to us the Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.

13. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

14. According to the information and explanations given to us during the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the CARO 2016 is not applicable to the Company.

15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.

16. According to the information and explanations given to us the Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Sanjiv V. Pilgaonkar
Partner
(Membership No.039826)
(UDIN: 20039826AAAADL6741)

Mumbai, June 11, 2020

# Aditya Birla Housing Finance Limited

## Balance sheet as at March 31, 2020

*(Currency : Rupees in lakh)*

| Particulars | Note No. | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **ASSETS** | | | |
| **(1) FINANCIAL ASSETS** | | | |
| (a) Cash and cash equivalents | 5 | 40,020.60 | 8.17 |
| (b) Derivative financial instruments | 6 | 1,070.50 | - |
| (c) Receivables | | | |
| (I) Trade receivables | 7 | 213.77 | 195.53 |
| (II) Other receivables | 7 | 100.99 | - |
| (d) Loans | 8 | 12,11,209.09 | 11,44,493.97 |
| (e) Investments | 9 | 54,692.14 | - |
| (f) Other financial assets | 10 | 480.80 | 405.00 |
| | | **13,07,787.89** | **11,45,102.67** |
| **(2) NON- FINANCIAL ASSETS** | | | |
| (a) Current tax assets (Net) | | 1,257.04 | 694.11 |
| (b) Deferred tax assets (Net) | 11 | 2,232.68 | 1,781.38 |
| (c) Property, plant and equipment | 12 | 903.29 | 873.29 |
| (d) Right to use of Assets | 14 | 2,288.82 | - |
| (e) Intangible assets under development | | 28.02 | 170.12 |
| (f) Other intangible assets | 13 | 510.11 | 358.58 |
| (g) Other non-financial assets | 15 | 1,141.43 | 942.52 |
| | | **8,361.39** | **4,820.00** |
| **TOTAL ASSETS** | | **13,16,149.28** | **11,49,922.67** |
| **LIABILITIES AND EQUITY** | | | |
| **LIABILITIES** | | | |
| **(1) FINANCIAL LIABILITIES** | | | |
| (a) Payables | | | |
| Trade payables | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | 16 | 69.55 | 2.11 |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 16 | 2,621.35 | 2,608.73 |
| (b) Debt securities | 17 | 1,91,000.88 | 1,89,285.49 |
| (c) Borrowings other than debt securities | 18 | 9,49,081.79 | 8,11,650.80 |
| (d) Subordinated liabilities | 19 | 26,608.02 | 21,269.90 |
| (e) Lease Liablity | 20 | 2,602.12 | - |
| (f) Other financial liabilities | 21 | 3,756.91 | 5,224.56 |
| | | **11,75,740.62** | **10,30,041.59** |
| **(2) NON- FINANCIAL LIABILITIES** | | | |
| (a) Provisions | 22 | 779.79 | 517.31 |
| (b) Other non-financial liabilities | 23 | 1,342.62 | 332.10 |
| | | **2,122.41** | **849.41** |
| **TOTAL LIABILITIES** | | **11,77,863.03** | **10,30,891.00** |
| **(3) EQUITY** | | | |
| (a) Equity share capital | 24 | 50,119.77 | 47,555.67 |
| (b) Other equity | 25 | 88,166.48 | 71,476.00 |
| **TOTAL EQUITY** | | **1,38,286.25** | **1,19,031.67** |
| **TOTAL LIABILITIES AND EQUITY** | | **13,16,149.28** | **11,49,922.67** |

ADITYA BIRLA HOUSING FINANCE LIMITED MUMBAI

*See accompanying notes forming part of the financial statements.*

*In terms of our report attached*
**For Deloitte Haskins & Sells LLP**
*Chartered Accountants*
*ICAI Firm Registration No: 117366W/W-100018*

**Sanjiv V Pilgaonkar**
*Partner*
*Membership No: 039826*

*Place: Mumbai*
*Date:* June 11, 2020

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

**Ajay Srinivasan**
*Director*
*DIN: 00121181*

**Rakesh Singh**
*Director*
*DIN: 07006067*

**Netrapal Singh**
*Chief Executive Officer*

**Tushar Kotecha**
*Chief Financial Officer*

**Muthiah Ganapathy**
*Company Secretary*

*Place: Mumbai*
*Date: May 30, 2020*

ADITYA BIRLA HOUSING FINANCE LIMITED
MUMBAI

# Aditya Birla Housing Finance Limited

## Statement of Profit and Loss for the year ended March 31, 2020

*(Currency : Rupees in lakh)*

| | Particulars | Note No. | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|---|
| | **Revenue from operations** | | | |
| | Interest income | 26 | 1,24,343.78 | 99,889.08 |
| | Fees and commission income | | 4,083.02 | 2,468.14 |
| | Net gain on fair value changes | 27 | 1,412.67 | 147.78 |
| | Net gain on derecognition of financial instruments underamortised cost category | 28 | 121.95 | 18.11 |
| I | **Total revenue from operations** | | 1,29,961.42 | 1,02,523.11 |
| II | Other income | 29 | 156.23 | 31.79 |
| III | **Total income (I+II)** | | 1,30,117.65 | 1,02,554.90 |
| | **EXPENSES** | | | |
| | Finance costs | 30 | 92,698.53 | 72,137.95 |
| | Impairment on financial instruments | 31 | 7,127.68 | 1,875.41 |
| | Employee benefit expenses | 32 | 11,325.27 | 12,236.44 |
| | Depreciation, amortization and impairment | 12,13 & 14 | 1,165.53 | 589.71 |
| | Other expenses | 33 | 4,181.81 | 4,986.71 |
| IV | **Total expenses** | | 1,16,498.82 | 91,826.22 |
| V | **Profit before tax (III-IV)** | | 13,618.83 | 10,728.68 |
| VI | **Tax expenses** | | | |
| | (1) Current tax | 11 | 3,613.72 | 3,748.04 |
| | (2) Deferred tax | 11 | (74.56) | (551.02) |
| | (3) Income tax for earlier years | 11 | (185.58) | 68.71 |
| | **Total tax expenses** | | 3,353.58 | 3,265.73 |
| VII | **Profit for the year (V-VI)** | | 10,265.25 | 7,462.95 |
| VIII | **Other comprehensive income** | | | |
| | (1) Items that will not be reclassified to profit or loss | | (91.03) | (32.22) |
| | *Re-measurement gains/ (losses) on defined benefit plans* | 11 | 22.91 | 11.26 |
| | *Income tax relating to the items that will not be reclassified to profit or loss* | | (68.12) | (20.96) |
| | (2) Items that will be reclassified to profit or loss | | (978.81) | - |
| | *Re-measurement gains/ (losses) on hedge instruments* | 11 | 246.35 | - |
| | *Income tax relating to the items that will not be reclassified to profit or loss* | | (732.46) | - |
| | **Other comprehensive income** | | (800.58) | (20.96) |
| IX | **Total comprehensive income for the year (VII+VIII) (Comprising profit and other comprehensive income for the year)** | | 9,464.67 | 7,441.99 |
| X | **Earnings per equity share of Rs. 10 each (not annualised)** | | | |
| | Basic & diluted earnings per equity share | 37 | 2.16 | 1.65 |

ADITYA BIRLA HOUSING FINANCE LIMITED MUMBAI

*See accompanying notes forming part of the financial statements.*

*In terms of our report attached*
**For Deloitte Haskins & Sells LLP**
*Chartered Accountants*
*ICAI Firm Registration No: 117366W/W-100018*

**Sanjiv V Pilgaonkar**
*Partner*
*Membership No: 039826*

*Place: Mumbai*
*Date:* June 11, 2020

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

**Ajay Srinivasan**
*Director*
*DIN: 00121181*

**Rakesh Singh**
*Director*
*DIN: 07006067*

**Netrapal Singh**
*Chief Executive Officer*

**Tushar Kotecha**
*Chief Financial Officer*

**Muthiah Ganapathy**
*Company Secretary*

*Place: Mumbai*
*Date: May 30, 2020*

ADITYA BIRLA HOUSING FINANCE LIMITED
MUMBAI

# Aditya Birla Housing Finance Limited

## Cash Flow Statement for the year ended March 31, 2020

*(Currency : Rupees in lakh)*

| Particulars | Notes | | For the year ended March 31, 2020 | | For the year ended March 31, 2019 |
|---|---|---|---|---|---|
| **A. Cash flow from operating activities** | | | | | |
| **(a) *Profit before tax*** | | | **13,618.83** | | **10,728.68** |
| *Adjustments for:* | | | | | |
| Depreciation and amortisation | | 1,165.53 | | 589.71 | |
| Interest on lease liability | | 225.25 | | - | |
| Impairment on financial instruments including loss on derecognition of financial assets at amorised cost | | 7,005.73 | | 1,857.30 | |
| Net gain on Fair value changes | | (1,412.67) | | (147.78) | |
| Loss on derecognition of property, plant and equipment | | 0.23 | | 7.86 | |
| **(b) *Operating profit before working capital changes*** | | | **20,602.90** | | **13,035.77** |
| *Adjustments for :* | | | | | |
| Decrease/(increase) in trade receivables | | (119.23) | | 174.72 | |
| Decrease/(increase) in loans | | (73,720.85) | | (3,30,567.86) | |
| Decrease/(increase) in other financial assets | | (75.80) | | 92.32 | |
| Decrease/(increase) in derivative financial instruments | | (2,049.31) | | - | |
| Decrease/(increase) in other assets | | (302.90) | | 122.71 | |
| Decrease/(increase) in trade payables | | 80.06 | | 706.33 | |
| Decrease/(increase) in provisions | | 171.45 | | 90.97 | |
| Decrease/(increase) in other financial liabilities | | 2,727.31 | | 4,681.14 | |
| Decrease/(increase) in other liabilities | | 1,010.52 | | 56.41 | |
| **(c) *Cash used in operating activities*** | | | **(51,675.85)** | | **(3,11,607.50)** |
| Direct taxes paid (net of refund) | | (3,991.07) | | (3,799.84) | |
| **Net cash used in operating activities (A)** | | | **(55,666.92)** | | **(3,15,407.34)** |
| **B. Cash flow from investing activities** | | | | | |
| Purchase of property, plant and equipment, acquisition of intangible assets | | (527.63) | | (692.56) | |
| Proceeds from sale of property, plant and equipment | | 17.84 | | 22.13 | |
| Profit on sale of current invesment | | 1,220.53 | | 147.78 | |
| (Purchase)/sale of current investments (net) | | (54,500.00) | | - | |
| **Net cash used in investing activities (B)** | | | **(53,789.26)** | | **(522.65)** |
| **C. Cash flow from financing activities** | | | | | |
| Proceeds from share capital issue including securities premium (net of share issue expense) | | 9,990.00 | | 34,965.00 | |
| Exercise of Employee Stock Options | | - | | (55.45) | |
| Payment of lease liability | | (672.43) | | - | |
| Proceeds from long term borrowings | | 3,13,945.00 | | 4,34,390.00 | |
| Repayment of long term borrowings | | (1,72,139.39) | | (27,833.00) | |
| Net proceeds/ repayment for short term borrowings | | (1,654.57) | | (1,25,544.83) | |
| **Net cash from financing activities (C)** | | | **1,49,468.61** | | **3,15,921.72** |
| **D. Net increase/ (decrease) in cash and cash equivalents (A+B+C)** | | | **40,012.43** | | **(8.26)** |
| **E. Cash and cash equivalents at the beginning of the year** | 5 | | **8.17** | | **16.43** |
| **F. Cash and cash equivalents at the end of the year*** | 5 | | **40,020.60** | | **8.17** |

**Additional information:**

1. Net cash used in operating activity is determined after adjusting the following:

| | | |
|---|---|---|
| Interest received | 1,22,684.08 | 96,677.81 |
| Interest paid | 90,327.55 | 68,341.69 |

2. Purchase of fixed assets represents additions to property, plant and equipment and other intangible assets adjusted for movement of (a) capital-work-in-progress for property, plant and equipment and (b) intangible assets under development during the year.

**Includes fixed deposits of Rs. 35,143.84 lakh which are earmarked for disbursement of loan in affordable segment.*

ADITYA BIRLA HOUSING FINANCE LIMITED MUMBAI

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

*In terms of our report attached*
**For Deloitte Haskins & Sells LLP**
*Chartered Accountants*
*ICAI Firm Registration No: 117366W/W-100018*

**Sanjiv V Pilgaonkar**
*Partner*
*Membership No: 039826*

*Place: Mumbai*
*Date:* June 11, 2020

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

**Ajay Srinivasan**
*Director*
*DIN: 00121181*

**Rakesh Singh**
*Director*
*DIN: 07006067*

**Nedrapal Singh**
*Chief Executive Officer*

**Tushar Kotecha**
*Chief Financial Officer*

**Muthiah Ganapathy**
*Company Secretary*

*Place: Mumbai*
*Date: May 30, 2020*

ADITYA BIRLA HOUSING FINANCE LIMITED
MUMBAI

# Aditya Birla Housing Finance Limited

## Statement of Changes in Equity for the year ended March 31, 2020

*(Currency : Rupees in lakh)*

| | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| **a. Equity share capital** | **No.'s** | **Amount** | **No.'s** | **Amount** |
| *Equity shares of Rs 10 each issued, subscribed and fully paid* | | | | |
| **As at begining of the year** | 47,55,56,656 | 47,555.67 | 41,25,69,679 | 41,256.97 |
| Shares issued during the year | 2,56,41,026 | 2,564.10 | 6,29,86,977 | 6,298.70 |
| **As at end of the year** | 50,11,97,682 | 50,119.77 | 47,55,56,656 | 47,555.67 |

**b. Other equity**

| | Reserves & surplus | | | | | Items of other comprehensive income | Total other equity |
|---|---|---|---|---|---|---|---|
| | Securities premium | Retained earnings | Special reserve u/s 29C of The National Housing Bank Act, 1987 | Reserve u/s 36(1)(viii) of the Income Tax Act, 1961 | Equity component for employees stock option plan issued by parent company | Cash flow hedge reserve | |
| **Balance as at April 01, 2018** | 35,490.03 | (773.89) | 79.98 | 571.61 | 55.46 | - | 35,423.19 |
| Profit for the year | - | 7,462.95 | - | - | - | - | 7,462.95 |
| Other comprehensive income | - | (20.96) | - | - | - | - | (20.96) |
| **Total comprehensive income** | - | 7,441.99 | - | - | - | - | 7,441.99 |
| Transfer to special reserve u/s 29C of The National Housing Bank Act, 1987 | - | - | - | - | - | - | - |
| Transfer to reserve u/s 36(1)(viii) of the Income Tax Act, 1961 | - | (1,494.94) | - | 1,494.94 | - | - | - |
| Less: Amount withdrawn from the special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of provision u/s 29C of the National Housing Bank Act, 1987 | - | 2.28 | - | (2.28) | - | - | - |
| Addition on issue of shares during the year | 28,701.28 | - | - | - | - | - | 28,701.28 |
| Utilisation against share issue expense | (35.00) | - | - | - | - | - | (35.00) |
| Reversal of equity component for employee stock option plan issued by parent company | - | - | - | - | (55.46) | - | (55.46) |
| **Balance as at March 31, 2019** | 64,156.31 | 5,175.44 | 79.98 | 2,064.27 | - | - | 71,476.00 |
| **Balance as at April 01, 2019** | 64,156.31 | 5,175.44 | 79.98 | 2,064.27 | - | - | 71,476.00 |
| Profit for the year | - | 10,265.25 | - | - | - | - | 10,265.25 |
| Other comprehensive income/ (losses) | - | (68.12) | - | - | - | (732.46) | (800.58) |
| **Total comprehensive income** | - | 10,197.13 | - | - | - | (732.46) | 9,464.67 |
| Transfer to special reserve u/s 29C of National Housing Bank Act, 1987 | - | (248.87) | 248.87 | - | - | - | - |
| Transfer to reserve u/s 36(1)(viii) of the Income Tax Act, 1961 | - | (1,804.19) | - | 1,804.19 | - | - | - |
| Less: Amount withdrawn from the special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of provision u/s 29C of the National Housing Bank Act, 1987 | - | - | - | - | - | - | - |
| Addition on issue of shares during the year | 7,435.90 | - | - | - | - | - | 7,435.90 |
| Utilisation against share issue expense | (10.00) | - | - | - | - | - | (10.00) |
| Transition impact of Ind AS 116 (net of tax) | - | (200.09) | - | - | - | - | (200.09) |
| **Balance as at March 31, 2020** | 71,582.21 | 13,119.42 | 328.85 | 3,868.46 | - | (732.46) | 88,166.48 |

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*See accompanying notes forming part of the financial statements.*

*In terms of our report attached*
**For Deloitte Haskins & Sells LLP**
*Chartered Accountants*
*ICAI Firm Registration No: 117366W/W-100018*

**Sanjiv V Pilgaonkar**
*Partner*
*Membership No: 039826*

Place: Mumbai
Date: June 11, 2020

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

**Ajay Srinivasan**
*Director*
*DIN: 00121181*

**Rakesh Singh**
*Director*
*DIN: 07006067*

**Netrapal Singh**
*Chief Executive Officer*

**Tushar Kotecha**
*Chief Financial Officer*

**Muthiah Ganapathy**
*Company Secretary*

Place: Mumbai
Date: May 30, 2020

ADITYA BIRLA HOUSING FINANCE LIMITED
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**Aditya Birla Housing Finance Limited**
**Notes to the financial statements for the year ended March 31, 2020**
(Currency: Rupees in Lakhs)

## 1 Corporate information

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

## 2 Basis of preparation and presentation

**2.1** The accompanying financial statements have been prepared and presented under the historical cost convention except for certain financial assets and liabilities measured at fair value; and defined benefit plans where plan assets are measured at fair value, in accordance with accounting principles generally accepted in India, the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') and (Companies (Indian Accounting Standards) Rules, 2015).

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

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

### 2.2 Presentation of financial statements

The Company presents its balance sheet in order of liquidity in compliance with requirements of Schedule III of the Companies Act 2013 ("the Act") applicable for Non Banking Finance Companies ("NBFC"). An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in *note 47*.

## 3 Summary of significant accounting policies

### 3.1 Recognition of interest income

*3.1.1 The effective interest rate method*

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Any fees collected or costs incurred in respect of financial instruments form an integral part of the EIR.

*3.1.2 Interest income*

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets

When a financial asset becomes credit-impaired (as set out in *note 3.21*) and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

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

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### 3.2 Recognition of income and expenses

*3.2.1 Fee and commission income*

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

*3.2.2 Dividend income*

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

### 3.3 Property, plant and equipment

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

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

Depreciation methods, estimated useful lives and residual value

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

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

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

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

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

### 3.4 Intangible assets

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

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

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

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

*Intangible assets under development*

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

### 3.5 Impairment of non financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

### 3.6 Taxes

*3.6.1 Current tax*

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

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

*3.6.2 Deferred tax*

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.
Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

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

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

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

### 3.7 Retirement and other employee benefits

*3.7.1 Short term employee benefits*

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

*3.7.2 Defined contribution plan*

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

*3.7.3 Defined benefit plan*

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

Remeasurements, comprising of actuarial gains and losses on retirement benefits arising from experience adjustments and changes in actuarial assumptions are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.
Past service costs are recognised in profit or loss on the earlier of:

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

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

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

*3.7.4 Long term incentive benefit*

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

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*3.7.5 Termination benefits*

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

### 3.8 Borrowing costs

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

### 3.9 Cash and cash equivalent

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

### 3.10 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

### 3.11 Provisions, contingent liabilities and contingent assets

Provisions are recognized when there is a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. Provisions are determined based on best estimate required to settle the obligation at the balance sheet date.

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

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

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

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

### 3.12 Commitments

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

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

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### 3.13 Leases

*3.13.1 Company as a lessee*

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

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

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

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

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

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

*3.13.2 Company as a lessor*

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

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

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

### 3.14 Special reserve

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

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### 3.15 Securities premium

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

### 3.16 Financial instruments – initial recognition

*3.16.1 Date of recognition*

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

*3.16.2 Initial measurement of financial instruments*

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Company accounts for the Day 1 profit or loss, as described below.

*3.16.3 Day 1 profit or loss*

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

*3.16.4 Measurement categories of financial assets and liabilities*

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

### 3.17 Financial assets and liabilities

*3.17.1 Bank balances, Loans, Trade receivables and financial investments at amortised cost*

The Company measures Bank balances, Loans, Trade receivables and other financial investments at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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*3.17.2 Debt securities and other borrowed funds*

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

*3.17.3 Financial assets and financial liabilities at fair value through profit or loss*

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

1 The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis.

2 The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

3 The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

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

*3.17.4 Undrawn loan commitments*

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

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

**3.18 Reclassification of financial assets and liabilities**

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in 2019-20 and 2018-19.

**3.19 Derecognition of financial assets and liabilities**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or it retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

### 3.20 Derivatives and hedging activities

Derivatives are only used for economic hedging purposes and not as a speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at FVTPL.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Company designates certain derivatives as either:
hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value changes)
hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges), or hedges of a net investment in a foreign operation (net investment hedges).

At inception of the hedge relationship, the Company documents the economic relationship between hedging instruments and hedged items including whether the changes in the cash flows of the hedging instrument are expected to offset changes in cash flows of hedged items. The Company documents its risk management objective before undertaking hedge transactions.

*3.20.1 Cash flow hedges that qualify for hedge accounting*

The effective portion of change in the fair value of the designated hedging instrument is recognised in the other comprehensive income and accumulated under the heading cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within Other Income.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within 'finance cost' at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset.

When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses).

### 3.21 Impairment of financial assets

*3.21.1 Overview of the ECL principles*

The Company records allowance for expected credit losses (ECL) for all loans, other debt financial assets not held at FVTPL, together with loan commitments, in this section all referred to as 'financial instruments'.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined in note *3.21.2*.

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

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

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorises its loans into Stage 1, Stage 2, Stage 3 and POCI, as described below:

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Stage 1 When loans are first recognised, the Company recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

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

Stage 3 Loans considered credit-impaired. The Company records an allowance for the LTECLs.

POCI Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

*3.21.2 The calculation of ECLs*

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

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

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

EAD The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

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

When estimating the ECLs, the Company considers four scenarios (a base case, an upside, a mild downside ('downside 1') and a more extreme downside ('downside 2')). Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The mechanics of the ECL method are summarised below:

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

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

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

POCI POCI assets are financial assets that are credit impaired on initial recognition. The Company only recognises the cumulative changes in lifetime ECLs since initial recognition, based on a probability-weighting of the four scenarios, discounted by the credit-adjusted EIR.

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Loan commitments

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

For a loan and an undrawn commitment, ECLs are calculated and presented together with the loan. For loan commitments, the ECL is recognised within Provisions.

*3.21.3 Significant increase in credit risk*

The Company monitors all financial assets and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that
is available without undue cost or effort, based on the Company's historical experience and expert credit assessment.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the Probability of Default will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD. As a back-stop when loan asset becomes 30 days past due, the Company considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL.

*3.21.4 Credit-impaired financial assets*

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of creditimpairment includes observable data about the following events

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- restructuring of loans due to financial difficulty of the borrowers;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event. Instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortised cost or FVOCI are credit-impaired at each reporting date. To assess if corporate debt instruments are credit impaired, the Company considers factors such as bond yields, credit ratings and the ability of the borrower to raise funds.

A loan is considered credit-impaired when a concession is granted to the borrower due to deterioration in the borrower's financial condition. The definition of default includes unlikeliness to pay indicators and a back-stop
if amounts are overdue for 90 days or more.

*3.21.5 Trade receivables and other assets*

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates.

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*3.21.6 Forward looking information*

In its ECL models, the Company relies on a broad range of forward looking information as economic inputs, such as: GDP growth, unemployment rates, Central Bank base rates, house price indices, etc

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

*3.21.7 Write-offs*

Financial assets are written off either partially or in their entirety only when the Company had concluded that it had no reasonable expectations of recovering the asset and has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

*3.21.8 Presentation of allowance for ECL in the Balance Sheet*

For financial assets measured at amortised cost, loss allowances for ECL are presented in the statement of financial position as a deduction from the gross carrying amount of the assets.

**3.22 Determination of fair value**

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

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

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

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as below:

Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

**3.23 Security deposits**

At initial recognition the carrying value of the refundable deposits is taken at present value of all expected future principal repayments discounted using market rates prevailing at the time of inception. For Interest expenses, the difference between present market value and deposit made is recognised as prepayment and amortised in the Statement of Profit and loss over the benefit period on systematic basis. Interest income is recognised at the prevailing market rates.

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### 3.24 Statement of Cash flows

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

### 3.25 Foreign Currencies

Functional currency of the Company and foreign operations has been determined based on the primary economic environment in which the Company and its foreign operations operate considering the currency in which funds are generated, spent and retained.

Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the rates prevailing at the year-end. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise.

### 3.26 Share-based payment arrangements

The stock options granted to employees by the holding company's (i.e. Aditya Birla Capital Limited) Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. The cost incurred by the holding company, in respect of options granted to employees of the Company, is being recovered by holding company and it is charged to the Statement of Profit and Loss of the Company over the period of vesting.

## 4 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

***Estimates and assumptions***

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### 4.1 Impairment of financial asset

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

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

The Company's internal credit grading model, which assigns PDs to the individual grades

The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment

The segmentation of financial assets when their ECL is assessed on a collective basis

Development of ECL models, including the various formulas and the choice of inputs

Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs

Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

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

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## Notes to the financial statements for the year ended March 31, 2020

*(Currency : Rupees in lakh)*

### 5 Cash and cash equivalents

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Balances with banks | 4,876.76 | 8.17 |
| Term deposits with banks with original maturity of three months or less | 35,143.84 | - |
| | **40,020.60** | **8.17** |

*Foot note:*
*Fixed deposits of Rs. 35,143.84 lakh are earmarked for disbursement of loan in affordable segment.*

### 6 Derivative financial instruments

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Cross currency interest rate derivative | 1,070.50 | - |
| | **1,070.50** | **-** |

### 7 Receivables

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **I Trade receivables** | | |
| Receivables considered good - unsecured | 143.66 | 40.68 |
| Other receivables from customers - secured | 70.11 | 154.85 |
| | **213.77** | **195.53** |
| **II Other receivables** | | |
| Unsecured considered good | | |
| Receivable from related parties *(refer note 35 (II) (b))* | 100.99 | - |
| | **100.99** | **-** |

*Foot note:*
No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms including limited liability partnership (LLP's) or private companies respectively in which any director is a partner, a director or a member. Further, there are no receivables for which there has been a significant increase in credit risk or which have become credit impaired.

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| 8 Loans (at amortised cost) | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **(A)** Term loans *(refer note 8.1 and 8.2.1)* | 12,21,857.30 | 11,50,875.00 |
| **Total (A) – Gross** | **12,21,857.30** | **11,50,875.00** |
| Less: Impairment loss allowance *(refer note 8.2.2)* | (10,648.21) | (6,381.03) |
| **Total (A) – Net** | 12,11,209.09 | 11,44,493.97 |
| **(B)** (a) Secured by tangible assets (property including land and building) | 12,21,120.12 | 11,50,670.08 |
| (b) Unsecured, considered good | 737.18 | 204.92 |
| **Total (B) – Gross** | **12,21,857.30** | **11,50,875.00** |
| Less: Impairment loss allowance | (10,648.21) | (6,381.03) |
| **Total (B) – Net** | 12,11,209.09 | 11,44,493.97 |
| **(C)** (I) Loans in India | | |
| (a) Public sector | - | - |
| (b) Others | 12,21,857.30 | 11,50,875.00 |
| | 12,21,857.30 | 11,50,875.00 |
| (II) Loans outside India | - | - |
| **Total (C) – Gross** | **12,21,857.30** | **11,50,875.00** |
| Less: Impairment loss allowance | (10,648.21) | (6,381.03) |
| **Total (C) – Net** | 12,11,209.09 | 11,44,493.97 |

**8.1 Credit quality of assets**

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system. The amounts presented are gross of impairment allowances.

| | Performing | Non-performing | Total |
|---|---|---|---|
| **As on March 31, 2020** | | | |
| Retail | 11,51,124.02 | 15,630.84 | 11,66,754.86 |
| Non-retail | 55,102.44 | - | 55,102.44 |
| Total | 12,06,226.46 | 15,630.84 | 12,21,857.30 |
| **As on March 31, 2019** | | | |
| Retail | 10,63,474.10 | 8,291.39 | 10,71,765.49 |
| Non-retail | 79,109.51 | - | 79,109.51 |
| Total | 11,42,583.61 | 8,291.39 | 11,50,875.00 |

**8.2 An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to term loans is as follows:**

**8.2.1 Reconciliation of gross carrying amount:**

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| **March 31, 2020** | | | | |
| Gross carrying amount opening balance | 11,27,751.85 | 14,831.76 | 8,291.39 | 11,50,875.00 |
| New assets originated or purchased | 3,47,506.24 | 66.22 | 135.24 | 3,47,707.70 |
| Assets derecognised or repaid (excluding write offs) | (2,72,334.71) | 11.25 | (1,663.38) | (2,73,986.84) |
| Transfers to stage 1 | 11,194.60 | (10,871.56) | (323.04) | - |
| Transfers to stage 2 | (22,752.47) | 22,761.89 | (9.42) | - |
| Transfers to stage 3 | (8,830.94) | (3,102.94) | 11,933.88 | - |
| Amounts written off | (4.74) | - | (2,733.82) | (2,738.56) |
| Gross carrying amount closing balance | 11,82,529.83 | 23,696.62 | 15,630.85 | 12,21,857.30 |

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| **March 31, 2019** | | | | |
| Gross carrying amount opening balance | 8,10,611.99 | 5,076.23 | 4,803.52 | 8,20,491.74 |
| New assets originated or purchased | 5,36,201.99 | 374.22 | 271.84 | 5,36,848.05 |
| Assets derecognised or repaid (excluding write offs) | (2,04,265.44) | (588.03) | (1,423.76) | (2,06,277.23) |
| Transfers to stage 1 | 1,070.00 | (948.58) | (121.42) | - |
| Transfers to stage 2 | (12,433.98) | 12,433.98 | - | - |
| Transfers to stage 3 | (3,432.71) | (1,516.06) | 4,948.77 | - |
| Amounts written off | - | - | (187.56) | (187.56) |
| Gross carrying amount closing balance | 11,27,751.85 | 14,831.76 | 8,291.39 | 11,50,875.00 |

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**8.2.2 Reconciliation of ECL balance is given below:**

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| **March 31, 2020** | | | | |
| ECL allowance - opening balance | 2,505.04 | 216.71 | 3,659.28 | 6,381.03 |
| New assets originated or purchased | 1,044.52 | 4.06 | 953.54 | 2,002.12 |
| Assets derecognised or repaid (excluding write offs) | (634.98) | (0.58) | (257.12) | (892.68) |
| Transfers to Stage 1 | 173.37 | (120.24) | (53.13) | - |
| Transfers to Stage 2 | (74.19) | 75.60 | (1.41) | - |
| Transfers to Stage 3 | (31.60) | (75.53) | 107.13 | - |
| Impact on year end ECL of exposures transferred between stages during the year | (69.67) | 540.28 | 3,019.18 | 3,489.79 |
| ECL recognised due to change in credit risk | 1,061.96 | 1,051.69 | 458.79 | 2,572.44 |
| Recoveries | (1.16) | (0.85) | (41.96) | (43.97) |
| Amounts written off | (0.02) | - | (2,860.50) | (2,860.52) |
| ECL allowance - closing balance | 3,973.27 | 1,691.14 | 4,983.80 | 10,648.21 |

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| **March 31, 2019** | | | | |
| ECL allowance - opening balance | 2,745.14 | 125.17 | 1,838.02 | 4,708.33 |
| New assets originated or purchased | 1,305.66 | 6.73 | 182.20 | 1,494.59 |
| Assets derecognised or repaid (excluding write offs) | (666.66) | (3.98) | (431.62) | (1,102.26) |
| Transfers to Stage 1 | 43.35 | (20.55) | (22.80) | - |
| Transfers to Stage 2 | (58.29) | 58.29 | - | - |
| Transfers to Stage 3 | (15.15) | (53.71) | 68.86 | - |
| Impact on year end ECL of exposures transferred between stages during the year | (23.02) | 122.87 | 1,333.42 | 1,433.27 |
| ECL recognised due to change in credit risk | (825.85) | (18.11) | 911.52 | 67.56 |
| Recoveries | (0.14) | - | (17.60) | (17.74) |
| Amounts written off | - | - | (202.72) | (202.72) |
| ECL allowance - closing balance | 2,505.04 | 216.71 | 3,659.28 | 6,381.03 |

*Foot notes:*

A. ***Moratorium in accordance with the Reserve Bank of India (ROI) guidelines -***

The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. The Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020 and and May 23, 2020. In accordance therewith, the Company has provided a moratorium option on principal and interest falling due between March 1, 2020 and August 31, 2020, to all eligible borrowers classified as standard. Loan assets for which moratorium is availed by the borrower, the asset classification under the Income Recogniton, Assset Classification and Provisioning norms under the The Housing Finance Companies (NHB) Directions, 2010 and the categorisation of such assets carried at amortised cost into Stage 1, Stage 2 and Stage 3 depending on the period of default, will be held at a standstill during the moratorium period.

B. ***Estimation of uncertainty relating to COVID-19 global health pandemic -***

In estimating the expected credit loss (ECL) allowance the Company has taken into consideration internal and certain sources of external information, including credit reports, economic forecasts and industry reports upto the date of approval of these financial results. The Company has also performed sensitivity analysis on the inputs and assumptions used in estimating the ECL allowance and has embedded in its ECL allowance an adjustment of Rs. 1,810.00 lakh for credit risks arising from macro economic factors. Based on the Company's expectations of future economic conditions, it expects to recover the carrying amount of its loan assets. The extent to which global health pandemic will impact the Company's provision on financial assets will depend on future developments, which are highly uncertain. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial results.

The Company has, after evaluating its ability to pay its obligations out of available liquidity, undrawn lines of credit and recoveries (after adjusting credit losses and applying assumed levels of stress), concluded the use of the going concern assumption in preparing the above financial results is appropriate.

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**9 Investments**

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Investments carried at fair value through Profit & Loss | | |
| Mutual Fund unit (unquoted) | 54,692.14 | - |
| | 54,692.14 | - |

*Foot note:*

All investments are made within India. Further, there are no mutual fund investment for which there has been a significant increase in credit risk or which have become credit impaired.

**10 Other financial assets**

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Security deposit | 476.86 | 396.39 |
| Other receivables | 3.94 | 8.61 |
| | 480.80 | 405.00 |

**11 Income tax**

The components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| **Recognised in statement of profit and loss** | | |
| Current tax | 3,613.72 | 3,748.04 |
| Deferred tax relating to origination and reversal of temporary differences | (74.56) | (551.02) |
| **Tax charges** | 3,539.16 | 3,197.02 |
| Adjustment in respect of current income tax of earlier years | (185.58) | 68.71 |
| **Total tax charges** | **3,353.58** | **3,265.73** |

**11.1 Reconciliation of the total tax charge**

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31, 2020 and March 31, 2019 is, as follows:

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Accounting profit before tax | 13,618.83 | 10,728.68 |
| At India's statutory income tax rate of (March 31, 2020: 25.168% ; March 31, 2019: 34.944%) | 3,427.59 | 3,749.03 |
| Rate adjustments | 528.43 | - |
| Differences other than temporaory in nature on account of tax benefit u/s 36(1)(viii) of the Income Tax Act, 1961 and others | (416.86) | (520.80) |
| Deferred tax difference for earlier years recognised in current year for brought forward losses, impairment loss allowance and others | - | (31.21) |
| Income tax expense reported in the statement of profit and loss | 3,539.16 | 3,197.02 |

*The effective income tax rate for March 31, 2020 is 25.99% (March 31, 2019: 29.80%).*

**11.2 Deferred tax Assets (Net)**

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| ***Deferred tax asset*** | | |
| Timing differences on account of | | |
| Impairment allowance for financial assets | 2,679.94 | 2,229.77 |
| Provision for employee benefits | 288.08 | 494.30 |
| Differences in depreciation as per income tax & as charged in financials | 59.84 | 55.24 |
| Cash flow hedges | 246.35 | - |
| Recognition of ROU asset and lease liability under Ind AS 116 | 77.41 | - |
| Deferred tax asset (A) | 3,351.62 | 2,779.31 |
| ***Deferred tax liability*** | | |
| Timing differences on account of | | |
| Tax deduction under Section 36(1)(viia) of Income Tax Act, 1961 | 214.60 | - |
| Recognition of financial instruments under amortised cost under Ind AS 109 | 904.34 | 997.93 |
| Deferred tax liability (B) | 1,118.94 | 997.93 |
| **Deferred tax asset (net) (A-B)** | **2,232.68** | **1,781.38** |

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| Deferred tax credit (Net) | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| **Recognised in statement of profit and loss** | | |
| Impairment allowance for financial assets | (235.57) | (600.31) |
| Provision for employee benefits | 229.13 | (117.63) |
| Differences in depreciation as per income tax & as charged in financials | (4.60) | (49.89) |
| Deferred tax liability on amortised cost under Ind AS 109 | (93.59) | 216.81 |
| Rate difference in initial recognition of ROU asset and lease liability under Ind AS 116 | 30.07 | - |
| | (74.56) | (551.02) |
| **Recognised in OCI** | | |
| Deferred tax on re-measurement gains/ (losses) on defined benefit plans | 22.91 | 11.26 |
| Deferred tax on re-measurement gains/ (losses) on cash flow hedges | 246.35 | - |
| | 269.26 | 11.26 |
| **Total deferred tax expense recognised (including OCI)** | (343.82) | (562.28) |

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## 12 Property, plant and equipment

| Particulars | Building | Plant & Equipment | Furniture & fixtures | Vehicle | Office equipment | Leasehold improvements | Total |
|---|---|---|---|---|---|---|---|
| **Gross block** | | | | | | | |
| **As at April 1, 2018** | 255.52 | 590.37 | 31.75 | 158.61 | 101.45 | 289.63 | 1,427.33 |
| Additions | - | 53.96 | 4.68 | 39.49 | 41.28 | 38.90 | 178.31 |
| Deletions | - | - | (0.25) | (22.26) | (12.30) | (62.37) | (97.18) |
| **As at March 31, 2019** | 255.52 | 644.33 | 36.18 | 175.84 | 130.43 | 266.16 | 1,508.46 |
| Adjustment | - | - | 0.25 | - | 5.10 | 20.53 | 25.88 |
| Additions | - | 289.36 | 6.74 | 31.48 | 32.23 | 4.83 | 364.64 |
| Deletions | - | (8.78) | (4.89) | (18.72) | (6.74) | (12.34) | (51.47) |
| **As at March 31, 2020** | 255.52 | 924.91 | 38.28 | 188.60 | 161.02 | 279.18 | 1,847.51 |
| **Accumulated depreciation** | | | | | | | |
| **As at April 1, 2018** | 4.38 | 130.04 | 10.82 | 22.82 | 26.02 | 131.82 | 325.90 |
| Charge for the year | 4.39 | 178.54 | 7.11 | 36.78 | 39.40 | 110.24 | 376.46 |
| Reduction | - | - | (0.25) | (3.64) | (9.47) | (53.83) | (67.19) |
| **As at March 31, 2019** | 8.77 | 308.58 | 17.68 | 55.96 | 55.95 | 188.23 | 635.17 |
| Adjustment | - | - | 0.25 | - | 5.10 | 20.53 | 25.88 |
| Charge for the year | 4.38 | 195.26 | 9.47 | 36.13 | 35.02 | 36.31 | 316.57 |
| Reduction | - | (8.76) | (2.54) | (5.70) | (4.06) | (12.34) | (33.40) |
| **As at March 31, 2020** | 13.15 | 495.08 | 24.86 | 86.39 | 92.01 | 232.73 | 944.22 |
| **Net book value** | | | | | | | |
| **As at March 31, 2019** | 246.75 | 335.75 | 18.50 | 119.88 | 74.48 | 77.93 | 873.29 |
| **As at March 31, 2020** | 242.37 | 429.83 | 13.42 | 102.21 | 69.01 | 46.45 | 903.29 |

*Foot note:*
*Assets pledged as security: Buildings with gross block Rs. 255.52 Lakh and accumulated depreciation Rs. 13.15 Lakh (March 31, 2019: gross block Rs. 255.52 lakh and accumulated depreciation Rs. 8.77 lakh ) is subject to a first charge to secure debentures issued by the Company.*

## 13 Other intangible assets

| Particulars | Computer Software |
|---|---|
| **Gross block** | |
| **As at April 1, 2018** | 448.24 |
| Additions | 268.90 |
| Deletions/adjustment | - |
| **As at March 31, 2019** | 717.14 |
| Adjustment | - |
| Additions | 439.32 |
| Deletions/adjustment | - |
| **As at March 31, 2020** | 1,156.46 |
| **Accumulated amortization** | |
| **As at April 1, 2018** | 145.31 |
| Charge for the year | 213.25 |
| Reduction | - |
| **As at March 31, 2019** | 358.56 |
| Adjustment | - |
| Charge for the year | 287.79 |
| Reduction | - |
| **As at March 31, 2020** | 646.35 |
| **Net book value** | |
| **As at March 31, 2019** | 358.58 |
| **As at March 31, 2020** | 510.11 |

*Foot note:*
*Company does not have any internally generated intangible assets.*

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**14 Right to use of Assets** *(refer note 36)*

| Particulars | ROU Asset |
|---|---|
| **Gross block** | |
| **As at April 1, 2018** | - |
| Additions | - |
| Deletions/adjustment | - |
| **As at March 31, 2019** | - |
| Additions | 2,849.99 |
| Deletions/adjustment | - |
| **As at March 31, 2020** | **2,849.99** |
| **Accumulated amortization** | |
| **As at April 1, 2018** | - |
| Charge for the year | - |
| Reduction | - |
| **As at March 31, 2019** | - |
| Charge for the year | 561.17 |
| Reduction | - |
| **As at March 31, 2020** | **561.17** |
| **Net book value** | |
| **As at March 31, 2019** | - |
| **As at March 31, 2020** | **2,288.82** |

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## Notes to the financial statements for the year ended March 31, 2020

*(Currency : Rupees in lakh)*

| 15 Other non-financial assets | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Capital advances | 60.90 | 56.64 |
| Prepaid expense | 443.43 | 366.86 |
| Retirement benefits gratuity asset *(refer note 46)* | 273.70 | 199.74 |
| Balances with tax authorities | 357.53 | 188.18 |
| Deferred lease expense | 5.87 | 131.10 |
| | 1,141.43 | 942.52 |

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| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **16 Payables** | | |
| **(I) Trade payables** | | |
| (i) total outstanding dues of micro enterprises and small enterprises *(refer note 38)* | 69.55 | 2.11 |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 2,621.35 | 2,608.73 |
| | **2,690.90** | **2,610.84** |

| **17 Debt Securities** | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| At amortised cost | | |
| **Secured** | | |
| Redeemable non convertible debentures *(refer foot note (ii) below)* | 1,03,909.91 | 1,20,096.19 |
| **Unsecured** | | |
| Commercial papers *(refer note (iii) below )* | 87,090.97 | 69,189.30 |
| **Total (A)** | **1,91,000.88** | **1,89,285.49** |
| Debt securities in India | 1,91,000.88 | 1,89,285.49 |
| Debt securities outside India | - | - |
| **Total (B)** | **1,91,000.88** | **1,89,285.49** |

*Foot notes:*

*(i) The company does not have any convertible debt securities.*

*(ii) The debt securities are secured by way of mortgage of the immovable property and have first pari- passu charge on receivables of the Company. The repayment terms and rate of interest of redeemable non convertible debentures are as under-*

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Maturing upto 3 years, Rate of interest (ROI) 7.60% to 9.40 % p.a. | | |
| ABHFL NCD F2 - FY 2016-17, *ROI: 8.30% p.a (XIRR basis); Maturity date: September 12, 2019* | - | *9,172.74* |
| ABHFL NCD I1 - FY 2016-17, *ROI: 7.80 % p.a; Maturity date: December 13, 2019* | - | *5,110.25* |
| ABHFL NCD I3 FY 2016-2017, *ROI: 7.80% p.a; Maturity date: December 20, 2019* | - | *5,102.81* |
| ABHFL NCD K1 FY 2016-2017, *ROI: 8.05% p.a; Maturity date: February 14, 2020* | - | *7,165.22* |
| ABHFL NCD L4 FY 2016-2017, *ROI: 7.90% p.a(XIRR basis); Maturity date: April 16, 2020* | 7,546.67 | *6,991.38* |
| ABHFL NCD L1 FY 2016-2017, *ROI: 7.85% p.a; Maturity date: June 9, 2020* | 3,014.32 | *3,014.27* |
| ABHFL NCD I2 - FY 2016-17, *ROI: 7.80% p.a(XIRR basis); Maturity date: August 13, 2020* | 6,403.06 | *5,938.52* |
| ABHFL NCD A2 - FY 2015-16, *ROI: 8.95% p.a; Maturity date: March 22, 2021* | 501.17 | *501.16* |
| ABHFL NCD A1 - FY 2016-17, *ROI: 8.75% p.a.; Maturity date: April 20, 2021* | 1,623.82 | *1,623.47* |
| ABHFL NCD C1 - FY 2018-19, *ROI: 8.85% p.a.(XIRR basis); Maturity date: June 07, 2021* | 5,231.17 | *4,803.65* |
| ABHFL NCD E1 - FY 2017-18, *ROI: 7.60% p.a.; Maturity date: June 30, 2021* | 8,922.99 | *8,920.41* |
| ABHFL NCD D1 - FY 2018-19, *ROI: 8.82% p.a.(XIRR basis); Maturity date: July 26, 2021* | 9,702.12 | *8,900.27* |
| ABHFL NCD F1 - FY 2019-20, *ROI: 8.18 % .(XIRR basis); Maturity date: September 24, 2021* | 2,082.44 | - |

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| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| ABHFL NCD G1 - FY 2018-19, *ROI: 9.40% p.a.(XIRR basis); Maturity date: October 26, 2021* | 2,726.47 | *2,490.70* |
| ABHFL NCD D2 - FY 2018-19, *ROI: 8.82% p.a.; Maturity date: October 28, 2021* | 2,115.23 | *2,114.62* |
| ABHFL NCD L2 - FY 2016-17, *ROI: 8.00% p.a.; Maturity date: March 10, 2022* | 5,023.24 | *5,023.16* |
| ABHFL NCD L3 - FY 2016-17, *ROI: 8.00% p.a.; Maturity date: March 18, 2022* | 5,012.65 | *5,012.61* |
| ABHFL NCD A1 - FY 2017-18, *ROI: 8.00% p.a.; Maturity date: April 01, 2022* | 4,857.94 | - |
| ABHFL NCD I1 - FY 2018-19, *ROI: 9.30% p.a.(XIRR basis); Maturity date: April 13, 2022* | 20,332.48 | - |
| ABHFL NCD C1 - FY 2017-18, *ROI: 8.00% p.a.; Maturity date: June 07, 2022* | 10,648.90 | - |
| ABHFL NCD F1 - FY 2017-18, *ROI: 7.60% p.a.; Maturity date: September 08, 2022* | 2,083.10 | - |
| ABHFL NCD PPMLD FY 2019-20, *ROI: 7.95% XIRR.; Maturity date: September 30, 2022* | 1,557.78 | |
| ABHFL NCD K1 - FY 2019-20, *ROI: 7.76% p.a., Maturity date: February 17, 2023* (1st Coupon: 5.26% + 250 bps = 7.76% Benchmark 12 Month T-Bill + 250 bps spread Reset on yearly basis with fixed spread of 250 bps) | 2,520.96 | - |
| | 1,01,906.50 | 81,885.24 |

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Maturing after 3 years, Rate of interest(ROI) 7.60% to 9.30 % p.a. | | |
| ABHFL NCD A1 - FY 2017-18, *ROI: 8.00% p.a.; Maturity date: April 01, 2022* | - | *4,857.93* |
| ABHFL NCD I1 - FY 2018-19, *ROI: 9.30% p.a.(XIRR basis); Maturity date: April 13, 2022* | - | *18,618.89* |
| ABHFL NCD C1 - FY 2017-18, *ROI: 8.00% p.a.; Maturity date: June 07, 2022* | - | *10,648.48* |
| ABHFL NCD F1 - FY 2017-18, *ROI: 7.60% p.a.; Maturity date: September 08, 2022* | - | *2,082.48* |
| ABHFL NCD A1 - FY 2015-16, *ROI: 8.95% p.a; Maturity date: March 20, 2026* | 2,003.41 | *2,003.17* |
| | 2,003.41 | 38,210.95 |
| | 1,03,909.91 | 1,20,096.19 |

*(iii) The repayment terms of commercial papers are as under-*

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Maturing upto 3 years* | 87,090.97 | 69,189.30 |

* The above is net of unamortized discounting charges on commercial paper amounting to Rs. 409.03 lakh (March 31, 2019: Rs. 810.70 lakh)

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## Notes to the financial statements for the year ended March 31, 2020

*(Currency : Rupees in lakh)*

| 18 Borrowings other than debt securities | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Secured** | | |
| Term loan from banks *(refer foot note (i) below )* | 9,20,835.63 | 7,63,848.43 |
| *Loan repayable on demand from banks* | | |
| Working capital demand loan *(refer foot note (ii) below )* | 18,503.82 | 8,000.00 |
| Cash Credit *(refer foot note (iii) below )* | 8,487.76 | 17,427.70 |
| Overdraft *(refer foot note (iv) below )* | 598.58 | 19,774.67 |
| | 9,48,425.79 | 8,09,050.80 |
| **Unsecured** | | |
| *Loan from related party* | | |
| Inter corporate borrowings *(refer foot note (v) below )* | 656.00 | 2,600.00 |
| | 656.00 | 2,600.00 |
| **Total (A)** | **9,49,081.79** | **8,11,650.80** |
| Borrowings in India | 9,11,310.54 | 8,11,650.80 |
| Borrowings outside India | 37,771.25 | - |
| **Total (B)** | **9,49,081.79** | **8,11,650.80** |

*Foot notes:*

*(i) The term loans from banks are secured by way of first pari-passu charge on the receivables of the Company. The refinance facility of Rs. 30,305.00 lakh from National Housing Bank is further guaranteed by way of corporate guarantee issued by holding company. The repayment terms and rate of interest of term loans are as under-*

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Maturing upto 3 years, rate of interest 6.68 % p.a. - 9.05 % p.a. | 5,40,495.05 | |
| Maturing after 3 years, rate of interest 7.95 % p.a. - 9.05 % p.a. | 3,80,340.59 | |
| Maturing upto 3 years, rate of interest 7.69 % - 9.15 % p.a. | - | 3,73,301.93 |
| Maturing after 3 years, rate of interest 7.69 % - 9.10 % p.a. | - | 3,90,546.50 |
| | 9,20,835.63 | 7,63,848.43 |

*(ii) The working capital loans are secured by way of first pari-passu charge on receivables of the Company. The repayment terms and rate of interest of working capital loans are as under-*

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Repayable on demand , rate of interest 7.50% to 8.70 % p.a. | 18,503.82 | 8,000.00 |

*(iii) The cash credit facilities are secured by way of first pari-passu charge on the receivables of the Company. The repayment terms and rate of interest of term loans are as under-*

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Repayable on demand , rate of interest 8.00% p.a. to 8.65% | 8,487.76 | 17,427.70 |

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*(iv) The overdraft on account of cheques issued but not presented as on the balance sheet date are backed by cash credit facilities which are secured by way of first pari-passu charge on the receivables of the Company. The repayment termas and rate if interest is same as applicable to cash credit facilities.*

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Repayable on demand | 598.58 | 19,774.67 |

*(v) The intercorporate borrowings are unsecured borrowing taken from related parties. The repayment terms of loans from related party are as under-*

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Repayable on demand , rate of interest 7.50% p.a. | 656.00 | - |
| Repayable on demand , rate of interest 7.55% to 8.22 % p.a. | - | 2,600.00 |

**19 Subordinated liabilities**

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Unsecured** | | |
| Sub ordinate debts - debentures (refer foot note below) | 26,608.02 | 21,269.90 |
| | **26,608.02** | **21,269.90** |

*The repayment terms and rate of interest (ROI) of subordinate debentures are as under-*

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Maturing after 3 years, Rate of interest(ROI) 8.50% to 9.10 % p.a. | | |
| ABHFL Sub Debt Series 'SD1' FY 2016-17, *ROI: 9.10 % p.a; maturity date - 3 July 2026* | *1,594.65* | *1,593.64* |
| ABHFL Sub Debt Series 'SD2' FY 2016-17, *ROI: 9.10 % p.a; maturity date - 7 July 2026* | *1,061.51* | *1,060.57* |
| ABHFL Sub Debt Series 'SD3' FY 2016-17, *ROI: 9.10 % p.a; maturity date - 13 July 2026* | *1,589.95* | *1,588.53* |
| ABHFL Sub Debt Series 'SD4' FY 2016-17, *ROI: 8.99 % p.a; maturity date - 24 July 2026* | *2,639.82* | *2,637.46* |
| ABHFL Sub Debt Series 'SDB1' FY 2017-18, *ROI: 8.50 % p.a; maturity date - 14 May 2027* | *6,415.01* | *6,410.80* |
| ABHFL Sub Debt Series 'SDC1' FY 2017-18, *ROI: 8.50 % p.a; maturity date - 1 June 2027* | *7,985.13* | *7,978.90* |
| ABHFL Sub Debt Series 'SDC1' FY 2017-18, *ROI: 8.94 % p.a; maturity date - 8 June 2029* | *5,321.96* | - |
| | 26,608.02 | 21,269.90 |

**20 Lease Liability**

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Liability for lease payments | 2,602.12 | - |
| | **2,602.12** | **-** |

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| 21 Other financial liabilities | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Payable for salaries, bonus and other employee benefits | 2,254.66 | 3,241.45 |
| Payable for Capital expenditure | 146.99 | 8.52 |
| Other financial liabilities relating to customer accounts | 1,355.26 | 1,974.59 |
| | 3,756.91 | 5,224.56 |

| 22 Provisions | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Provision for employee benefits | | |
| Compensated absenses | 338.78 | 259.62 |
| Gratuity *(refer note 46)* | 441.01 | 257.69 |
| | 779.79 | 517.31 |

| 23 Other non-financial liabilities | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Payable to government authorities | 1,008.19 | 258.54 |
| Other Payable | 334.43 | 73.56 |
| | 1,342.62 | 332.10 |

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| 24 Equity share capital | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Authorised** | | |
| 1000,000,000 (March 31, 2019 : 1000,000,000) equity shares of Rs 10 each | 1,00,000.00 | 1,00,000.00 |
| | **1,00,000.00** | **1,00,000.00** |
| **Issued, subscribed and fully paid up shares** | | |
| 501,197,682 (March 31, 2019: 475,556,656) equity shares of Rs 10 each, fully paid up | 50,119.77 | 47,555.67 |
| | **50,119.77** | **47,555.67** |

***A) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.***

| | Numbers | Amount |
|---|---|---|
| As at April 1, 2018 | 41,25,69,679 | 41,256.97 |
| Add: shares issued during the year | 6,29,86,977 | 6,298.70 |
| As at March 31, 2019 | 47,55,56,656 | 47,555.67 |
| Add: shares issued during the year | 2,56,41,026 | 2,564.10 |
| As at March 31, 2020 | **50,11,97,682** | **50,119.77** |

| ***B) Shares held by holding company*** | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Aditya Birla Capital Limited, holding company | 50,119.77 | 47,555.67 |

***C) Details of shareholders holding more than 5% shares in the company***

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Aditya Birla Capital Limited, holding company | | |
| % Holding | 100% | 100% |

***D) Terms/rights attached to equity shares***

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be receiving remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of the equity shares held by the shareholders.

***E)*** During the past five years immediately preceding the current financial year, the Company has not issued any shares pursuant to any contract without payment being received in cash or by way of bonus shares and have also not engaged in any buyback of its own equity.

| 25 Other equity | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Securities premium *(refer foot note (i) below)* | 71,582.21 | 64,156.31 |
| Special reserve u/s 29C of The National Housing Bank Act, 1987(*refer foot note (ii) below*) | 328.85 | 79.98 |
| Reserve u/s 36(1)(viii) of the Income Tax Act, 1961 *(refer foot note (iii) below)* | 3,868.46 | 2,064.27 |
| Retained earnings *(refer foot note (iv) below)* | 13,119.42 | 5,175.44 |
| Cash flow hedge reserve *(refer foot note (v) below)* | (732.46) | - |
| Equity component for Employeee stock option plan issued by parent company *(refer foot note (vi) below)* | - | - |
| | **88,166.48** | **71,476.00** |



*Foot notes:*

| (i) Securities premium | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Balance at beginning of year | 64,156.31 | 35,490.03 |
| Addition: Received on issue of shares during the year | 7,435.90 | 28,701.28 |
| Deduction: Utilisation against share issue expense | (10.00) | (35.00) |
| Balance at end of year | **71,582.21** | **64,156.31** |

*Securities premium is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.*

| (ii) Special reserve u/s 29C of The National Housing Bank Act, 1987 *(refer note 3.14)* | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Balance at beginning of year | 79.98 | 79.98 |
| Addition: Amount transferred from surplus balance in the Statement of Profit and Loss | 248.87 | - |
| Balance at end of year | **328.85** | **79.98** |

**Note:**
As per Section 29C of The National Housing Bank Act, 1987 (the "NHB Act"), the Company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by the Company under Section 36(1)(viii) of the Income-tax Act, 1961, is considered to be an eligible transfer. The amount transferred to special reserve u/s 29C of the NHB Act includes Rs.1,804.19 lakh (previous year Rs. 1,494.94 lakh) for Special Reserve in terms of Section 36(1)(viii) of the Income-tax Act, 1961.

| (iii) Reserve u/s 36(1)(viii) of the Income Tax Act, 1961 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Balance at beginning of year | 2,064.27 | 571.61 |
| Addition: Amount transferred from surplus balance in the Statement of Profit and Loss | 1,804.19 | 1,494.94 |
| Less: Amount withdrawn from the special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of provision u/s 29C of the National Housing Bank Act, 1987 | - | (2.28) |
| Balance at end of year | **3,868.46** | **2,064.27** |

| (iv) Retained earnings | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Balance at beginning of year | 5,175.44 | (773.89) |
| Profit for the year | 10,265.25 | 7,462.95 |
| Remeasurement of defined employee benefit plans | (68.12) | (20.96) |
| Impact of IndAS 116 *(refer note 20)* | (200.09) | - |
| Transfer to special reserve u/s 29C of The National Housing Bank Act, 1987 | (248.87) | - |
| Transfer to reserve u/s 36(1)(viii) of the Income Tax Act, 1961 | (1,804.19) | (1,492.66) |
| Balance at end of year | **13,119.42** | **5,175.44** |

| (v) Cash flow hedge reserve | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Balance at beginning of year | - | - |
| Net change during the year | (732.46) | - |
| Balance at end of year | **(732.46)** | - |

| (vi) Equity component for employeee stock option plan issued by parent company | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Balance at beginning of year | - | 55.46 |
| Addition during the year | - | (55.46) |
| Balance at end of year | - | - |

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## Notes to the financial statements for the year ended March 31, 2020

*(Currency : Rupees in lakh)*

| | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| **26 Interest income** | | |
| *-On financial assets measured at amortised cost* | | |
| Interest on loans | 1,24,142.33 | 99,875.13 |
| Interest on deposits with banks | 158.22 | - |
| Other interest income | 43.23 | 13.95 |
| | 1,24,343.78 | 99,889.08 |

| **27 Net gain on fair value changes** | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Net gain on financial instruments at fair value through profit or loss | 1,412.67 | 147.78 |
| Total Net gain on fair value changes | 1,412.67 | 147.78 |
| *Fair Value changes:* | | |
| Realised | 1,220.53 | 147.78 |
| Unrealised | 192.14 | - |
| | 1,412.67 | 147.78 |

| **28 Net gain/(loss) on derecognition of financial instruments under amortised cost category** | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Reversal of expected credit loss on derecognition of financial instruments | 2,860.50 | 202.71 |
| Bad debts written off | (2,738.55) | (184.60) |
| | 121.95 | 18.11 |

| **29 Other Income** | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Interest on income tax refund | 118.92 | 31.79 |
| Rental Income | 37.31 | - |
| | 156.23 | 31.79 |

| **30 Finance costs** | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| *-On financial liabilities measured at amortised cost* | | |
| Interest on borrowings | 80,485.76 | 61,962.65 |
| Interest on debt securities | 9,277.50 | 8,131.19 |
| Interest on subordinated liabilities | 2,096.30 | 1,736.25 |
| Interest on lease liability | 225.25 | - |
| Other interest expense | 613.72 | 307.86 |
| | 92,698.53 | 72,137.95 |

| **31 Impairment on financial instruments** | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| -On Financial Assets measured at amortised cost | | |
| Loans *(refer note 8.2.2)* | 7,127.68 | 1,875.41 |
| | 7,127.68 | 1,875.41 |

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| | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| **32 Employee benefit expenses** | | |
| Salaries, bonus and allowances | 10,577.54 | 11,501.03 |
| Contribution to provident and other funds *(refer note 46)* | 382.81 | 360.24 |
| Retirement benefit expense - Gratuity | 108.19 | 85.41 |
| Employee stock option expenses *(refer note 41)* | 51.33 | 89.62 |
| Staff welfare expenses | 205.40 | 200.14 |
| | 11,325.27 | 12,236.44 |

| | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| **33 Other expenses** | | |
| Rental charges payable under operating leases *(refer note 36)* | 607.65 | 1,190.40 |
| Travelling and conveyance | 371.88 | 471.01 |
| Water and electricity | 131.69 | 161.61 |
| Repairs and maintenance | 876.92 | 712.00 |
| Insurance | 79.01 | 344.16 |
| Credit rating expenses | 114.58 | 100.35 |
| Legal and professional charges *(refer note 40)* | 755.53 | 500.51 |
| Rates and taxes | 64.95 | 81.09 |
| Printing and stationery | 127.49 | 181.87 |
| Contract service charges | 296.56 | 307.13 |
| Advertisement expenses | 102.91 | 142.00 |
| Postage expenses | 87.24 | 119.19 |
| Miscellaneous expenses | 565.40 | 675.39 |
| | 4,181.81 | 4,986.71 |

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## 34 Contingent liabilities and commitments

**Contingent liabilities**

Claims against the Company not acknowledged as debts on account of legal disputes Rs. 4.96 Lakh (March 31, 2019: Rs. 2.20 Lakh). Unfavourable outcome of these legal cases if any do not have any material and adverse impact on the financial position of the Company as on the balance sheet date.

The Company is not exposed to any other contingent liabilities as on the balance sheet except as mentioned above for legal disputes.

**Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) on account of property, plant and equipments Rs. 1.57 Lakh (March 31, 2019: Rs. 0.90 Lakh) and on account of intangible assets Rs. 166.01 Lakh (March 31, 2019: Rs. 96.22 Lakh).

## 35 Related party disclosures

**I) List of related parties as per Ind AS -24 with whom transactions have taken place during the year.**

**(A) Where control exists**

Aditya Birla Capital Limited (ABCL) (Holding Company)
Grasim Industries Limited (Ultimate Holding Company)

**(B) Fellow subsidiaries**

Aditya Birla Finance Limited (ABFL)
Aditya Birla Capital Technology Services Limited (ABCTSL) (Formerly known as Aditya Birla MyUniverse Limited)
Aditya Birla Sun Life Insurance Company Limited (ABSLICL)
Aditya Birla Sun Life AMC Limited (ABSLAMCL)
Aditya Birla Money Limited (ABML)
Aditya Birla Health Insurance Limited (ABHI)
Aditya Birla Financial Shared Services Limited (ABFSSL)
Aditya Birla Insurance Brokers Limited (ABIBL)
Aditya Birla PE Advisors Private Limited (ABPEL)

**(C) Key management personnel**

| | |
|---|---|
| Mr. Netrapal Singh | CEO (w.e.f. July 22, 2019)<br>CBO (upto July 21, 2019) |
| Mr. Tushar Kotecha | CFO (w.e.f July 31, 2019)<br>CFO and Manager (upto July 30, 2019) |

**II) Transactions with related parties**

**a) Purchase and sale of services**

| | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| **Referred in (A) above** | | |
| Other operating expenses | | |
| Aditya Birla Capital Limited | 378.98 | 169.73 |
| Employees Stock option plan expenses | | |
| Aditya Birla Capital Limited | 51.33 | 115.31 |
| Interest expenses | | |
| Aditya Birla Capital Limited | 146.72 | 281.40 |
| Other Comprehensive Income - Gratuity (gain)/loss | | |
| Aditya Birla Capital Limited | 5.31 | (0.12) |
| **Referred in (B) above** | | |
| Other operating expenses | | |
| Aditya Birla Finance Limited | 1,547.26 | 479.15 |
| Aditya Birla Money Limited | 0.88 | 5.84 |
| Aditya Birla Sun Life Insurance Company Limited | - | - |
| Aditya Birla Sun Life AMC Limited | 0.60 | 0.27 |
| Aditya Birla Capital Technology Services Limited | 7.08 | - |
| Aditya Birla Health Insurance Limited | 1.71 | 1.72 |
| Aditya Birla Financial Shared Services Limited | 818.97 | 638.35 |

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| | | |
|---|---|---|
| Interest expenses | | |
| Aditya Birla Sun Life Insurance Company Limited | 129.78 | 129.75 |
| Other Comprehensive Income - Gratuity (gain)/loss | | |
| Aditya Birla Financial Shared Services Limited | 7.35 | 9.44 |
| Recovery of other operating expenses | | |
| Aditya Birla Finance Limited | 465.43 | 649.77 |
| Aditya Birla Insurance Brokers Limited | 52.34 | - |
| Aditya Birla Sun Life AMC Limited | 3.80 | - |
| Income | | |
| Aditya Birla Health Insurance Limited | 118.50 | - |
| Aditya Birla Sun Life Insurance Company Limited | 132.66 | - |
| **Referred in (C) above** | | |
| Remuneration | 326.15 | 261.58 |
| (Mr. Netrapal Singh - April 1, 2019 to March 31, 2020) | | |
| (Mr. Tushar Kotecha - April 1, 2019 to July 30, 2019) | | |

**b) Outstanding balances arising from purchase and sale of services**

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Referred in (A) above** | | |
| Payable | | |
| Aditya Birla Capital Limited | 24.00 | 24.67 |
| **Referred in (B) above** | | |
| Receivable *(refer note 7)* | | |
| Aditya Birla Money Limited | 3.41 | - |
| Aditya Birla Sun Life AMC Limited | 0.27 | - |
| Aditya Birla Insurance Brokers Limited | 20.53 | - |
| Aditya Birla Health Insurance Limited | 44.22 | - |
| Aditya Birla Sun Life Insurance Company Limited | 32.56 | - |
| Payable | | |
| Aditya Birla Finance Limited | 236.21 | 22.55 |
| Aditya Birla Capital Technology Services Limited | - | - |
| Aditya Birla Money Limited | - | - |
| Aditya Birla Health Insurance Limited | 0.43 | 0.40 |
| Aditya Birla Financial Shared Services Limited | 118.46 | 58.55 |
| Other balances (Receivables) | | |
| Aditya Birla Financial Shared Services Limited | 7.43 | 3.44 |

**c) Loans from related parties**

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Referred in (A) above** | | |
| Aditya Birla Capital Limited | | |
| Loan balance at the beginning of the year | 2,600.00 | 1,800.00 |
| Loan obtained (including inter corporate borrowings) | 16,242.00 | 49,178.00 |
| Loans repaid (including inter corporate borrowings) | 18,186.00 | 48,378.00 |
| Loan balance at the end of the year | 656.00 | 2,600.00 |
| **Referred in (B) above** | | |
| Aditya Birla Sun Life Insurance Company Limited | | |
| Loan balance at the beginning of the year | 1,500.00 | 1,500.00 |
| Loan obtained (issue of debentures) | - | - |
| Loans repaid | - | - |
| Loan balance at the end of the year | 1,500.00 | 1,500.00 |
| Interest accrued but not due on above | 75.54 | 75.51 |

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**Aditya Birla Housing Finance Limited**
**Notes to the financial statements for the year ended March 31, 2020**
(Currency: Rupees in Lakhs)

**d) Other transactions**

| | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| **Referred in (A) above** | | |
| Capital issued | | |
| Aditya Birla Capital Limited | | |
| Share capital issued during the year * | 10,000.00 | 35,000.00 |

*Includes securities premium of Rs. 7,435.90 Lakh (March 31, 2019 Rs. 28,701.28 Lakh)

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Capital Outstanding | | |
| Aditya Birla Capital Limited | | |
| Equity share capital outstanding | 50,119.77 | 47,555.67 |

| **Referred in (B) above** | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Other transactions | | |
| Aditya Birla Financial Shared Services Limited (Recovery of transfer emloyees) | 0.75 | 0.20 |
| Aditya Birla Sun Life Insurance Company Limited (Recovery of transfer emloyees) | 5.13 | - |
| Aditya Birla Money Limited (Recovery of transfer emloyees ) | 3.41 | - |
| Aditya Birla Sun Life AMC Limited (Recovery of transfer emloyees) | - | - |
| Aditya Birla Finance Limited (Reimbursement relating to CWIP) | 32.16 | 93.25 |
| Aditya Birla Finance Limited (Sale of Fixed Assets) | 4.74 | - |
| Aditya Birla Finance Limited (Purchase of Fixed Assets) | 0.35 | - |
| Aditya Birla Sun Life Insurance Company Limited (Purchase of Fixed Assets) | 1.59 | - |
| Aditya Birla PE Advisors Private Limited (Purchase of Fixed Assets) | 0.00 | - |

*Foot notes:*
a) The related party relationships have been as identified by the management on the basis of the requirements of the Ind AS -24 'Related Party Disclosures' issued by the Ministry of Corporate Affairs.
b) The relationships as mentioned above except where control exists pertain to those related parties with whom transactions have taken place during the year.

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## 36 Leasing arrangements

### Transition for IND AS 116 - Leases

Effective April1, 2019, the Company adopted IND AS 116 "Leases" and applied the standard to all lease contracts existing on April1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Financial Statements for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of Rs. 2,738.27 lakhs, 'Net investment in sub-lease' of ROU asset of NIL and a lease liability of Rs. 3,045.83 Lakh. The cumulative effect of applying the standard, amounting to Rs. 200.09 lakh was debited to retained earnings, net of taxes. The effect of this adoption is in significant on the operating profit, net profit for the period and earnings per share. Ind AS 116 will result in an increase in cash in flows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

**The following is the summary of practical expedients elected on initial application:**

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly for all contracts as on April 1, 2019, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is between the range of 8.00% to 8.50% for a period varying from 1 to 10 years.

**Critical accounting judgements and key sources of estimation uncertainty**

**Critical judgements required in the application of Ind AS 116 may include, among others, the following:**

- Identifying whether a contract (or part of a contract) includes a lease;
- Determining whether it is reasonably certain that an extension or termination option will be exercised;
- Classification of lease agreements (when the entity is a lessor);
- Determination of whether variable payments are in-substance fixed;
- Establishing whether there are multiple leases in an arrangement;
- Determining the stand-alone selling prices of lease and non-lease components.

**Key sources of estimation uncertainty in the application of Ind AS 116 may include, among others, the following:**

- Estimation of the lease term;
- Determination of the appropriate rate to discount the lease payments;
- Assessment of whether a right-of-use asset is impaired.

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**Operating lease commitments – Company as lessee** *(refer note 33)*

The Company has entered into lease agreements for premises at various locations for periods between 12 months to 60 months. The lease payments recognised in the statement of profit and loss are Rs. 607.65 lakhs (March 31, 2019 Rs. 1,190.40 lakhs).
Non-cancellable operating lease rentals payables (minimum lease payments) under these leases are as follows:

| | As at March 31, 2019 |
|---|---|
| Within one year | 222.44 |
| After one year but not more than five years | 86.57 |
| More than five years | - |
| | 309.01 |

**Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:** *(refer note 14)*

| Particulars | Category of ROU Asset Leasehold premises |
|---|---|
| Balance as at 1st April, 2019 | 2,738.27 |
| Additions | 3.47 |
| Reclassified from deferred lease expense | 108.25 |
| Deletions | - |
| Depreciation | -561.17 |
| Balance as at 31st March, 2020 | 2,288.82 |

| Amounts recognised in profit and loss | As at March 31, 2020 |
|---|---|
| Depreciation expense on right-of-use assets | 561.17 |
| Interest expense on lease liabilities | 225.25 |
| Expense relating to short-term leases | 400.52 |
| Expense relating to leases of low value assets | - |
| Expense relating to variable lease payments not included in the measurement of the lease liability | - |
| Income from subleasing right-of-use assets | 37.31 |
| Gains or losses arising from sale and leaseback transactions | - |

**The following is the break-up of current and non-current lease liabilities as at March 31, 2020**

| Particulars | Amount |
|---|---|
| Current Lease Liabilities | 585.61 |
| Non-Current Lease Liabilities | 2,016.51 |
| **Total** | 2,602.12 |

**The following is the movement in lease liabilities during the year ended March 31, 2020:**

| Particulars | Amount |
|---|---|
| Balance as at 1st April, 2019 | 3,045.83 |
| Additions | 3.47 |
| Additions through Business Combinations | - |
| Deletions | - |
| Finance Cost accrued during the period | 225.25 |
| Payment of Lease Liabilities | -672.43 |
| **Balance as at 31st March, 2020** | 2,602.12 |

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**The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:**

| Particulars | Amount |
|---|---|
| Less than one year | 607.75 |
| One to Five years | 2,052.53 |
| More than Five years | 605.65 |
| **Total** | 3,265.93 |

**Impact on Financial Statements**

On transition to Ind AS 116, the Company recognised an additional Rs. 2,738.27 lakhs of right of use asset and Rs. 3,045.83 lakhs of lease liabilities, recognising the difference in retained earnings.

When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at March 1, 2019. The weighted average rate applied is in the range of 8-8.50%.

A reconciliation of the operating lease commitments at March 31, 2019, disclosed in the Company's 2019 financial statements, to the lease liabilities recognized in the statement of financial position at April 1, 2019 is provided below:

| | |
|---|---|
| **Operating lease commitments disclosed as at 31 March 2019** | 309.01 |
| **Discounted using the incremental borrowing rate at 1 April 2019** | |
| (Less): short-term leases recognized on a straight-line basis as expense | - |
| (Less): low-value leases recognized on a straight-line basis as expense | - |
| (Less): components of contracts reassessed as service agreements | - |
| Add/(less): adjustments as a result of a different treatment of extension and termination options | - |
| Add: inclusion of contracts under 'no lessee lock in' | 3,627.25 |
| Add/(less): adjustments relating to changes in the index or rate affecting variable payments | - |
| Add/(less): residual value guarantees | - |
| Discounting using the Company's incremental borrowing rate | -890.44 |
| **Lease liabilities recognized as at 1 April 2019** | 3,045.82 |

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

**Operating lease commitments – Company as lessor**
The Company is not involved in such activity during the current financial year as well as during previous financial year.

**Impact of COVID-19**
The Company does not foresee any large-scale contraction in demand which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant. The leases that the Company has entered with lessors towards properties used as branches are long term in nature and no changes in terms of those leases are expected due to the COVID-19.

## 37 Earnings per share (EPS)

| | As at March 31, 2020 | As at March 31, 2019 (restated) |
|---|---|---|
| Net profit for the year available for equity shareholders | 10,265.25 | 7,462.95 |
| Weighted average number of equity shares outstanding (numbers) | 47,61,87,173 | 45,33,06,184 |
| Basic and diluted earnings per share (Rs.) | 2.16 | 1.65 |

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.
For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

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## 38 Micro, small and medium enterprises

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| i. the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year; | 69.55 | 2.11 |
| ii. the amount of interest paid by the Company in terms of section 16 of MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during the year; | - | - |
| iii. the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006; | - | - |
| iv. the amount of interest accrued and remaining unpaid at the end of each accounting year; | - | - |
| v. the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006. | 0.01 | - |

The management has identified micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of information made available by the supplier or vendors of the Company.

## 39 Segment information

Operating business segment results are reviewed regularly by the Company's Chief Operating Decision Maker (Board of Directors) to make decisions about resources to be allocated to the segments and assess their performance. Business segment is the primary segment comprising of 'Housing finance'. As the Company operates only in a single business segment, no segment information thereof is given as required under Ind AS 108.'

## 40 Auditors remuneration *(included in legal and professional charges - refer note 33)*

| | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Audit fees (including limited review fees) | 25.00 | 21.15 |
| Tax audit fees | 2.00 | 1.50 |
| Certification work | 7.33 | 4.06 |
| Out of pocket expenses | 1.15 | 1.12 |
| | **35.48** | **27.83** |

## 41 Employee stock option plan (ESOP)

Pursuant to ESOP Plan being established by the holding company i.e. Aditya Birla Capital Limited, stock options were granted to the employees of the Company during the financial year 2017-18. Total cost incurred by the holding company till date is being recovered from the Company over the period of vesting. Accordingly, a sum of Rs. 51.33 lakh (March 31, 2019 : Rs. 89.62 lakh) has been charged to the Statement of Profit and Loss. The balance sum of Rs. 28.94 lakh will be charged to the Statement of Profit and Loss in future periods.

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**42 Nature and Term of Outstanding Derivative Contract**

**a) Cross currency interest rate swaps (CCIRS)**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| i) Total notional principal amount of CCIRS agreement undertaken during the year | 35,445.00 | - |
| ii) Total notional principal amount of CCIRS agreement outstanding as on end of the year | 35,445.00 | - |
| iii) Maturity date of CCIRS | October 30, 2022 | - |
| iv) Hedge ratio | 1:1 | - |
| v) Currency pair | USD / INR | - |

**b) The fair value mark to market (MTM) gains or losses in respect of CCIRS Agreement outstanding as at the Balance Sheet date is stated below:**

| Hedging Instrument | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Cross currency interest rate swaps (CCIRS) | 1,070.50 | - |

***c) Movement in Hedge Reserve (excluding deferred tax)***

| Cash Flow Hedge Reserve Account | As at 31st March, 2020 | | |
|---|---|---|---|
| | Realised | Unrealised | Total |
| i) Balance at the beginning of the year | - | - | - |
| ii) Add: Changes in the fair value during the Year | (409.19) | 1,070.50 | 661.30 |
| iii) Less: Amounts reclassified to statement of profit & loss | (409.19) | 2,049.31 | 1,640.11 |
| iv) Balance at the end of the year | - | (978.81) | (978.81) |

| Cash Flow Hedge Reserve Account | As at 31st March, 2019 | | |
|---|---|---|---|
| | Realised | Unrealised | Total |
| i) Balance at the beginning of the year | - | - | - |
| ii) Add: Changes in the fair value during the Year | - | - | - |
| iii) Less: Amounts reclassified to statement of profit & loss | - | - | - |
| iv) Balance at the end of the year | - | - | - |

| Particulars | As at *March 31, 2020* | As at *March 31, 2019* |
|---|---|---|
| i) Name of the Counter Party | State bank of India | - |
| ii) Hedge Designation | Effective | - |
| iii) Exchange rate (USD/INR) | 70.89 | - |
| iv) Interest rate (p.a.) | 7.79% | - |

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**43 Disclosure as per Insurance Regulatory and Development Authority of India (Insurance Brokers) Regulations, 2018 -**

**A. Detail of income received from insurers:**

| Name of insurer | For the year ended March 31, 2020 |
|---|---|
| Aditya Birla Health Insurance Co Ltd | 118.50 |
| Liberty General Insurance Co. Ltd. | 119.92 |
| Reliance General Insurance Co. Ltd | 130.45 |
| Aditya Birla Sun Life Insurance Co. Ltd. | 132.66 |

**B. Detail of payments received by the group companies from insurers:**

| Company name | Name of insurer | Nature of payment | For the year ended March 31, 2020 |
|---|---|---|---|
| Aditya Birla Insurance Brokers Limited. | Aditya Birla Sunlife Insurance Company Ltd. | Reinsurance Premium Payable, Employee transfer Dues Received, Brokerage | 110.69 |
| | Aditya Birla Health Insurance Ltd. | Rent, Brokerage | 203.97 |
| | Liberty General Insurance Co. Ltd. | Brokerage, Reinsurance Premium Payable | 5,898.24 |
| | Reliance General Insurance Company Ltd. | Brokerage, Reinsurance Premium Payable | 6,518.66 |
| Aditya Birla Money Insurance Advisory Services Limited. | Aditya Birla Sunlife Insurance Co. Ltd. | Insurance Commission | 134.11 |
| | Liberty General Insurance Co. Ltd. | Insurance Commission | 129.00 |
| | Reliance General Insurance Co. Ltd. | Insurance Commission | 173.38 |
| | Aditya Birla Health Insurance Co. Ltd. | Insurance Commission | 31.00 |
| Aditya Birla Sunlife Insurance Co Ltd | Aditya Birla Health Insurance Co Ltd | Recovery of expenses | 0.32 |
| | | Reimbursement of Rent | 88.63 |
| | | Reimbursement of Expenses | 12.44 |
| Grasim Industries Ltd | The New India Assurance Company | Claim ( Mega Policy) | 93.40 |
| | | CD balance refund | 4.29 |
| | | CD balance refund | 0.30 |
| | | Claim ( Office Protection Policy) | 0.05 |
| | Tata AIG General Insurance Co. Ltd | Excess premium Refund | 0.00 |
| | HDFC Ergo General Insurance Co. | CD balance refund | 0.96 |
| Aditya Birla Money Limited | Aditya Birla Sunlife Insurance Co Ltd | Office premises usage charges | 13.94 |
| Aditya Birla Health Insurance Co Ltd | Aditya Birla Sunlife Insurance Co Ltd | Premium | 391.29 |
| Aditya Birla Capital Technology Services Ltd | Aditya Birla Sunlife Insurance Co Ltd | Advertisement Income | 58.00 |
| | | Employee Transfer (LTA, Leave Encashment & Gratuity) | 0.21 |

**Note:**
1. Insurance commission business has commenced from 01.04.2019. Hence, disclosure of the same is given for FY 2019-2020.

2. As per Regulation 34 (6) of Insurance Regulatory and Development Authority of India (Insurance Brokers) Regulations, 2018, insurance brokers are required to include details of payments received by the group companies and/or associates and/or related parties of the insurance broker from any insurer and the details thereof in their financial statements. The above information covers payments received from insurers by Aditya Birla Capital Group companies and Grasim Industries Limited, the ultimate holding company.

**44 Statement of corporate social responsibility expenditure**

The gross amount required to be spent by the Company during the year towards Corporate Social Responsibility as per Sec 135 (5) of the Companies Act, 2013 was Rs. 77.02 lakh (March 31, 2019 : Nil).

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Amount spent during the year on:** | | |
| I. Construction/acquisition of assets | - | - |
| II. On purpose other than (I) above | 77.02 | - |

ADITYA BIRLA HOUSING FINANCE LIMITED MUMBAI

**Aditya Birla Housing Finance Limited**
**Notes to the financial statements for the year ended March 31, 2020**
(Currency: Rupees in Lakhs)

**45 Issuance of Debt Securities by Large Corporate -**
**(Ref - SEBI/HO/DDHS/CIR/P/2018/144 dated 26.11.2018)**

**A. Initial disclosure to be made by an entity identified as a Large Corporate -**

| Sr. No. | Particulars | Details |
|---|---|---|
| 1 | Name of the company | Aditya Birla Housing Finance Limited |
| 2 | CIN | U65922GJ2009PLC083779 |
| 3 | Outstanding borrowing of company as on March 31, 2019 | * Rs. 8,94,657 lakh |
| 4 | Highest Credit Rating During the previous FY along with name of the Credit Rating Agency | 1. AAA by India Ratings & Research Private Ltd for NCD, Sub Debt & PPMLD (Principal Protected Market Linked Debenture), Bank Lines (Long Term).<br>2. AAA by ICRA Ltd for NCD, Sub Debt & Bank Lines (Long Term). |
| 5 | Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework | National Stock Exchange India Ltd (NSE) |

* Excluding commercial papers, cash credit, WCDL & inter corporate borrowings from Parent Company.

**B. Annual disclosure to be made by an entity identified as a Large Corporate -**

1. Name of the Company : Aditya Birla Housing Finance Limited

2. CIN : U65922GJ2009PLC083779

3. Report filed for FY : 2019-2020

4. Details of the borrowings :

| Sr. No. | Particulars | Details |
|---|---|---|
| I | Incremental Borrowing in FY (a) | 2,78,500 |
| II | Mandatory borrowing to be done through issuance of debt securities (b) = (25% of a) | 69,625 |
| III | Actual borrowings done through debt securities in FY20 (c ) | 11,000 |
| IV | Shortfall in the mandatory borrowing through debt securities, if any (d) = (b) - (c ) (If the calculated value is zero or negative, write "nil") | 58,625 |
| V | Reasons for short fall, if any, in mandatory borrowings through debt securities | Market was very thin on long term NCDs for Housing Finance Companies due to the negative sentiments. As the levels were high, we did not borrow. |



## 46 Employee benefit plans

### I) Defined contribution plans

Amount recognised as an expense and included in *note 32 - "Contribution to provident and other funds"* :

| | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Contribution to Govt. managed Employees Provident Fund | 361.68 | 353.19 |
| Contribution to Employee State Insurance Fund and others | 21.13 | 7.05 |
| | **382.81** | **360.24** |

### II) Defined benefit plans

The Company has a defined benefit gratuity plan (funded) to cater its liability under Payment of Gratuity Act, 1972 and long term compensated absences plan (unfunded) for leave entitlements to employees.

The details of the Company's defined benefit gratuity plan for its employees are given below:

**a) Amount recognized in the balance sheet**

| | As at March 31, 2020 (Funded) | As at March 31, 2019 (Funded) |
|---|---|---|
| Present value of defined benefit obligation at the end of the year *( refer note 22)* | 441.01 | 257.69 |
| Fair value of plan assets at the end of the year *(refer note 15)* | 273.70 | 199.74 |
| Net liability at the end of the year | **167.31** | **57.95** |

**b) Components of defined benefit costs recognised in statement of profit and loss and other comprehensive income**

| | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Recognised in the statement of profit and loss | | |
| Current service cost | 89.79 | 74.23 |
| Interest on defined benefit obligation | 3.89 | 0.24 |
| Past service cost | - | - |
| Administration expenses | - | - |
| (gains) / loss on settlement | - | - |
| **Total expense charged** | **93.68** | **74.47** |
| Recognised in other comprehensive income | | |
| Remeasurement of the net defined benefit liability due to | | |
| - Changes in financial assumptions | 37.49 | 20.36 |
| - Changes in demographic assumptions | (0.08) | (27.22) |
| - Experience adjustments | 43.56 | 32.87 |
| - Actual return on plan assets less interest on plan assets | (2.60) | (3.11) |
| Closing amount recognised in OCI outside profit and loss account | **78.37** | **22.90** |

Current service cost and the net interest expense for the year are included in the 'Employee benefit expenses'.
The remeasurement of the net defined benefit liability is included in other comprehensive income.
Gratuity expense in the Statement of Profit and loss includes the charge of Rs. 11.99 lakh (March 31, 2019 : Rs. 9.96 lakh) from Aditya Birla Financial Shared Services Limited and Rs. 2.52 lakh (March 31, 2019 : Rs. 0.97 lakh) from Aditya Birla Capital Limited on account of shared employee cost.

Other comprehensive Income in the Statement of Profit and loss includes the charge/ (credit) of Rs. 7.35 lakh (March 31, 2019 : Rs. 9.45 lakh) from Aditya Birla Financial Shared Services Limited and Rs. 5.31 lakh (March 31, 2019 : Rs. (0.12) lakh) from Aditya Birla Capital Limited on account of shared employee cost.

ADITYA BIRLA HOUSING FINANCE LIMITED MUMBAI

**c) Reconciliation of present value of the obligation**

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Opening defined benefit obligation | 257.69 | 167.28 |
| Current service cost | 89.79 | 74.23 |
| Past service cost | - | - |
| Interest on defined benefit obligation | 17.30 | 12.80 |
| Remeasurements due to: | | |
| -Actuarial loss/(gain) arising from change in financial assumption | 37.49 | 20.36 |
| -Actuarial loss/(gain) arising from change in demographic assumption | (0.08) | (27.22) |
| -Actuarial loss/(gain) arising on account of experience changes | 43.56 | 32.87 |
| Benefit paid | (4.74) | (22.63) |
| Liabilities assumed / (settled) | - | - |
| Closing defined benefit obligation | **441.01** | **257.69** |

**d) Reconciliation of fair value of the plan assets:**

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Opening fair value of the plan assets | 199.74 | 164.13 |
| Employer contributions | 57.95 | 19.95 |
| Interest on plan assets | 13.41 | 12.55 |
| Administration expenses | - | - |
| Remeasurements due to: | | |
| - Actual return on plan assets less interest on plan assets | 2.60 | 3.11 |
| Benefits paid | - | - |
| Assets acquired / (settled) | - | - |
| Assets distributed on settlements | - | - |
| Closing fair value of plan assets | **273.70** | **199.74** |

**e) Disaggregation of plan assets**

| | As at March 31, 2020 | | |
|---|---|---|---|
| | Quoted value | Non quoted value | Total |
| Government debt instruments | - | 13.79 | 13.79 |
| Other debt instruments | - | 0.77 | 0.77 |
| Insurer managed funds | - | 108.47 | 108.47 |
| Others | - | 150.67 | 150.67 |
| Total | - | **273.70** | **273.70** |

| | As at March 31, 2019 | | |
|---|---|---|---|
| | Quoted value | Non quoted value | Total |
| Government debt instruments | - | 10.19 | 10.19 |
| Other debt instruments | - | 0.58 | 0.58 |
| Insurer managed funds | - | 76.88 | 76.88 |
| Others | - | 112.09 | 112.09 |
| Total | - | **199.74** | **199.73** |

**f) Principal actuarial assumptions**

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Discount rate (p.a.) | 5.40% | 6.70% |
| Salary escalation rate (p.a) | 7.00% | 7.00% |
| Expected return on plan assets (p.a) | 5.40% | 6.70% |
| Attrition rate (p.a) | Age: Upto 30 : 46%<br>Age: 31-40 : 35%<br>Age: 41-50 : 19%<br>Age: Above 50 : 0% | Age: Upto 30 : 46%<br>Age: 31-40 : 35%<br>Age: 41-50 : 19%<br>Age: Above 50 : 0% |

ADITYA BIRLA HOUSING FINANCE LIMITED MUMBAI

**g) Sensitivity analysis of principal assumptions**

*(in terms of percentage)*

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Impact of increase in 50 bps on DBO** | | |
| Discount rate | -3.40% | -3.20% |
| Salary escalation rate | 3.60% | 3.40% |
| Attrition Rate | -15.70% | -17.20% |
| **Impact of decrease in 50 bps on DBO** | | |
| Discount rate | 3.70% | 3.40% |
| Salary escalation rate | -3.40% | -3.30% |
| Attrition Rate | 32.00% | 32.30% |

*(in terms of amount)*

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **DBO due to Impact of increase in 50 bps** | | |
| Discount rate | 425.88 | 249.33 |
| Salary escalation rate | 456.83 | 266.53 |
| Attrition Rate | 371.84 | 213.45 |
| **DBO due to Impact of decrease in 50 bps** | | |
| Discount rate | 457.12 | 266.57 |
| Salary escalation rate | 426.00 | 249.30 |
| Attrition Rate | 582.27 | 340.80 |

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

**h) Maturity profile of defined benefit obligation**

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

| Maturity profile | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Expected benefits for year 1 | 67.87 | 38.35 |
| Expected benefits for year 2 | 58.12 | 39.18 |
| Expected benefits for year 3 | 53.80 | 33.78 |
| Expected benefits for year 4 | 43.00 | 30.10 |
| Expected benefits for year 5 | 33.29 | 23.85 |
| Expected benefits for year 6 | 26.48 | 17.91 |
| Expected benefits for year 7 | 20.22 | 14.47 |
| Expected benefits for year 8 | 48.83 | 11.38 |
| Expected benefits for year 9 | 12.55 | 38.99 |
| Expected benefits for year 10 and above | 325.81 | 196.92 |

The weighted average duration to the payment of these cash flows is 7 years (March 31, 2019 : 7 years).

The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields as at Balance Sheet date.

Estimated amount of contribution expected to be paid to the gratuity fund during the period after the Balance Sheet date is Rs. 285.44 lakh (March 31, 2019: Rs. 148.03 lakh).

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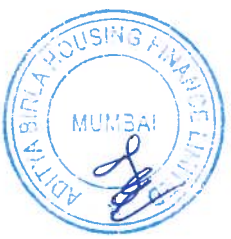
**Aditya Birla Housing Finance Limited**
**Notes to the financial statements for the year ended March 31, 2020**
(Currency: Rupees in Lakhs)

**47 Maturity analysis of assets and liabilities**

| Particulars | March 31, 2020 | | | March 31, 2019 | | |
|---|---|---|---|---|---|---|
| | Within 12 months | After 12 months | Total | Within 12 months | After 12 months | Total |
| **ASSETS** | | | | | | |
| **FINANCIAL ASSETS** | | | | | | |
| (a) Cash and cash equivalents | 40,020.60 | - | 40,020.60 | 8.17 | - | 8.17 |
| (b) Derivative financial instruments | - | 1,070.50 | 1,070.50 | - | - | - |
| (c) Receivables | | | | | | |
| - Trade Receivables | 213.77 | - | 213.77 | 195.53 | - | 195.53 |
| - Other Receivables | 100.99 | - | 100.99 | - | - | - |
| (d) Loans | 56,751.62 | 11,54,457.47 | 12,11,209.09 | 60,538.38 | 10,83,955.59 | 11,44,493.97 |
| (e) Investments | 54,692.14 | - | 54,692.14 | - | - | - |
| (f) Other Financial assets | 295.95 | 184.85 | 480.80 | 60.70 | 344.30 | 405.00 |
| | **1,52,075.07** | **11,55,712.82** | **13,07,787.89** | **60,802.78** | **10,84,299.89** | **11,45,102.67** |
| **NON- FINANCIAL ASSETS** | | | | | | |
| (a) Current tax assets (Net) | - | 1,257.04 | 1,257.04 | - | 694.11 | 694.11 |
| (b) Deferred tax Assets (Net) | - | 2,232.68 | 2,232.68 | - | 1,781.38 | 1,781.38 |
| (c) Property, Plant and Equipment | - | 903.29 | 903.29 | - | 873.29 | 873.29 |
| (d) Right to use of Assets | - | 2,288.82 | 2,288.82 | - | - | - |
| (e) Intangible assets under development | - | 28.02 | 28.02 | - | 170.12 | 170.12 |
| (f) Other Intangible assets | - | 510.11 | 510.11 | - | 358.58 | 358.58 |
| (g) Other non-financial assets | 1,011.30 | 130.13 | 1,141.43 | 805.59 | 136.93 | 942.52 |
| | **1,011.30** | **7,350.09** | **8,361.39** | **805.59** | **4,014.41** | **4,820.00** |
| **TOTAL ASSESTS** | **1,53,086.37** | **11,63,062.91** | **13,16,149.28** | **61,608.37** | **10,88,314.30** | **11,49,922.67** |
| **LIABILITIES AND EQUITY** | | | | | | |
| **LIABILITIES** | | | | | | |
| **FINANCIAL LIABILITIES** | | | | | | |
| (a) Payables | | | | | | |
| (I) Trade Payables | | | | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | 69.55 | - | 69.55 | 2.11 | - | 2.11 |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 2621.35 | - | 2,621.35 | 2,608.73 | - | 2,608.73 |
| (b) Debt Securities | 1,06,361.56 | 84,639.32 | 1,91,000.88 | 97,537.53 | 91,747.96 | 1,89,285.49 |
| (c) Borrowings other than debt securities | 1,28,000.93 | 8,21,080.86 | 9,49,081.79 | 98,904.80 | 7,12,746.00 | 8,11,650.80 |
| (d) Lease Liability | 595.61 | 2,016.51 | 2,602.12 | - | - | - |
| (e) Subordinated Liabilities | 1,726.41 | 24,881.61 | 26,608.02 | 1,370.34 | 19,899.56 | 21,269.90 |
| (f) Other financial liabilities | 3,756.91 | - | 3,756.91 | 5,224.56 | - | 5,224.56 |
| | **2,43,122.31** | **9,32,618.31** | **11,75,740.62** | **2,05,648.08** | **8,24,393.52** | **10,30,041.59** |
| **NON- FINANCIAL LIABILITIES** | | | | | | |
| (a) Provisions | 779.79 | - | 779.79 | 517.31 | - | 517.31 |
| (b) Other non-financial liabilities | 1,342.62 | - | 1,342.62 | 332.10 | - | 332.10 |
| | **2,122.41** | **-** | **2,122.41** | **849.41** | **-** | **849.41** |
| **NET** | **(92,158.35)** | **2,30,444.60** | **1,38,286.25** | **(1,44,889.12)** | **2,63,920.78** | **1,19,031.67** |



## 48 Financial risk management objectives and policies

ABHFL's risk philosophy involves a competent and comprehensive risk management framework & robust policies and processes which minimise the element of uncertainty and help in developing and maintaining a healthy portfolio within its risk appetite and the regulatory framework. The Risk Management provides stability and balance ensuring that growth is backed by a robust portfolio. ABHFL is exposed to various types of risks such as credit risk, market risk (which includes liquidity risk and pricing risk), operational risk, legal risk, regulatory risk and competition risk.

ABHFL's risk management strategy is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring. The policies and procedures established for this purpose are continuously benchmarked with best practices. The Board of Directors have an oversight over the risk management framework applicable to the Company. The risk management oversight structure includes various Committees such as Risk Management Committee which consist of Board members and Senior Management. The Risk Management Committee ("RMC") which is chaired by an Independent Director conducts review at regular intervals to monitor compliance with risk policies, risk tolerance limits, review and analysis of risk exposure and provides oversight of risk across the organization.

### Market risk

The Company does not have any investments in securities other than short term investments of excess funds in liquid schemes of mutual funds and hence, there is no material market risk.
On liabilities front, the Company borrows through CPs (fixed rate, short duration), Term Loans (from Banks – at rates lined to their MCLR) and NCDs (fixed rate, long term).
The Company has a robust mechanism to take care of liquidity risks in form of free Bank lines (CC and TL). From time to time depending on markets, the Company also invests in liquid schemes of mutual funds which ensures availability of funds to meet its immediate liabilities.
Asset Liability Committee (ALCO) meets around 6 times a year to discuss market conditions and Asset Liability Management (ALM). There is a Risk Committee meeting every quarter and also a Board meeting every quarter where the risks are discussed and ALM is presented.

*Interest rate risk*
Interest rate risk is monitored through the IRS statement prepared every quarter. The Company has issued NCDs which are fixed rate instruments. The major portion of the borrowings are through term loans, which are a variable rate with annual reset, linked to the Bank's MCLR.
ALCO has set a limit for the interest rate gap that is acceptable and the same is monitored by ALCO and Risk Committee.
Most of the loans given by the Company are floating rate loans and hence, any change in interest rate can be passed on to the customers, thereby minimising the risk.

### Credit risk

Credit Risk is managed and controlled through a Credit Risk Management Framework comprising detailed risk evaluation of borrower and security. ABHFL has developed expertise to underwrite all kinds of customer segments (salaried, self-employed professionals, self-employed non-professionals) and our underwriting guidelines are benchmarked to the market and adequate internal controls have been put in place to maintain the quality of loans being approved. Distinct policies and processes are in place which are followed rigorously while selecting the borrowers and people who occupy key positions are professionally qualified (such as CA/MBA/ICWA). For each product, programs defining customer segments, underwriting standards, security structures, etc. are specified to ensure consistency of credit patterns. All the cases are approved by Credit Committees formulated at different levels with various approval limits. Collateral Risk refers to the risk of loss arising from errors in the nature, quantity, pricing, or characteristics of collateral securing a transaction with credit risk. ABHFL has dual external valuation process and the same is also evaluated internally to mitigate such risk. After sanctioning the loan, regular monitoring of the accounts is also done to sight irregularities if any and where required prompt action is initiated and a well defined collection process helps in ensuring minimum credit loss. As credit risk is one of the major risks faced by the Company, the policies and processes are reviewed periodically and, if need be, revised in order to keep them up-to-date.

*Analysis of maximum exposure to credit risk and collateral and other credit enhancements*
The following table shows the maximum exposure to credit risk, the total fair value of collateral and the net exposure to credit risk. The collateral value as at the time of on-boarding of the customer has been considered for below disclosure.

| | Maximum exposure to credit risk | Fair value of collateral and other credit enhancements held (Mortgage) | Net exposure |
|---|---|---|---|
| As at March 31, 2020 | 12,90,103.35 | 25,31,938.67 | - |
| As at March 31, 2019 | 12,33,700.47 | 23,31,956.96 | - |

*Collateral and other credit enhancements*
The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.
The main type of collateral obtained is mortgages over residential/ commercial properties.

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**Liquidity risk**

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.

Company manages its liquidity requirement by analysing the maturity pattern of Company's cash flows of financial assets and financial liabilities. The Asset Liability Management of the Company is periodically reviewed by its Risk Management Committee.

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at respective balance sheet dates.

**As at March 31, 2020**

| | Liabilities | | | Assets | |
|---|---|---|---|---|---|
| | Borrowings from banks | Market borrowings# | Other financial liabilities | Advances* | Other financial assets |
| 1 day to 30/31 days (one month) | 11,532.00 | 66,050.26 | 2,690.90 | 18,174.63 | 95,027.50 |
| Over one months to 2 months | 149.64 | 10,360.93 | - | 9,333.00 | - |
| Over 2 months to 3 months | 1,779.93 | 24,356.88 | - | 9,418.00 | - |
| Over 3 months to 6 months | 29,648.67 | 7,443.91 | - | 28,770.00 | - |
| Over 6 months to 1 year | 84,455.59 | 564.42 | 4,342.52 | 59,932.00 | 295.94 |
| Over 1 year to 3 years | 4,40,877.25 | 82,648.51 | 2,016.51 | 2,76,032.15 | 1,255.35 |
| Over 3 years to 5 years | 3,55,928.27 | - | - | 2,90,887.95 | - |
| Over 5 years to 7 years | 24,647.00 | 8,500.00 | - | 2,79,828.00 | - |
| Over 7 years to 10 years | - | 18,500.00 | - | 2,47,714.00 | - |
| Over 10 years | - | - | - | - | - |
| **Total** | **9,49,018.35** | **2,18,424.91** | **9,049.93** | **12,20,089.73** | **96,578.80** |

**As at March 31, 2019**

| | Liabilities | | | Assets | |
|---|---|---|---|---|---|
| | Borrowings from banks | Market borrowings# | Other financial liabilities | Advances* | Other financial assets |
| 1 day to 30/31 days (one month) | 51,721.46 | 27,932.71 | 2,610.84 | 11,677.20 | 203.70 |
| Over one months to 2 months | - | 443.18 | - | 3,854.22 | - |
| Over 2 months to 3 months | 1,750.00 | 45,514.04 | - | 3,299.60 | - |
| Over 3 months to 6 months | 20,500.00 | 10,211.75 | - | 15,162.08 | - |
| Over 6 months to 1 year | 22,333.33 | 17,435.69 | 5,224.56 | 28,269.61 | 60.70 |
| Over 1 year to 3 years | 3,22,333.33 | 54,634.12 | - | 1,31,186.56 | 344.30 |
| Over 3 years to 5 years | 3,15,416.67 | 35,133.94 | - | 1,11,684.42 | - |
| Over 5 years to 7 years | 75,250.00 | 2,000.00 | - | 1,05,505.47 | - |
| Over 7 years to 10 years | - | 20,000.00 | - | 1,75,304.39 | - |
| Over 10 years | - | - | - | 5,63,009.65 | - |
| **Total** | **8,09,304.80** | **2,13,305.44** | **7,835.40** | **11,48,953.21** | **608.70** |

The above table includes future contractual cash flows recognised as at balance sheet date in different buckets and does not include other future contracted cash flows (such as interest which are not accrued as at Balance Sheet date).

# Net of unamortized discounting charges on commercial paper amounting to Rs. 409.03 lakh (March 31, 2019: Rs. 810.70 lakh)

* Advances includes loan and advances to the customers.

**Operational and business risk**

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

**Foreign currency exchange rate risk**

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets/ liabilities are denominated in a currency other than the functional currency. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates.

The Company, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange.

The total foreign currency exposure as at March 31, 2020 is USD 500 Lakh (March 31, 2019: Nil) of which unhedged foreign currency exposure as at March 31, 2020 is Nil (March 31, 2019: Nil)

**Impact of COVID-19 (Global pandemic)**

The Company basis their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Company continues to believe that there is no impact on effectiveness of its hedges.

ADITYA BIRLA HOUSING FINANCE LIMITED MUMBAI

**49 Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of its Regulator, NHB. The Company monitors capital using, among other measures, a capital adequacy ratio which is a ratio of weighted assets to total owned capital derived as per the NHB requirements. As per the NHB guidelines Company being a Housing Finance Company is required to maintain minimum of 13% of capital adequacy ratio (March 31, 2019 - 12%). Company has complied in full with all its externally imposed capital requirements over the reported period

The Company also manages its leverage position on periodic basis by monitoring debt equity ratio to aling itself with market and peers.

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Capital adequacy ratio | 18.05% | 16.80% |
| Debt equity ratio : | 8.44 | 8.59 |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

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## 50 Fair values

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values, that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

| | Carrying value | | Fair value | |
|---|---|---|---|---|
| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| **Financial assets at amortised cost** | | | | |
| Loans # | 12,11,209.09 | 11,44,493.97 | 12,11,209.09 | 11,44,493.97 |
| Security deposits | 476.86 | 396.39 | 477.56 | 410.85 |
| Derivative financial instruments | 1,070.50 | - | 1,070.50 | - |
| | **12,12,756.45** | **11,44,890.36** | **12,12,757.15** | **11,44,904.82** |
| **Financial assets at FVTPL** | | | | |
| Investments | 54,692.14 | - | 54,692.14 | - |
| | **54,692.14** | **-** | **54,692.14** | **-** |
| **Financial liabilities at amortised cost** | | | | |
| Debt Securities* | 1,03,909.91 | 1,20,096.19 | 1,06,399.78 | 1,17,050.85 |
| Sub debts** | 26,608.02 | 21,269.90 | 24,907.53 | 18,943.00 |
| Commercial papers | 87,090.97 | 69,189.30 | 87,090.97 | 69,189.30 |
| Borrowings other than debt securities# | 9,49,081.79 | 8,11,650.80 | 9,49,081.79 | 8,11,650.80 |
| | **11,66,690.69** | **10,22,206.19** | **11,67,480.07** | **10,16,833.95** |

# Loans to customers and borrowings other than debt securities are primarily at floating rate of interest hence carrying value approximates the fair value.

*Includes redeemable non convertible debentures subscribed by Aditya Birla Sun Life Insurance Company Limited of face value Rs. 500 lakh (March 31, 2019 :Rs. 500 lakh ) with fair value Rs. 500.26 lakh (March 31, 2019 : Rs. 501.10 Lakh ) included in level 2 below.
**Includes subordinate debts subscribed by Aditya Birla Sunlife Insurance Company Limited of face value Rs. 1,000 Lakh ( March 31, 2019 : Rs. 1,000 Lakh ) with fair value Rs. 915.46 Lakh ( March 31, 2019 : Rs. 936.60 Lakh ) included in level 2 below.

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
The Company has not provided the disclosure of financial instruments where the carrying amount approximates the fair value in line with exemption granted under para 29 (a) of Ind AS 107- Financial Instruments : Disclosures except for loans to customers and borrowings other than debt securities.

**Valuation methodologies of financial instruments not measured at fair value**

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

*Short-term financial assets and liabilities*

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and bank balances, Trade receivables, Contract assets, trade payables, contract liability without a specific maturity and other financial assets and financial liabilities. Disclosures of financial assets and financial liabilities where the carrying amount approximates fair value is not required and hence not given.

*Loans and advances to customers*

Since the mortgage lending by the Company is primarily bearing variable rate of interest, the the carrying amount net of ECL is considered as the most comprable price and approximates fair value.

*Debt securities, security deposits and other borrowings*

The fair values of the Company's interest-bearing debt securites and security deposits are determined by using discounted cash flow (DCF) method using discount rate that reflects the issuer's market borrowing rate as at the end of the reporting period.
Since entity's other borrowings are primarily bearing variable rate of interest, the the carrying amount of such borrowings is considered as the most comprable price and approximates fair value.



**Fair value hierarchy**

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

| | Carrying Amount | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total |
|---|---|---|---|---|---|
| **As at March 31, 2020** | | | | | |
| **Financial assets at amortised cost** | | | | | |
| Loans | 12,11,209.09 | - | - | 12,11,209.09 | 12,11,209.09 |
| Security deposits | 476.86 | - | - | 477.56 | 477.56 |
| Derivative financial instruments | 1,070.50 | - | 1,070.50 | - | 1,070.50 |
| | **12,12,756.45** | **-** | **1,070.50** | **12,11,686.65** | **12,12,757.15** |
| **Financial assets at FVTPL** | | | | | |
| Investments | 54,692.14 | - | 54,692.14 | - | 54,692.14 |
| | **54,692.14** | **-** | **54,692.14** | **-** | **54,692.14** |
| **Financial liabilities at amortised cost** | | | | | |
| Debt securities | 1,03,909.91 | - | 1,06,399.78 | - | 1,06,399.78 |
| Sub Debts | 26,608.02 | - | 24,907.53 | - | 24,907.53 |
| Commercial papers | 87,090.97 | - | 87,090.97 | - | 87,090.97 |
| Borrowings other than debt securities | 9,49,081.79 | - | - | 9,49,081.79 | 9,49,081.79 |
| | **11,66,690.69** | **-** | **2,18,398.28** | **9,49,081.79** | **11,67,480.07** |
| **As at March 31, 2019** | | | | | |
| **Financial assets at amortised cost** | | | | | |
| Loans | 11,44,493.97 | - | - | 11,44,493.97 | 11,44,493.97 |
| Security deposits | 396.39 | - | - | 410.85 | 410.85 |
| Derivative financial instruments | - | - | - | - | - |
| | **11,44,890.36** | **-** | **-** | **11,44,904.82** | **11,44,904.82** |
| **Financial assets at FVTPL** | | | | | |
| Investments | - | - | - | - | - |
| | **-** | **-** | **-** | **-** | **-** |
| **Financial liabilities at amortised cost** | | | | | |
| Debt securities | 1,20,096.19 | - | 1,17,050.85 | - | 1,17,050.85 |
| Sub debts | 21,269.90 | - | 18,943.00 | - | 18,943.00 |
| Commercial papers | 69,189.30 | - | 69,189.30 | - | 69,189.30 |
| Borrowings other than debt securities | 8,11,650.80 | - | - | 8,11,650.80 | 8,11,650.80 |
| | **10,22,206.19** | **-** | **2,05,183.15** | **8,11,650.80** | **10,16,833.95** |

**51 Events after reporting date**

There have been no events after the reporting date that require disclosure in these financial statements.

ADITYA BIRLA HOUSING FINANCE LIMITED MUMBAI

52 Disclosure of details as required under amended guidelines on Housing Finance Companies- Corporate Governance (National Housing Bank) Directions, 2016 issued by NHB vide circular dated February 9, 2017 has been given under Annexure 1 to these financial statements.

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

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

**Ajay Srinivasan**
Director
DIN: 00121181

**Rakesh Singh**
Director
DIN: 07006067

**Netrapal Singh**
Chief Executive Officer

**Tushar Kotecha**
Chief Financial Officer

**Muthiah Ganapathy**
Company Secretary

Place: Mumbai
Date: May 30, 2020

ADITYA BIRLA HOUSING FINANCE LIMITED
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**Aditya Birla Housing Finance Limited**
**Notes to the financial statements for the year ended March 31, 2020**
(Currency: Rupees in Lakhs)

**Annexure 1**

1 **Disclosure of details as required under amended guidelines on Housing Finance Companies- Corporate Governance (National Housing Bank) Directions, 2016 issued by NHB vide circular dated February 9, 2017.**

The disclosure of details as required under this clause has been prepared in accordance with the RBI circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13,2020 -

**1.1 Capital:**

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| CRAR (%) | 18.05% | 16.80% |
| CRAR - Tier I capital (%) | 14.74% | 13.80% |
| CRAR - Tier II Capital (%) | 3.31% | 3.00% |
| Amount of subordinated debt raised as Tier- II Capital | 26,608.02 | 21,269.90 |
| Amount raised by issue of perpetual debt instruments | - | - |

**1.2 Reserve fund u/s 29C of the National Housing Bank Act, 1987:**

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Balance at the beginning of the year** | | |
| i) Statutory reserves u/s 29C of the National Housing bank Act, 1987 | 79.98 | 79.98 |
| ii) Amount of special reserve u/s 36(1)(viii) of the Income Tax Act, 1961 taken into account for the purposes of statutory reserve u/s 29C of the National Housing Bank Act, 1987 | 2,064.27 | 571.61 |
| **Total** | **2,144.25** | **651.59** |
| **Addition/ appropriation/ withdrawal during the year** | | |
| **Add:** | | |
| i) Amount transferred u/s 29C of the National Housing Bank Act, 1987 | 248.87 | - |
| ii) Amount of special reserve u/s 36(1)(viii) of the Income Tax Act, 1961 taken into account for the purposes of statutory reserve u/s 29C of the National Housing Bank Act, 1987 | 1,804.19 | 1,492.66 |
| **Less:** | | |
| i) Amount appropriated from the statutory reserve u/s 29C of the National Housing Bank Act, 1987 | - | - |
| **Balance at the end of the year** | | |
| i) Statutory reserve u/s 29C of the National Housing Bank Act, 1987 | 328.85 | 79.98 |
| ii) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of statutory reserve under Section 29C of the NHB Act, 1987 | 3,868.46 | 2,064.27 |
| **Total** | **4,197.31** | **2,144.25** |

**1.3 Investments:**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **1.3.1 Value of Investments** | | |
| i) Gross value of investments | | |
| - In India | 54,692.14 | - |
| - Outside India | - | - |
| ii) Provisions for depreciation | | |
| - In India | - | - |
| - Outside India | - | - |
| iii) Net value of investments | | |
| - In India | 54,692.14 | - |
| - Outside India | - | - |

ADITYA BIRLA HOUSING FINANCE LIMITED MUMBAI

**Aditya Birla Housing Finance Limited**
**Notes to the financial statements for the year ended March 31, 2020**
(Currency: Rupees in Lakhs)

**Annexure 1**

**1 Disclosure of details as required under amended guidelines on Housing Finance Companies- Corporate Governance (National Housing Bank) Directions, 2016 issued by NHB vide circular dated February 9, 2017.**

**1.3.2 Movement of provisions held towards depreciation on investments**

| | | |
|---|---|---|
| i) Opening balance | - | - |
| ii) Add: Provisions made during the year | - | - |
| iii) Less: Write-off / Written-back of excess provisions during the year | - | - |
| iv) Closing balance | - | - |

**1.4 Derivatives :**

**1.4.1 Forward rate agreement (FRA) / Interest rate swap (IRS)**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| i) The notional principal of swap agreements | 35,445.00 | NA |
| ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements | 1,070.50 | NA |
| iii) Collateral required by the HFC upon entering into swaps | NA | NA |
| iv) Concentration of credit risk arising from the swaps $ | Refer foot note $ | NA |
| v) The fair value of the swap book | 1,070.50 | NA |

$ Counter-party for all Swaps entered into by the company are Scheduled Commercial Banks.

**1.4.2 Exchange traded interest rate (IR) derivative**

Company has not enetered into any Exchange traded interest rate (IR) derivative during the current as well as previous financial year, hence the disclosure under this clause is not applicable.

**1.4.3 Disclosures on risk exposure in derivatives**

**i) Qualitative disclosure**

The Company's activities expose it to the financial risks of changes in foreign exchange rates and interest rates. The Company uses derivate contracts such as cross currency interest rate swaps to hedge its exposure to movements in foreign exchange and interest rates. The use of these derivative contracts reduce the risk or cost to the Company and the Company does not use those for trading or speculation purposes.

The Company uses hedging instruments that are governed by the policies of the Company which are approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Company. The Board constituted Risk Management Committee (RMC) of the company manages risk on the company's derivative portfolio. All derivative transactions that are entered into by the company are reported to the board, and the mark-to-market on its portfolio is monitored regularly by the senior management.

To hedge its risks on the principal and/or interest amount for foreign currency borrowings on its balance sheet, the company has currently used cross currency interest rate swaps (CCIRS). The same is also used to hedge its LIBOR risk for foreign currency borrowings.

Derivative financial instruments are initially measured at fair value on the contract date and are subsequently remeasured to fair value at each reporting date. Derivatives are classified as assets when the fair value is positive (positive marked to market value) or as liabilities when the fair value is negative (negative marked to market value). Derivative assets and liabilities are recognized on the balance sheet at fair value. Fair value of derivatives is ascertained from the mark to market and accrual values received from the counter-party banks. Changes in the fair value of derivatives other than those designated as hedges are recognized in the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, no longer qualifies for hedge accounting or the Company chooses to end the hedging relationship.

ADITYA BIRLA HOUSING FINANCE LIMITED MUMBAI

**Aditya Birla Housing Finance Limited**
**Notes to the financial statements for the year ended March 31, 2020**
(Currency: Rupees in Lakhs)

**Annexure 1**

**1 Disclosure of details as required under amended guidelines on Housing Finance Companies- Corporate Governance (National Housing Bank) Directions, 2016 issued by NHB vide circular dated February 9, 2017.**

**ii) Quantitative disclosure**

| **Particulars** | **Cross Currency interest rate Derivatives** |
|---|---|
| (i) Derivatives (Notional Principal Amount) | 35,445.00 |
| (ii) Marked to Market Positions [1] | |
| (a) Assets (+) | 1,070.50 |
| (b) Liability (-) | - |
| (iii) Credit Exposure [2] | Nil |
| (iv) Unhedged Exposures | Nil |

Company has entered into a cross currency interest rates swaps hence the name of the column has been amended to that extent and the existing columns (currency derivatives and interest rate derivatives) as per NHB circulars requirements have not been given as they are not applicable.

**1.5 Securitisation :**

**1.5.1** Since the Company has not sponsored any securitisation transactions during the current as well as previous financial year, the disclosure under this clause is not applicable.

**1.5.2 Details of financial assets sold to securitisation / reconstruction Company for asset reconstruction**

Since the Company has not sold any financial assets to securitisation or reconstruction company for asset reconstruction during the current as well as previous financial year, the disclosure under this clause is not applicable.

**1.5.3 Details of assignment transactions undertaken by HFCs (portfolio acquired)**

| **Particulars** | **As at March 31, 2020** | **As at March 31, 2019** |
|---|---|---|
| i) No. of accounts | - | 2,207 |
| ii) Aggregate value (net of provisions) of accounts assigned | - | 50,116.24 |
| iii) Aggregate consideration paid | - | 50,116.24 |
| iv) Additional consideration realized in respect of accounts transferred in earlier years | - | - |
| v) Aggregate gain / loss over net book value | - | - |

**1.5.4 Details of non-performing financial assets purchased / sold**

**A. Details of non-performing financial assets purchased:**
Since the Company has not purchased any non-performing financial assets during the current as well as previous financial year, the disclosure under this clause is not applicable.

**B. Details of non-performing financial assets sold:**
Since the Company has not sold any non-performing financial assets during the current as well as previous financial year, the disclosure under this clause is not applicable.

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**Aditya Birla Housing Finance Limited**
**Notes to the financial statements for the year ended March 31, 2020**
(Currency: Rupees in Lakhs)

**Annexure 1**

**1 Disclosure of details as required under amended guidelines on Housing Finance Companies- Corporate Governance (National Housing Bank) Directions, 2016 issued by NHB vide circular dated February 9, 2017.**

**1.6 Exposure**

**1.6.1 Exposure to real estate sector**

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Direct exposure to** | | |
| **i) Residential mortgages -** | | |
| Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; | | |
| housing loans up to Rs. 15 lakh | 1,20,352.14 | 83,477.82 |
| housing loans more than Rs. 15 lakh | 6,70,499.69 | 6,53,715.70 |
| Other loans | 2,72,970.66 | 2,62,362.38 |
| **ii) Commercial real estate -** | | |
| Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure would also include non-fund based (NFB) limits; | 2,25,551.30 | 2,36,556.02 |
| **iii) Investments in mortgage backed securities (MBS) and other securitised exposures -** | | |
| Residential | - | - |
| Commercial real estate | - | - |

**1.6.2 Indirect exposure**

| | | |
|---|---|---|
| Fund base and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs). | - | - |

**1.6.3 Exposure to capital market**

Since the Company does not have any exposure to capital market during the current as well as previous financial year, the disclosure under this clause is not applicable.

**1.6.4 Details of financing of parent company products**

Since the Company has not entered into any transaction for financing the parent company products during the current as well as previous financial year, the disclosure under this clause is not applicable.

**1.6.5 Single Borrower Limit (SBL) / Group Borrower Limit (GBL)**

The Company has not exceeded Single Borrower Limit (SGL) / Group Borrower Limit (GBL) during the current as well as previous financial year.

**1.6.6 Unsecured advances**

The exposure of the company towards unsecured advances in the current year is Rs. 737.18 Lakh , previous year is Rs. 204.92 Lakh.

**1.7 Miscellaneous**

**1.7.1 Registration obtained from other financial sector regulators-**

| Regulator | Registration No |
|---|---|
| Insurance Regulatory and Development Authority: As corporate agent (Composite) | CA0623 |

**1.7.2 Disclosure of penalties imposed by NHB and other regulators -**

A penalty amount of Rs. 48.30 lakh (incl. GST of Rs. 7.39 lakh) is imposed by NHB during the current financial year. There were no such penalties levied by NHB or any other regulators during previous financial year.

**1.7.3 Related party transactions**

Details of all material transactions with related parties are disclosed in note no 35. The policy on related party transaction is set out in Director's report.



**Aditya Birla Housing Finance Limited**
**Notes to the financial statements for the year ended March 31, 2020**
(Currency: Rupees in Lakhs)

**Annexure 1**

**1 Disclosure of details as required under amended guidelines on Housing Finance Companies- Corporate Governance (National Housing Bank) Directions, 2016 issued by NHB vide circular dated February 9, 2017.**

**1.7.4 Credit rating**

| Instrument | Rating agency/ Rating assigned |
|---|---|
| Bank lines programme | [India ratings/ ICRA] Short Term A1+/Long Term AAA (Stable) |
| Non-convertible debenture programme | [ICRA] AAA (Stable)/ [India Ratings] AAA |
| Subordinated debt programme | [ICRA] AAA (Stable)/ [India Ratings] AAA |
| Principal Protected Market Linked Debenture - (PP-MLD) | [India ratings] IND- PPMLD AAA emr' |
| Commercial paper programme | [ICRA] A1+ / [India Ratings] A1+ |

There were no changes in any of the ratings or outlook during the year.

**1.7.5 Remuneration of directors**
Details of remuneration of directors are disclosed as part of the Director's Report.

**1.7.6 Management**
Refer to the Management Discussion and Analysis Report for the relevant disclosures.

**1.7.7 Net profit or loss for the period, prior period items and changes in accounting policies**
There are no prior period items that have impact on the current as well as previous year's profit and loss.

**1.7.8 Revenue recognition**
There have been no instances during current as well as previous financial year in which revenue recognition has been postponed pending the resolution of significant uncertainties.

**1.7.9 Accounting Standard 21 - Consolidated Financial Statements (CFS)**
These details are not applicable since the Company does not have any subsidiary / associate.

**1.8 Additional Disclosures**

**1.8.1 Provisions and contingencies**

| Break up of 'Provisions and Contingencies' shown under the head expenditure in statement of profit and loss | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| i) Provisions for depreciation on investments | - | - |
| ii) Provision made towards income tax (including tax on other comprehensive income) | 3,084.32 | 3,254.47 |
| iii) Provision towards non performing assets (Stage 3 Expected Credit Loss) | 4,185.02 | 2,023.97 |
| iv) Provision for standard assets* (Stage 1 & Stage 2 Expected Credit Loss) | 2,942.66 | (148.56) |
| v) Other provision and contingencies | | |
| - Provision for employee benefits - gratuity (net of fund assets) | 199.22 | 117.63 |
| - Provision for employee benefits - leave encashment | 101.46 | 84.06 |

**As the Standard asset provision is provided as sum of expected credit loss under Stage 1 & 2, a detailed breakup of this provision into CRE, CRE-RH and others is not mainted under expected credit loss and hence has not been disclosed.*

ADITYA BIRLA HOUSING FINANCE LIMITED MUMBAI

**Aditya Birla Housing Finance Limited**
**Notes to the financial statements for the year ended March 31, 2020**
(Currency: Rupees in Lakhs)

**Annexure 1**

**1 Disclosure of details as required under amended guidelines on Housing Finance Companies- Corporate Governance (National Housing Bank) Directions, 2016 issued by NHB vide circular dated February 9, 2017.**

**Break up of loan & advances and provisions thereon**

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Housing loans** | | |
| Standard assets | | |
| *- Total outstanding amount* | 7,99,200.33 | 7,58,965.31 |
| *- Provisions made* | 3,698.18 | 2,003.88 |
| Sub standard assets | | |
| *- Total outstanding amount* | 6,117.34 | 2,671.49 |
| *- Provisions made* | 1,840.16 | 935.95 |
| Doubtful I | | |
| *- Total outstanding amount* | 1,833.09 | 2,314.87 |
| *- Provisions made* | 634.92 | 1,933.35 |
| Doubtful II | | |
| *- Total outstanding amount* | 337.70 | 253.66 |
| *- Provisions made* | 159.89 | 80.87 |
| Doubtful III | | |
| *- Total outstanding amount* | - | - |
| *- Provisions made* | - | - |
| Loss | | |
| *- Total outstanding amount* | - | - |
| *- Provisions made* | - | - |
| **Non-Housing loans** | | |
| Standard assets | | |
| *- Total outstanding amount* | 4,07,026.12 | 3,83,618.29 |
| *- Provisions made* | 1,966.23 | 714.64 |
| Sub standard assets | | |
| *- Total outstanding amount* | 4,979.62 | 2,151.51 |
| *- Provisions made* | 1,582.98 | 502.41 |
| Doubtful I | | |
| *- Total outstanding amount* | 1,569.04 | 706.92 |
| *- Provisions made* | 511.94 | 181.03 |
| Doubtful II | | |
| *- Total outstanding amount* | 794.05 | 192.95 |
| *- Provisions made* | 253.91 | 28.90 |
| Doubtful III | | |
| *- Total outstanding amount* | - | - |
| *- Provisions made* | - | - |
| Loss | | |
| *- Total outstanding amount* | - | - |
| *- Provisions made* | - | - |
| **Total** | | |
| *- Total outstanding amount* | 12,21,857.29 | 11,50,875.00 |
| *- Provisions made* | 10,648.21 | 6,381.03 |

**1.8.2 Draw down from reserves**
There were no draw down from Reserves during the current as well as previous financial year.

**1.8.3 Concentration of public deposits, advances, exposures and NPAs.**

**i) Concentration of public deposits**
Since the company is not a public deposit taking/holding HFC , the above disclosure is not applicable to the company.

**ii) Concentration of loans & advances**

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Total loans & advances to twenty largest borrowers | 48,532.72 | 65,247.55 |
| Percentage of loans & advances to twenty largest borrowers to total advances of the company | 3.97% | 5.67% |

ADITYA BIRLA HOUSING FINANCE LTD. MUMBAI

**Aditya Birla Housing Finance Limited**
**Notes to the financial statements for the year ended March 31, 2020**
(Currency: Rupees in Lakhs)

**Annexure 1**

**1 Disclosure of details as required under amended guidelines on Housing Finance Companies- Corporate Governance (National Housing Bank) Directions, 2016 issued by NHB vide circular dated February 9, 2017.**

**iii) Concentration of all exposure (including off-balance sheet exposure)**

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Total exposure to twenty largest borrowers / customers | 58,585.87 | 74,460.31 |
| Percentage of exposure to twenty largest borrowers / customers to total exposure of the company on borrowers / customers | 4.46% | 5.93% |

**iv) Concentration of NPAs**

| | | |
|---|---|---|
| Total exposure to top ten NPA accounts | 5,196.97 | 4,338.73 |

**v) Sector-wise NPAs**

| Sector | Percentage of NPAs to total advances in that sector |
|---|---|
| **I. Housing loans :-** | |
| a) Individuals | 1.10% |
| b) Builders/project loans | 0.00% |
| c) Corporates | - |
| d) Others (specify) | - |
| **II. Non - housing loans :-** | |
| a) Individuals | 1.30% |
| b) Builders/project loans | 0.00% |
| c) Corporates | 0.00% |
| d) Organisation | 3.80% |

**vi) Movement of NPAs**

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| (I) Net NPAs to net advances (%) | 0.88% | 0.40% |
| (II) Movement of NPAs (Gross) | | |
| a) Opening balance | 8,291.39 | 4,803.52 |
| b) Additions during the year | 12,069.12 | 5,220.61 |
| c) Reductions during the year | 4,729.66 | 1,732.74 |
| d) Closing balance | 15,630.85 | 8,291.39 |
| (III) Movement of Net NPAs | | |
| a) Opening balance | 4,632.11 | 2,965.50 |
| b) Additions during the year | 7,884.10 | 3,196.63 |
| c) Reductions during the year | 1,869.16 | 1,530.02 |
| d) Closing balance | 10,647.05 | 4,632.11 |
| (IV) Movement of provisions for NPAs (excluding provisions on standard assets) | | |
| a) Opening balance | 3,659.28 | 1,838.02 |
| b) Provisions made during the year | 4,185.02 | 2,023.98 |
| c) Write-off/write-back of excess provisions | 2,860.50 | 202.72 |
| d) Closing balance | 4,983.80 | 3,659.28 |

**vii) Overseas assets**
The company does not have any overseas assets during the current as well as previous financial year.

**viii) Off- balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)**
The company does not have any off- balance sheet SPVs during the current as well as previous financial year.

ADITYA BIRLA HOUSING FINANCE LIMITED MUMBAI

**Aditya Birla Housing Finance Limited**
**Notes to the financial statements for the year ended March 31, 2020**
(Currency: Rupees in Lakhs)

**Annexure 1**

**1 Disclosure of details as required under amended guidelines on Housing Finance Companies- Corporate Governance (National Housing Bank) Directions, 2016 issued by NHB vide circular dated February 9, 2017.**

**1.9 Disclosure of Complaints**

**1.9.1 Customers complaints**

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| i) No of complaints pending as at the beginning of the year | - | 1 |
| ii) No of complaints received during the year | 693 | 228 |
| iii) No of complaints redressed during the year | 686 | 229 |
| iv) No of complaints pending as at the end of the year | 7 | - |

ADITYA BIRLA HOUSING FINANCE LIMITED MUMBAI

**Aditya Birla Housing Finance Limited**
**Notes to the financial statements for the year ended March 31, 2020**
(Currency: Rupees in Lakhs)

**1 Disclosure of details as required under amended guidelines on Housing Finance Companies- Corporate Governance (National Housing Bank) Directions, 2016 issued by NHB vide circular dated February 9, 2017.**

**1.10 Asset liability management (Maturity pattern of certain items of assets and liabilities)**

| | Liabilities | | | | Assets | | |
|---|---|---|---|---|---|---|---|
| | **Deposits** | **Borrowings from banks** | **Market borrowings*** | **Foreign Currency Liabilities** | **Advances**** | **Investments** | **Foreign Currency Assets** |
| Up to 30/31 days (one month) | 656.00 | 11,339.93 | 65,394.26 | 192.07 | 18,174.63 | 54,692.14 | - |
| Over one months to 2 months | - | 149.64 | 10,360.93 | - | 9,333.00 | - | - |
| Over 2 months to 3 months | - | 1,779.93 | 24,356.88 | - | 9,418.00 | - | - |
| Over 3 months to 6 months | - | 29,648.67 | 7,443.91 | - | 28,770.00 | - | - |
| Over 6 months to 1 year | - | 84,455.59 | 564.42 | - | 59,932.00 | - | - |
| Over 1 year to 3 years | - | 4,03,106.00 | 82,648.50 | 37,771.25 | 2,76,032.15 | - | - |
| Over 3 years to 5 years | - | 3,55,928.28 | - | - | 2,90,887.95 | - | - |
| Over 5 years to 7 years | - | 24,647.00 | 8,500.00 | - | 2,79,828.00 | - | - |
| Over 7 years to 10 years | - | - | 18,500.00 | - | 2,47,714.00 | - | - |
| Over 10 years | - | - | - | - | - | - | - |
| Total | **656.00** | **9,11,055.03** | **2,17,768.91** | **37,963.32** | **12,20,089.73** | **54,692.14** | **-** |

* The above amount is net of unamortized discounting charges on commercial paper amounting to Rs. 409.03 lakh (March 31, 2019: Rs. 810.70 lakh).
** Advances includes loan and advances in the nature of loans and excludes advances recoverable in cash or kind or for value to be received and advance payment of taxes and other Deposits.

ADITYA BIRLA HOUSING FINANCE LIMITED MUMBAI

2 Disclosure of details as required under other guidelines of HFCs (NHB) Directions, 2010 and Reserve Bank of India circulars.

2.1 Percentage of outstanding loans granted against the collateral gold jewellery to their outstanding total assets :
We have not disbursed any loans against the collateral of gold jewellery during the relevant financial year and in previous year.

2.2 Disclosure related to information namely, area, country of operation and joint venture partners with regard to joint ventures and overseas subsidiaries as prescribed under the said Directions :

We do not have any joint venture or overseas subsidiaries during the relevant financial year and in previous year.

2.3 Disclosure pursuant to RBI circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13,2020

| Asset Classification as per RBI Norms | Asset classification as per Ind AS 109 | Gross Carrying Amount as per Ind AS | Loss Allowances (Provisions) as required under Ind AS 109 | Net Carrying Amount | Provisions required as per IRACP norms | Difference between Ind AS 109 provisions and IRACP norms |
|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5)=(3)-(4) | (6) | (7) = (4)-(6) |
| Performing Assets | | | | | | |
| Standard | Stage 1 | 11,82,529.83 | 3,973.27 | 11,78,556.56 | 4,781.76 | -808.49 |
| | Stage 2 | 23,696.62 | 1,691.14 | 22,005.48 | 421.52 | 1,269.62 |
| Subtotal | | 12,06,226.45 | 5,664.41 | 12,00,562.04 | 5,203.28 | 461.13 |
| | | | | | | |
| Non-Performing Assets (NPA) | | | | | | |
| Substandard | Stage 3 | 11,096.96 | 3,423.14 | 7,673.82 | 1,888.28 | 1,534.86 |
| | | | | | | |
| Doubtful - up to 1 year | Stage 3 | 3,402.13 | 1,146.86 | 2,255.27 | 900.83 | 246.03 |
| 1 to 3 years | Stage 3 | 1,131.75 | 413.80 | 717.95 | 468.25 | -54.45 |
| More than 3 years | Stage 3 | - | - | - | - | - |
| Subtotal for doubtful | | 4,533.88 | 1,560.66 | 2,973.22 | 1,369.08 | 191.58 |
| | | | | | | |
| Loss | Stage 3 | - | - | - | - | - |
| Subtotal for NPA | | 15,630.84 | 4,983.80 | 10,647.04 | 3,257.36 | 1,726.44 |
| | | | | | | |
| Other items such as credit exposures, 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 | - | - | - | - | - |
| | Stage 2 | - | - | - | - | - |
| | Stage 3 | - | - | - | - | - |
| Subtotal | | | | | | |
| | | | | | | |
| Total | Stage 1 | 11,82,529.83 | 3,973.27 | 11,78,556.56 | 4,781.76 | -808.49 |
| | Stage 2 | 23,696.62 | 1,691.14 | 22,005.48 | 421.52 | 1,269.62 |
| | Stage 3 | 15,630.84 | 4,983.80 | 10,647.04 | 3,257.36 | 1,726.44 |
| | Total | 12,21,857.29 | 10,648.21 | 12,11,209.08 | 8,460.64 | 2,187.57 |

2.4 Disclosure pursuant to RBI circular RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020

The disclosure under this circular is given under the prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) of NHB directions.

(i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of para 2 and 3 of the circular;

| Overdue category | Total outstanding |
|---|---|
| Standard assets with DPD 1-30 | 12,664.00 |
| Standard assets with DPD 31-90 | 21,822.40 |

(ii) Respective amount where asset classification benefits is extended.

| Overdue category | Total outstanding |
|---|---|
| Standard asset with DPD 61-90 where classification benefit is extended (in terms of falling under NPA category) | 5,575.12 |

(iii) Provisions made during the Q4FY2020 in terms of para 5 of the circular

| Overdue category | Provision amount |
|---|---|
| Standard asset with DPD 61-90 where classification benefit is extended (in terms of falling under NPA category) | 278.76 |

(iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of para 6 of the circular

| Particulars | Amount |
|---|---|
| Provisions adjusted during the respective accounting periods against slippages | Nil |
| The residual provisions at the end of the quarter | 278.76 |

ADITYA BIRLA HOUSING FINANCE LIMITED MUMBAI

# Independent Auditor's Report

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

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying financial statements of **Aditya Birla Housing Finance Limited** (the "Company"), which comprise the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act ("SA"s). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Emphasis of Matter

We draw attention to Note 8 of the financial statements, in which the Company describes the continuing uncertainties arising from COVID-19 pandemic.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key Audit Matter | Auditor's Response |
|---|---|
| **Allowances for Expected Credit Losses:**<br><br>(Refer Note 8 to the financial statements)<br><br>As at 31st March 2021, the carrying value of loan assets measured at amortised cost, aggregated ₹11,80,262.71 lakh (net of allowance of expected credit loss ₹18,694.45 lakh) constituting approximately 95% of the Company's total assets. Significant judgement is used in classifying these loan assets and applying appropriate measurement principles. The allowance for expected credit losses ("ECL") on such loan assets measured at amortised cost is a critical estimate involving greater level of management judgement.<br><br>As part of our risk assessment, we determined that the allowance for ECL on loan assets (including undisbursed commitments) has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the financial statements.<br><br>The elements of estimating ECL which involved increased level of audit focus are the following:<br><br>• Qualitative and quantitative factors used in staging the loan assets measured at amortised cost.<br><br>• Basis used for estimating Probabilities of Default ("PD"). | **Principal audit procedures:**<br><br>We have examined the policies approved by the Board of Directors of the Company that articulate the objectives of managing each portfolio and their business models. We have also verified the methodology adopted for computation of ECL ("ECL Model") that addresses policies approved by the Board of Directors, procedures and controls for assessing and measuring credit risk on all lending exposures measured at amortised cost.<br><br>Additionally, we have confirmed that adjustments to the output of the ECL Model is consistent with the documented rationale and basis for such adjustments and that the amount of adjustment has been approved by the Audit Committee of the Board of Directors.<br><br>Our audit procedures related to the allowance for ECL included the following, among others:<br><br>• Testing the design and effectiveness of internal controls over the following:<br><br>– completeness and accuracy of the Exposure at Default ("EAD") and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors to be applied. |

| Key Audit Matter | Auditor's Response |
|---|---|
| • Basis used for estimating Loss Given Default ("LGD").<br>• Judgements used in projecting economic scenarios and probability weights applied to reflect future economic conditions.<br>• Adjustments to model driven ECL results to address emerging trends. | – completeness, accuracy and appropriateness of information used in the estimation of the PD and LGD for the different stages depending on the nature of the portfolio; and<br>– computation of the ECL including methodology used to determine macro economic overlays and adjustments to the output of the ECL Model.<br>• Also, for a sample of ECL allowance on loan assets tested:<br>– we tested the input data such as ratings and period of default and other related information used in estimating the PD;<br>– we evaluated reasonableness of LGD estimates by comparing actual recoveries post the loan asset becoming credit impaired with estimates of LGD.<br>– we evaluated the incorporation of the applicable assumptions into the ECL Model and tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company.<br>• We also tested the adequacy of the adjustment after stressing the inputs used in determining the output as per the ECL Model and ensured that the adjustment was in conformity with the amount approved by the Audit Committee.<br>• We also assessed the disclosures made in relation to the ECL allowance to confirm compliance with the provisions of Ind AS 107. |

## 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 Director's report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## 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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Independent Auditor's Report (Contd.)

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.

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

### Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 current period 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

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

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

d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

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

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of 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 litigations on its financial position in its financial statements;

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

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

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

**For Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

**Sanjiv V. Pilgaonkar**
(Partner)
(Membership No. 039826)
(UDIN: 21039826AAAADX7234)

Place: Mumbai
Date: 11th May 2021

# Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

## REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (THE "ACT")

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

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "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 its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### Meaning of Internal Financial Controls Over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

**Sanjiv V. Pilgaonkar**
(Partner)
(Membership No. 039826)
(UDIN: 21039826AAAADX7234)

Place: Mumbai
Date: 11th May 2021

# Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. In respect of its property, plant and equipment:
   a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the property, plant and equipment.
   b) The property, plant and equipment were physically verified during the previous year by the Management in accordance with a regular programme of verification, which in our opinion provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
   c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
2. According to the information and explanations given to us, the Company is engaged primarily in lending activities and these activities do not require the Company to hold any inventories. Hence reporting under clause (ii) of the CARO 2016 is not applicable.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
4. According to the information and explanations given to us, the Company has not granted any loans, made investments, provide guarantees and security under provisions of section 185 and 186 of the Companies Act, 2013 and hence reporting under clause (iv) of the CARO 2016 is not applicable.
5. According to the information and explanations given to us, the Company has not accepted any deposit during the year hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder is not applicable.
6. The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under Clause 3(vi) of the Order is not applicable to the Company.
7. According to the information and explanations given to us in respect of statutory dues:
   a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Income-tax, Goods and Service Tax, cess and other statutory dues applicable to it with the appropriate authorities. To the best of our knowledge and belief, the Company was not required to deposit or pay any dues in respect of Employee's State Insurance, Duty of Customs, Duty of Excise and Cess during the year.
   b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Goods and Service Tax, cess and other material statutory dues in arrears as at 31st March 2021 for a period of more than six months from the due date of payment / the date they became payable, as applicable.
   c) There were no dues in respect of Income-tax, Goods and Service Tax, Duty of Customs, Duty of Excise, and Value Added Tax or Cess which have not been deposited as on 31st March 2021 on account of disputes.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
9. According to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purpose for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. According to the information and explanations given to us the Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.

13. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

14. According to the information and explanations given to us during the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the CARO 2016 is not applicable to the Company.

15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.

16. According to the information and explanations given to us the Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

**For Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

**Sanjiv V. Pilgaonkar**
(Partner)
(Membership No. 039826)
(UDIN: 21039826AAAADX7234)

Place: Mumbai
Date: 11th May 2021

## Aditya Birla Housing Finance Limited
## Balance sheet as at March 31, 2021
*(Currency : Rupees in lakh)*

| Particulars | Note No. | As at March 31, 2021 Audited | As at March 31, 2020 Audited |
|---|---|---|---|
| **ASSETS** | | | |
| **(1) FINANCIAL ASSETS** | | | |
| (a) Cash and cash equivalents | 5 | 37,737.34 | 40,020.60 |
| (b) Derivative financial instruments | 6 | - | 1,070.50 |
| (c) Receivables | | | |
| (I) Trade receivables | 7 | 250.45 | 213.77 |
| (II) Other receivables | 7 | 187.40 | 100.99 |
| (d) Loans | 8 | 11,80,262.71 | 12,11,209.09 |
| (e) Investments | 9 | 10,120.38 | 54,692.14 |
| (f) Other financial assets | 10 | 1,013.37 | 480.80 |
| | | 12,29,571.65 | 13,07,787.89 |
| **(2) NON- FINANCIAL ASSETS** | | | |
| (a) Current tax assets (Net) | | 156.86 | 1,257.04 |
| (b) Deferred tax assets (Net) | 11 | 3,931.01 | 2,232.68 |
| (c) Property, plant and equipment | 12 | 658.84 | 903.29 |
| (d) Right to use assets | 14 | 1,493.32 | 2,288.82 |
| (e) Intangible assets under development | | 119.55 | 28.02 |
| (f) Other intangible assets | 13 | 485.52 | 510.11 |
| (g) Other non-financial assets | 15 | 1,161.42 | 920.92 |
| | | 8,006.52 | 8,140.88 |
| **TOTAL ASSETS** | | 12,37,578.17 | 13,15,928.77 |
| **LIABILITIES AND EQUITY** | | | |
| **LIABILITIES** | | | |
| **(1) FINANCIAL LIABILITIES** | | | |
| (a) Payables | | | |
| Trade payables | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | 16 | 28.70 | 69.55 |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 16 | 3,412.38 | 2,621.35 |
| (b) Derivative financial instruments | 6 | 306.73 | - |
| (c) Debt securities | 17 | 1,73,428.50 | 1,91,000.88 |
| (d) Borrowings other than debt securities | 18 | 8,61,134.24 | 9,49,081.79 |
| (e) Subordinated liabilities | 19 | 34,199.24 | 26,608.02 |
| (f) Lease Liability | 20 | 1,584.65 | 2,602.12 |
| (g) Other financial liabilities | 21 | 10,386.88 | 4,507.28 |
| | | 10,84,481.32 | 11,76,490.99 |
| **(2) NON- FINANCIAL LIABILITIES** | | | |
| (a) Current tax liabilities (Net) | | 68.94 | - |
| (b) Provisions | 22 | 823.43 | 779.79 |
| (c) Other non-financial liabilities | 23 | 289.19 | 371.74 |
| | | 1,181.56 | 1,151.53 |
| **TOTAL LIABILITIES** | | 10,85,662.88 | 11,77,642.52 |
| **(3) EQUITY** | | | |
| (a) Equity share capital | 24 | 50,119.77 | 50,119.77 |
| (b) Other equity | 25 | 1,01,795.52 | 88,166.48 |
| **TOTAL EQUITY** | | 1,51,915.29 | 1,38,286.25 |
| **TOTAL LIABILITIES AND EQUITY** | | 12,37,578.17 | 13,15,928.77 |

ADITYA BIRLA HOUSING FINANCE LTD.

*See accompanying notes forming part of the financial statements.*

*In terms of our report attached*
**For Deloitte Haskins & Sells LLP**
*Chartered Accountants*
*ICAI Firm Registration No: 117366W/W-100018*

**Sanjiv V Pilgaonkar**
*Partner*
*Membership No: 039826*

*Place: Mumbai*
*Date: May 11, 2021*

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

**Ajay Srinivasan**
*Director*
*DIN: 00121181*

**Rakesh Singh**
*Director*
*DIN: 07006067*

**Netrapal Singh**
*Chief Executive Officer*

**Tushar Kotecha**
*Chief Financial Officer*

**Muthiah Ganapathy**
*Company Secretary*

*Place: Mumbai*
*Date: May 04, 2021*

## Aditya Birla Housing Finance Limited

### Statement of Profit and Loss for the year ended March 31, 2021

*(Currency : Rupees in lakh)*

| | Particulars | Note No. | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|---|
| | **Revenue from operations** | | | |
| | Interest income | 26 | 1,23,451.45 | 1,24,343.78 |
| | Fees and commission income | | 3,801.00 | 4,083.02 |
| | Net gain on fair value changes in investments | 27 | 803.29 | 1,412.67 |
| | Net gain on derecognition of financial instruments classified under amortised cost category | 28 | - | 121.95 |
| I | **Total revenue from operations** | | 1,28,055.74 | 1,29,961.42 |
| II | Other income | 29 | 435.28 | 156.23 |
| III | **Total income (I+II)** | | 1,28,491.02 | 1,30,117.65 |
| | **EXPENSES** | | | |
| | Finance costs | 30 | 84,922.79 | 92,698.53 |
| | Net loss on derecognition of financial instruments classified under amortised cost category | 28 | 10.83 | - |
| | Impairment of financial instruments | 31 | 8,740.25 | 7,127.68 |
| | Employee benefit expenses | 32 | 11,239.33 | 11,325.27 |
| | Depreciation, amortization and impairment | 12,13 & 14 | 1,117.79 | 1,165.53 |
| | Other expenses | 33 | 4,822.18 | 4,181.81 |
| IV | **Total expenses** | | 1,10,853.17 | 1,16,498.82 |
| V | **Profit before tax (III-IV)** | | 17,637.85 | 13,618.83 |
| VI | **Tax expenses** | | | |
| | (1) Current tax | 11 | 5,415.69 | 3,613.72 |
| | (2) Deferred tax | 11 | (1,666.63) | (74.56) |
| | (3) Income tax for earlier years | 11 | 165.47 | (185.58) |
| | **Total tax expenses** | | 3,914.53 | 3,353.58 |
| VII | **Profit for the year (V-VI)** | | 13,723.32 | 10,265.25 |
| VIII | **Other comprehensive income** | | | |
| | (1) Items that will not be reclassified to profit or loss | | | |
| | *Re-measurement gains/ (losses) on defined benefit plans* | | 99.84 | (91.03) |
| | *Income tax relating to the items that will not be reclassified to profit or loss* | 11 | (25.13) | 22.91 |
| | | | 74.71 | (68.12) |
| | (2) Items that will be reclassified to profit or loss | | | |
| | *Re-measurement gains/ (losses) on hedge instruments* | | (225.83) | (978.81) |
| | *Income tax relating to the items that will not be reclassified to profit or loss* | 11 | 56.84 | 246.35 |
| | | | (168.99) | (732.46) |
| | **Other comprehensive income** | | (94.28) | (800.58) |
| IX | **Total comprehensive income for the year (VII+VIII) (Comprising profit and other comprehensive income for the year)** | | 13,629.04 | 9,464.67 |
| X | **Earnings per equity share of Rs. 10 each** | | | |
| | Basic & diluted earnings per equity share | | 2.74 | 2.16 |

*See accompanying notes forming part of the financial statements.*



*In terms of our report attached*
**For Deloitte Haskins & Sells LLP**
*Chartered Accountants*
*ICAI Firm Registration No: 117366W/W-100018*

**Sanjiv V Pilgaonkar**
*Partner*
*Membership No: 039826*

*Place: Mumbai*
*Date: May 11, 2021*

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

**Ajay Srinivasan**
*Director*
*DIN: 00121181*

**Rakesh Singh**
*Director*
*DIN: 07006067*

**Netrapal Singh**
*Chief Executive Officer*

**Tushar Kotecha**
*Chief Financial Officer*

**Muthiah Ganapathy**
*Company Secretary*

*Place: Mumbai*
*Date: May 04, 2021*

## Aditya Birla Housing Finance Limited

### Cash Flow Statement for the year ended March 31, 2021

*(Currency : Rupees in lakh)*

| Particulars | | For the year ended March 31, 2021 | | For the year ended March 31, 2020 |
|---|---|---|---|---|
| **A. Cash flow from operating activities** | | | | |
| ***(a) Profit before tax*** | | **17,637.85** | | **13,818.83** |
| *Adjustments for:* | | | | |
| Depreciation and amortisation | 1,117.79 | | 1,165.53 | |
| Interest on lease liability | 176.37 | | 225.25 | |
| Profit on surrender of lease liability/ income from rent concession | (331.84) | | - | |
| Impairment on financial instruments including loss on derecognition of financial assets at amortised cost | 8,751.08 | | 7,005.73 | |
| Net gain on Fair value changes | (803.29) | | (1,412.67) | |
| Loss/ (profit) on derecognition of property, plant and equipment | (2.80) | | 0.23 | |
| ***(b) Operating profit before working capital changes*** | | **26,545.16** | | **20,802.90** |
| *Adjustments for:* | | | | |
| Decrease/(increase) in trade receivables | (123.09) | | (119.23) | |
| Decrease/(increase) in loans | 22,195.30 | | (73,720.85) | |
| Decrease/(increase) in other financial assets | (532.57) | | (75.80) | |
| Decrease/(increase) in derivative financial instruments | 1,151.40 | | (2,049.31) | |
| Decrease/(increase) in other assets | (332.44) | | (155.95) | |
| (Decrease)/increase in trade payables | 750.18 | | 80.06 | |
| (Decrease)/increase in provisions | 143.48 | | 171.45 | |
| (Decrease)/increase in other financial liabilities | 8,949.42 | | 3,477.68 | |
| (Decrease)/increase in other liabilities | (82.55) | | 113.20 | |
| ***(c) Cash used in operating activities*** | | **58,664.29** | | **(51,675.85)** |
| Direct taxes paid (net of refund) | (4,412.04) | | (3,991.07) | |
| **Net cash used in operating activities (A)** | | **54,252.25** | | **(55,666.92)** |
| **B. Cash flow from investing activities** | | | | |
| Purchase of property, plant and equipment, acquisition of intangible assets | (538.04) | | (527.63) | |
| Proceeds from sale of property, plant and equipment | 21.65 | | 17.84 | |
| Profit on sale of current investments | 874.55 | | 1,220.53 | |
| (Purchase)/sale of current investments (net) | 44,500.50 | | (54,500.00) | |
| **Net cash used in investing activities (B)** | | **44,858.66** | | **(53,789.26)** |
| **C. Cash flow from financing activities** | | | | |
| Proceeds from share capital issue including securities premium (net of share issue expense) | - | | 9,990.00 | |
| Payment of lease liability | (525.56) | | (672.43) | |
| Proceeds from long term borrowings | 2,60,261.00 | | 3,13,945.00 | |
| Repayment of long term borrowings | (2,74,010.41) | | (1,72,139.39) | |
| Net proceeds/ repayment for short term borrowings | (87,119.20) | | (1,654.57) | |
| **Net cash from financing activities (C)** | | **(1,01,394.17)** | | **1,49,468.61** |
| **D. Net increase/ (decrease) in cash and cash equivalents (A+B+C)** | | **(2,283.26)** | | **40,012.43** |
| **E. Cash and cash equivalents at the beginning of the year** | | **40,020.60** | | **8.17** |
| **F. Cash and cash equivalents at the end of the year*** | | **37,737.34** | | **40,020.60** |
| **Additional information:** | | | | |
| Interest received | 1,22,307.72 | | 1,22,684.08 | |
| Interest paid | 81,111.42 | | 90,327.55 | |

**Includes fixed deposits of NIL (March 31, 2020 Rs. 35,143.84 lakh) & current account balance of Rs. 34,819.50 lakh (March 31, 2020: NIL) which are earmarked for disbursement of loan in affordable segment.*

ADITYA BIRLA HOUSING FINANCE LTD

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

*In terms of our report attached*
**For Deloitte Haskins & Sells LLP**
*Chartered Accountants*
*ICAI Firm Registration No: 117366W/W-100018*

**Sanjiv V Pilgaonkar**
*Partner*
*Membership No: 039826*

*Place: Mumbai*
*Date: May 11, 2021*

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

**Ajay Srinivasan**
*Director*
*DIN: 00121181*

**Rakesh Singh**
*Director*
*DIN: 07006067*

**Netrapal Singh**
*Chief Executive Officer*

**Tushar Kotecha**
*Chief Financial Officer*

**Muthiah Ganapathy**
*Company Secretary*

*Place: Mumbai*
*Date: May 04, 2021*

## Aditya Birla Housing Finance Limited

### Statement of Changes in Equity for the year ended March 31, 2021

*(Currency : Rupees in lakh)*

| | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| **a. Equity share capital** | **No.'s** | **Amount** | **No.'s** | **Amount** |
| *Equity shares of Rs 10 each issued, subscribed and fully paid* | | | | |
| **As at beginning of the year** | **50,11,97,682** | **50,119.77** | **47,55,56,656** | **47,555.67** |
| Shares issued during the year | - | - | 2,56,41,026 | 2,564.10 |
| **As at end of the year** | **50,11,97,682** | **50,119.77** | **50,11,97,682** | **50,119.77** |

**b. Other equity**

| | Reserves & surplus | | | | Items of other comprehensive income | Total other equity |
|---|---|---|---|---|---|---|
| | Securities premium | Retained earnings | Special reserve u/s 29C of The National Housing Bank Act, 1987 | Reserve u/s 36(1)(viii) of the Income Tax Act, 1961 | Cash flow hedge reserve | |
| **Balance as at April 01, 2019** | 64,156.31 | 5,175.44 | 79.98 | 2,064.27 | - | 71,476.00 |
| Profit for the year | - | 10,265.25 | - | - | - | 10,265.25 |
| Other comprehensive income | - | (68.12) | - | - | (732.46) | (800.58) |
| **Total comprehensive income** | - | 10,197.13 | - | - | (732.46) | 9,464.67 |
| Transfer to special reserve u/s 29C of The National Housing Bank Act, 1987 | - | (248.87) | 248.87 | - | - | - |
| Transfer to reserve u/s 36(1)(viii) of the Income Tax Act, 1961 | - | (1,804.19) | - | 1,804.19 | - | - |
| Less: Amount withdrawn from the special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of provision u/s 29C of the National Housing Bank Act, 1987 | - | - | - | - | - | - |
| Addition on issue of shares during the year | 7,435.90 | - | - | - | - | 7,435.90 |
| Utilization against share issue expense | (10.00) | - | - | - | - | (10.00) |
| Transition impact of Ind AS 116 (net of tax) | | (200.09) | | | | (200.09) |
| **Balance as at March 31, 2020** | **71,582.21** | **13,119.42** | **328.85** | **3,868.46** | **(732.46)** | **88,166.48** |
| **Balance as at April 01, 2020** | 71,582.21 | 13,119.42 | 328.85 | 3,868.46 | (732.46) | 88,166.48 |
| Profit for the year | - | 13,723.32 | - | - | - | 13,723.32 |
| Other comprehensive income/ (losses) | - | 74.71 | - | - | (168.99) | (94.28) |
| **Total comprehensive income** | - | 13,798.03 | - | - | (168.99) | 13,629.04 |
| Transfer to special reserve u/s 29C of National Housing Bank Act, 1987 | - | - | - | - | - | - |
| Transfer to reserve u/s 36(1)(viii) of the Income Tax Act, 1961 | - | (2,922.15) | - | 2,922.15 | - | - |
| Less: Amount withdrawn from the special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of provision u/s 29C of the National Housing Bank Act, 1987 | - | - | - | - | - | - |
| Addition on issue of shares during the year | - | - | - | - | - | - |
| **Balance as at March 31, 2021** | **71,582.21** | **23,995.30** | **328.85** | **6,790.61** | **(901.45)** | **1,01,795.52** |

ADITYA BIRLA HOUSING FINANCE LTD.

*See accompanying notes forming part of the financial statements.*

*In terms of our report attached*
**For Deloitte Haskins & Sells LLP**
*Chartered Accountants*
*ICAI Firm Registration No: 117366W/W-100018*

**Sanjiv V Pilgaonkar**
*Partner*
*Membership No: 039826*

*Place: Mumbai*
*Date: May 11, 2021*

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

**Ajay Srinivasan**
*Director*
*DIN: 00121181*

**Rakesh Singh**
*Director*
*DIN: 07006067*

**Netrapal Singh**
*Chief Executive Officer*

**Tushar Kotecha**
*Chief Financial Officer*

**Muthiah Ganapathy**
*Company Secretary*

*Place: Mumbai*
*Date: May 04, 2021*

## Aditya Birla Housing Finance Limited

### Notes to the financial statements for the year ended March 31, 2021

*(Currency : Rupees in lakh)*

| 5 Cash and cash equivalents | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Balances with banks | 37,737.34 | 4,876.76 |
| Term deposits with banks with original maturity of three months or less | - | 35,143.84 |
| | **37,737.34** | **40,020.60** |

*Foot note:*
*There are no earmarked balances with banks.*

| 6 Derivative financial instruments | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **6.1 Financial Asset** | | |
| Cross currency interest rate derivatives | - | 1,070.50 |
| | **-** | **1,070.50** |
| **6.2 Financial Liability** | | |
| Cross currency interest rate derivatives | 306.73 | - |
| | **306.73** | **-** |

| 7 Receivables | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **I Trade receivables** | | |
| Receivables considered good - unsecured | 188.76 | 143.66 |
| Other receivables from customers | 61.69 | 70.11 |
| | **250.45** | **213.77** |
| **II Other receivables** | | |
| Unsecured considered good | | |
| Receivable from related parties *(refer note 35 (II) (b))* | 187.40 | 100.99 |
| | **187.40** | **100.99** |

*Foot note:*
*No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms including limited liability partnership (LLP's) or private companies respectively in which any director is a partner, a director or a member. Further, there are no receivables for which there has been a significant increase in credit risk or which have become credit impaired.*

ADITYA BIRLA HOUSING FINANCE LTD.

## Aditya Birla Housing Finance Limited
### Notes to the financial statements for the year ended March 31, 2021
*(Currency : Rupees in lakh)*

| 8 Loans (at amortised cost) | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| (A) Loans relating to financing activity *(refer note 8.1.1)* | 11,98,957.16 | 12,21,857.30 |
| **Total (A) – Gross** | **11,98,957.16** | **12,21,857.30** |
| Less: Impairment loss allowance *(refer note 8.1.2)* | (18,694.45) | (10,648.21) |
| **Total (A) – Net** | 11,80,262.71 | 12,11,209.09 |
| (B) (a) Secured by tangible assets (property including land and building) | 11,97,538.18 | 12,21,120.12 |
| (b) Unsecured, considered good | 1,418.98 | 737.18 |
| **Total (B) – Gross** | **11,98,957.16** | **12,21,857.30** |
| Less: Impairment loss allowance | (18,694.45) | (10,648.21) |
| **Total (B) – Net** | 11,80,262.71 | 12,11,209.09 |
| (C) (I) Loans in India | | |
| (a) Public sector | - | - |
| (b) Others | 11,98,957.16 | 12,21,857.30 |
| | 11,98,957.16 | 12,21,857.30 |
| (II) Loans outside India | - | - |
| **Total (C) – Gross** | **11,98,957.16** | **12,21,857.30** |
| Less: Impairment loss allowance | (18,694.45) | (10,648.21) |
| **Total (C) – Net** | 11,80,262.71 | 12,11,209.09 |

**8.1 An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans relating to financing activity, as follows:**

**8.1.1 Reconciliation of gross carrying amount:**

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| **March 31, 2021** | | | | |
| Gross carrying amount opening balance | 11,82,529.83 | 23,696.62 | 15,630.85 | 12,21,857.30 |
| New assets originated or purchased | 2,97,099.62 | 4,442.81 | 406.12 | 3,01,948.55 |
| Assets derecognised or repaid (excluding write offs) | (3,20,670.21) | (2,515.48) | (895.88) | (3,24,081.57) |
| Transfers to stage 1 | 6,659.85 | (5,735.74) | (924.11) | - |
| Transfers to stage 2 | (30,765.90) | 30,873.91 | (108.01) | - |
| Transfers to stage 3 | (4,617.64) | (4,674.34) | 9,291.98 | - |
| Amounts written off | (81.64) | (335.88) | (349.60) | (767.12) |
| Gross carrying amount closing balance | **11,30,153.91** | **45,751.90** | **23,051.35** | **11,98,957.16** |

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| **March 31, 2020** | | | | |
| Gross carrying amount opening balance | 11,27,751.85 | 14,831.76 | 8,291.39 | 11,50,875.00 |
| New assets originated or purchased | 3,47,506.24 | 66.22 | 135.24 | 3,47,707.70 |
| Assets derecognised or repaid (excluding write offs) | (2,72,334.71) | 11.25 | (1,663.38) | (2,73,986.84) |
| Transfers to stage 1 | 11,194.60 | (10,871.56) | (323.04) | - |
| Transfers to stage 2 | (22,752.47) | 22,761.89 | (9.42) | - |
| Transfers to stage 3 | (8,830.94) | (3,102.94) | 11,933.88 | - |
| Amounts written off | (4.74) | - | (2,733.82) | (2,738.56) |
| Gross carrying amount closing balance | **11,82,529.83** | **23,696.62** | **15,630.85** | **12,21,857.30** |

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**8.1.2 Reconciliation of ECL balance is given below:**

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| **March 31, 2021** | | | | |
| ECL allowance - opening balance | 3,973.27 | 1,691.14 | 4,983.80 | 10,648.21 |
| New assets originated or purchased | 1,655.50 | 312.04 | 126.53 | 2,094.07 |
| Assets derecognised or repaid (excluding write offs) | (1,106.28) | 75.10 | (193.31) | (1,224.49) |
| Transfers to Stage 1 | 585.76 | (394.04) | (191.72) | - |
| Transfers to Stage 2 | (128.43) | 151.66 | (23.23) | - |
| Transfers to Stage 3 | (17.80) | (298.25) | 316.05 | - |
| Impact on year end ECL of exposures transferred between stages during the year | (168.85) | 2,988.19 | 2,737.20 | 5,556.54 |
| ECL recognised due to change in credit risk | 1,326.55 | 99.12 | 914.30 | 2,339.97 |
| Recoveries | (46.96) | (2.46) | 23.58 | (25.84) |
| Amounts written off | (1.26) | (280.34) | (412.41) | (694.01) |
| ECL allowance - closing balance | 6,071.50 | 4,342.16 | 8,280.79 | 18,694.45 |

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| **March 31, 2020** | | | | |
| ECL allowance - opening balance | 2,505.04 | 216.71 | 3,659.28 | 6,381.03 |
| New assets originated or purchased | 1,044.52 | 4.06 | 953.54 | 2,002.12 |
| Assets derecognised or repaid (excluding write offs) | (634.98) | (0.58) | (257.12) | (892.68) |
| Transfers to Stage 1 | 173.37 | (120.24) | (53.13) | - |
| Transfers to Stage 2 | (74.19) | 75.60 | (1.41) | - |
| Transfers to Stage 3 | (31.60) | (75.53) | 107.13 | - |
| Impact on year end ECL of exposures transferred between stages during the year | (69.67) | 540.28 | 3,019.18 | 3,489.79 |
| ECL recognised due to change in credit risk | 1,061.96 | 1,051.69 | 458.79 | 2,572.44 |
| Recoveries | (1.16) | (0.85) | (41.96) | (43.97) |
| Amounts written off | (0.02) | - | (2,860.50) | (2,860.52) |
| ECL allowance - closing balance | 3,973.27 | 1,691.14 | 4,983.80 | 10,648.21 |

*Foot notes:*

A. ***Moratorium in accordance with the Reserve Bank of India (ROI) guidelines -***
Moratorium was granted by the Company on the payment of instalments falling due between March 01, 2020 and August 31, 2020 to the eligible borrowers pursuant to the guidelines issued by Reserve Bank of India ("RBI") dated, March 27, 2020, April 17, 2020 and May 23, 2020 relating to COVID-19 Regulatory Package. The company has considered the repayment behaviour and delinquencies in respect of such borrowers in staging its loan assets and in estimating the corresponding allowance for expected credit loss.

B. ***Estimation of uncertainty relating to COVID-19 global health pandemic -***
In estimating the expected credit loss (ECL) allowance the Company has taken into consideration internal and certain sources of external information upto the date of approval of these financial statements. The Company has also performed sensitivity analysis on the inputs and assumptions used in estimating the ECL allowance and has embedded in its ECL allowance an adjustment of Rs. 2,891.00 lakh during the current year in addition to the management overlay of Rs. 1,810.00 lakh embedded until March 31, 2020, for credit risks arising from macro economic factors. Based on the Company's expectations of future economic conditions, it expects to recover the carrying amount of its loan assets. The extent to which global health pandemic will impact the Company's provision on financial assets will depend on future developments, which are highly uncertain. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.

C. ***Resolution Framework for COVID-19 related Stress***
During the year ended March 31, 2021, the Company has invoked resolution plans to relieve COVID-19 pandemic related stress to eligible borrowers with a total outstanding of Rs. 38,173.98 lakhs as of March 31, 2021. The resolution plans are based on the parameters laid down in accordance with the guidelines issued by the RBI on August 6, 2020 and policy approved by the Board of Directors of the Company. As of March 31, 2021, all the resolution plans under this framework were duly implemented.

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**9 Investments**

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Investments carried at fair value through Profit & Loss | | |
| Mutual Fund unit (unquoted) | 10,120.38 | 54,692.14 |
| | 10,120.38 | 54,692.14 |

*Foot note:*
*All investments are made within India. Further, there are no mutual fund investment for which there has been a significant increase in credit risk or which have become credit impaired.*

**10 Other financial assets**

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Security deposit | 271.47 | 476.86 |
| Other receivables | 741.90 | 3.94 |
| | 1,013.37 | 480.80 |

**11 Income tax**

The components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are as under:

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Recognised in statement of profit and loss** | | |
| Current tax | 5,415.69 | 3,613.72 |
| Deferred tax relating to origination and reversal of temporary differences | (1,666.63) | (74.56) |
| **Tax charges** | 3,749.06 | 3,539.16 |
| Adjustment in respect of current income tax of earlier years | 165.47 | (185.58) |
| **Total tax charges** | 3,914.53 | 3,353.58 |

**11.1 Reconciliation of the total tax charge**

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31, 2021 and March 31, 2020 is, as follows:

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Accounting profit before tax | 17,637.85 | 13,618.83 |
| At India's statutory income tax rate of (March 31, 2021: 25.168% ; March 31, 2020: 25.168% ) | 4,439.09 | 3,427.59 |
| Adjustment in respect of current income tax of earlier years | - | - |
| Rate adjustments | - | 528.43 |
| Differences other than temporary in nature on account of tax benefit u/s 36(1)(viii) of the Income Tax Act, 1961 and others | (690.61) | (416.86) |
| Deferred tax difference for earlier years recognised in current year for brought forward losses, impairment loss allowance and others | 0.58 | - |
| **Income tax expense reported in the statement of profit and loss** | 3,749.06 | 3,539.16 |

*The effective income tax rate for March 31, 2021 is 21.26% (March 31, 2020: 25.99%).*

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**11.2 Deferred tax Assets (Net)**

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| ***Deferred tax asset*** | | |
| Timing differences on account of | | |
| Impairment allowance for financial assets | 4,705.02 | 2,679.94 |
| Provision for employee benefits | 215.25 | 288.08 |
| Differences in depreciation as per income tax & as charged in financials | 76.10 | 59.84 |
| Cash flow hedges | 303.18 | 246.35 |
| Recognition of ROU asset and lease liability under Ind AS 116 | 77.41 | 77.41 |
| Deferred tax asset (A) | 5,376.96 | 3,351.62 |
| ***Deferred tax liability*** | | |
| Timing differences on account of | | |
| Tax deduction under Section 36(1)(viia) of Income Tax Act, 1961 | 538.35 | 214.60 |
| Recognition of financial instruments under amortised cost under Ind AS 109 | 907.59 | 904.34 |
| Deferred tax liability (B) | 1,445.94 | 1,118.94 |
| **Deferred tax asset (net) (A-B)** | **3,931.02** | **2,232.68** |

| **Deferred tax credit (Net)** | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Recognised in statement of profit and loss** | | |
| Impairment allowance for financial assets | (1,701.33) | (235.57) |
| Provision for employee benefits | 47.70 | 229.13 |
| Differences in depreciation as per income tax & as charged in financials | (16.26) | (4.60) |
| Deferred tax liability on amortised cost under Ind AS 109 | 3.25 | (93.59) |
| Rate difference in initial recognition of ROU asset and lease liability under Ind AS 116 | - | 30.07 |
| | (1,666.64) | (74.56) |
| **Recognised in OCI** | | |
| Deferred tax on re-measurement gains/ (losses) on defined benefit plans | (25.13) | 22.91 |
| Deferred tax on re-measurement gains/ (losses) on cash flow hedges | 56.83 | 246.35 |
| | 31.70 | 269.26 |
| **Total deferred tax expense recognised (including OCI)** | **(1,698.34)** | **(343.82)** |

## 12 Property, plant and equipment

| Particulars | Building | Plant & Equipment | Furniture & fixtures | Vehicle | Office equipment | Leasehold improvements | Total |
|---|---|---|---|---|---|---|---|
| **Gross block** | | | | | | | |
| **As at April 01, 2019** | 255.52 | 644.33 | 36.18 | 175.84 | 130.43 | 266.16 | 1,508.46 |
| Adjustment | - | - | 0.25 | - | 5.10 | 20.53 | 25.88 |
| Additions | - | 289.36 | 6.74 | 31.48 | 32.23 | 4.83 | 364.64 |
| Deletions | - | (8.78) | (4.89) | (18.72) | (6.74) | (12.34) | (51.47) |
| **As at March 31, 2020** | 255.52 | 924.91 | 38.28 | 188.60 | 161.02 | 279.18 | 1,847.51 |
| Adjustment | - | - | - | - | - | - | - |
| Additions | | 60.13 | 2.21 | 8.39 | 9.19 | - | 79.92 |
| Deletions | - | (19.54) | (5.86) | (35.48) | (16.85) | (101.43) | (179.16) |
| **As at March 31, 2021** | 255.52 | 965.50 | 34.63 | 161.51 | 153.36 | 177.75 | 1,748.27 |
| **Accumulated depreciation** | | | | | | | |
| **As at April 01, 2019** | 8.77 | 308.58 | 17.68 | 55.96 | 55.95 | 188.23 | 635.17 |
| Adjustment | - | - | 0.25 | - | 5.10 | 20.53 | 25.88 |
| Charge for the year | 4.38 | 195.26 | 9.47 | 36.13 | 35.02 | 36.31 | 316.57 |
| Reduction | - | (8.76) | (2.54) | (5.70) | (4.06) | (12.34) | (33.40) |
| **As at March 31, 2020** | 13.15 | 495.08 | 24.86 | 86.39 | 92.01 | 232.73 | 944.22 |
| Adjustment | - | - | - | - | - | - | - |
| Charge for the year | 4.38 | 200.57 | 5.87 | 37.50 | 29.46 | 27.75 | 305.53 |
| Reduction | - | (19.15) | (4.82) | (25.38) | (14.37) | (96.60) | (160.32) |
| **As at March 31, 2021** | 17.53 | 676.50 | 25.91 | 98.51 | 107.10 | 163.88 | 1,089.43 |
| **Net book value** | | | | | | | |
| **As at March 31, 2020** | 242.37 | 429.83 | 13.42 | 102.21 | 69.01 | 46.45 | 903.29 |
| **As at March 31, 2021** | 237.99 | 289.00 | 8.72 | 63.00 | 46.26 | 13.87 | 658.84 |

*Foot note:*

*Assets pledged as security: Buildings with gross block Rs. 255.52 lakh and accumulated depreciation Rs. 17.53 lakh (March 31, 2020: Gross block Rs. 255.52 lakh and accumulated depreciation Rs. 13.15 lakh ) is subject to a first charge to secure debentures issued by the Company.*

## 13 Other Intangibles Asset

| Particulars | Computer Software |
|---|---|
| **Gross block** | |
| **As at April 01, 2019** | 717.14 |
| Additions | 439.32 |
| Deletions/adjustment | - |
| **As at March 31, 2020** | 1,156.46 |
| Adjustment | - |
| Additions | 297.58 |
| Deletions/adjustment | - |
| **As at March 31, 2021** | 1,454.04 |
| **Accumulated amortization** | |
| **As at April 01, 2019** | 358.56 |
| Charge for the year | 287.79 |
| Reduction | - |
| **As at March 31, 2020** | 646.35 |
| Adjustment | - |
| Charge for the year | 322.17 |
| Reduction | - |
| **As at March 31, 2021** | 968.52 |
| **Net book value** | |
| **As at March 31, 2020** | 510.11 |
| **As at March 31, 2021** | 485.52 |

*Foot note:*

*Company does not have any internally generated intangible assets.*

ADITYA BIRLA HOUSING FINANCE LTD

**Aditya Birla Housing Finance Limited**

**Notes to the financial statements for the year ended March 31, 2021**

*(Currency : Rupees in lakh)*

**14 ROU Asset**

| Particulars | ROU Asset |
|---|---|
| **Gross block** | |
| As at April 01, 2019 | - |
| Additions | 2,849.99 |
| Deletions/adjustment | - |
| As at March 31, 2020 | 2,849.99 |
| Additions | 1,061.29 |
| Deletions/adjustment | (1,991.97) |
| As at March 31, 2021 | 1,919.31 |
| **Accumulated amortization** | |
| As at April 01, 2019 | - |
| Charge for the year | 561.17 |
| Reduction | - |
| As at March 31, 2020 | 561.17 |
| Charge for the year | 490.09 |
| Reduction | (625.27) |
| As at March 31, 2021 | 425.99 |
| **Net book value** | |
| As at March 31, 2020 | 2,288.82 |
| As at March 31, 2021 | 1,493.32 |

ADITYA BIRLA HOUSING FINANCE LTD

| 15 Other non-financial assets | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Capital advances | - | 60.90 |
| Prepaid expense | 514.60 | 443.43 |
| Retirement benefits gratuity fund *(refer note 47)* | 502.92 | 273.70 |
| Balances with tax authorities | 137.99 | 137.02 |
| Deferred lease expense | 5.91 | 5.87 |
| | 1,161.42 | 920.92 |

ADITYA BIRLA HOUSING FINANCE LTD.

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **16 Payables** | | |
| **(I) Trade payables** | | |
| (i) total outstanding dues of micro enterprises and small enterprises *(refer note 38)* | 28.70 | 69.55 |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 3,412.38 | 2,621.35 |
| | 3,441.08 | 2,690.90 |

| **17 Debt Securities** | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| At amortised cost | | |
| **Secured** | | |
| Redeemable non convertible debentures *(refer foot note (ii) below)* | 1,63,450.16 | 1,03,909.91 |
| **Unsecured** | | |
| Commercial papers *(refer note (iii) below )* | 9,978.34 | 87,090.97 |
| **Total (A)** | 1,73,428.50 | 1,91,000.88 |
| Debt securities in India | 1,73,428.50 | 1,91,000.88 |
| Debt securities outside India | - | - |
| **Total (B)** | 1,73,428.50 | 1,91,000.88 |

*Foot notes:*

*(i) The company does not have any convertible debt securities.*

*(ii) The debt securities are secured by way of mortgage of the immovable property and have first pari- passu charge on receivables of the Company. The repayment terms and rate of interest of redeemable non convertible debentures are as under:*

| *Maturing upto 3 years, Rate of interest (ROI) 5.99% to 9.40 % p.a.* | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| ABHFL NCD L4 FY 2016-2017, *ROI: 7.90% p.a(XIRR basis); Maturity date: April 16, 2020* | - | 7,546.67 |
| ABHFL NCD L1 FY 2016-2017, *ROI: 7.85% p.a; Maturity date: June 9, 2020* | - | 3,014.32 |
| ABHFL NCD I2 - FY 2016-17, *ROI: 7.80% p.a(XIRR basis); Maturity date: August 13, 2020* | - | 6,403.06 |
| ABHFL NCD A2 - FY 2015-16, *ROI: 8.95% p.a; Maturity date: March 22, 2021* | - | 501.17 |
| ABHFL NCD A1 - FY 2016-17, *ROI: 8.75% p.a.; Maturity date: April 20, 2021* | 1,624.12 | 1,623.82 |
| ABHFL NCD C1 - FY 2018-19, *ROI: 8.85% p.a.(XIRR basis); Maturity date: June 07, 2021* | 5,695.23 | 5,231.17 |
| ABHFL NCD E1 - FY 2017-18, *ROI: 7.60% p.a.; Maturity date: June 30, 2021* | 8,924.31 | 8,922.99 |
| ABHFL NCD D1 - FY 2018-19, *ROI: 8.82% p.a.(XIRR basis); Maturity date: July 26, 2021* | 10,571.32 | 9,702.12 |
| ABHFL NCD F1 - FY 2019-20, *ROI: 8.18 % .(XIRR basis); Maturity date: September 24, 2021* | 2,253.29 | 2,082.44 |
| ABHFL NCD G1 - FY 2018-19, *ROI: 9.40% p.a.(XIRR basis); Maturity date: October 26, 2021* | 2,983.67 | 2,726.47 |
| ABHFL NCD D2 - FY 2018-19, *ROI: 8.82% p.a.; Maturity date: October 28, 2021* | 2,115.51 | 2,115.23 |
| ABHFL NCD L2 - FY 2016-17, *ROI: 8.00% p.a.; Maturity date: March 10, 2022* | 5,023.24 | 5,023.24 |
| ABHFL NCD L3 - FY 2016-17, *ROI: 8.00% p.a.; Maturity date: March 18, 2022* | 5,012.66 | 5,012.65 |
| ABHFL NCD A1 - FY 2017-18, *ROI: 8.00% p.a.; Maturity date: April 01, 2022* | 4,857.94 | 4,857.94 |
| ABHFL NCD I1 - FY 2018-19, *ROI: 9.30% p.a.(XIRR basis); Maturity date: April 13, 2022* | 22,203.05 | 20,332.48 |
| ABHFL NCD C1 - FY 2017-18, *ROI: 8.00% p.a.; Maturity date: June 07, 2022* | 10,648.49 | 10,648.90 |
| ABHFL NCD F1 - FY 2017-18, *ROI: 7.60% p.a.; Maturity date: September 08, 2022* | 2,083.35 | 2,083.10 |

ADITYA BIRLA HOUSING FINANCE

| *Maturing upto 3 years, Rate of interest (ROI) 5.99% to 9.40 % p.a. (continued)* | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| ABHFL NCD PPMLD FY 2019-20, *ROI: 7.95% XIRR.; Maturity date: September 30, 2022* | 1,682.04 | 1,557.78 |
| ABHFL NCD K1 - FY 2019-20, *ROI: 6.22% p.a.; Maturity date: February 17, 2023 (2nd Coupon = 3.72% + 250bps i.e. 6.22 % ; 1st Coupon: 5.26% + 250 bps = 7.76% Benchmark 12 Month T-Bill + 250 bps spread Reset on yearly basis with fixed spread of 250 bps)* | 2,516.79 | 2,520.96 |
| ABHFL NCD A1 - FY 2020-21, ROI: 8.00% p.a.; Maturity date: May 17, 2023 | 43,035.88 | - |
| ABHFL NCD F1 - FY 2020-21, ROI: 6.05% p.a.; Maturity date: September 08, 2023 | 5,162.52 | - |
| ABHFL NCD L1 - FY 2020-21, ROI: 5.99% p.a (initial fixing rate).; Maturity date: March 15, 2024 The first interest payment is set as an average (Simple) rate of previous four quarters reset coupon rate e.g. Coupon rate to be paid on March 18, 2022 is the average of coupon rate on March 18, 2021 (initial coupon) and the rate computed on the reset date being June 18, 2021, September 18, 2021 and December 18, 2021 (1st Coupon: Avg T-Bill rate as stated above + 275 bps = Average of Benchmark 12 Month T-Bil for specified datesl + 275 bps spread Reset on quarterly basis and payable annually with fixed spread of 275 bps) | 25,053.13 | - |
| | 1,61,446.54 | 1,01,906.50 |

| *Maturing after 3 years, Rate of interest(ROI) 8.95 % p.a.* | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| ABHFL NCD A1 - FY 2015-16, *ROI: 8.95% p.a; Maturity date: March 20, 2026* | 2,003.62 | 2,003.41 |
| | 2,003.62 | 2,003.41 |
| **Total Debt securities** | **1,63,450.16** | **1,03,909.91** |

| *(iii) The repayment terms of commercial papers are as under-* | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Maturing upto 3 months* | 9,978.34 | 87,090.97 |
| | **9,978.34** | **87,090.97** |

** The above is net of unamortized discounting charges on commercial paper amounting to Rs. 21.66 lakh (March 31, 2020: Rs. 409.03 lakh)*

| **18 Borrowings other than debt securities** | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Secured** | | |
| Term loan from banks *(refer foot note (i) below )* | 7,83,697.71 | 8,52,567.31 |
| NHB Refinance *(refer foot note (ii) below )* | 22,592.87 | 30,305.00 |
| External Commercial Borrowing (ECB) *(refer foot note (iii) below )* | 36,604.07 | 37,963.32 |
| *Loan repayable on demand from banks* | | |
| Working capital demand loan *(refer foot note (iv) below )* | - | 18,503.82 |
| Cash Credit *(refer foot note (v) below )* | 1,301.92 | 8,487.76 |
| Overdraft *(refer foot note (vi) below )* | 16,537.67 | 598.58 |
| | 8,60,734.24 | 9,48,425.79 |
| **Unsecured** | | |
| *Loan from related party* | | |
| Inter corporate borrowings *(refer foot note (vii) below )* | 400.00 | 656.00 |
| | 400.00 | 656.00 |
| **Total (A)** | **8,61,134.24** | **9,49,081.79** |
| Borrowings in India | 8,24,417.29 | 9,11,310.54 |
| Borrowings outside India | 36,716.95 | 37,771.25 |
| **Total (B)** | **8,61,134.24** | **9,49,081.79** |

ADITYA BIRLA HOUSING FINANCE LTD.

*Foot notes:*

*(i) The term loans from banks are secured by way of first pari-passu charge on the receivables of the Company. The repayment terms and rate of interest of term loans are as under-*

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Maturing upto 3 years, rate of interest 4.88 % p.a. - 8.75 % p.a. | 5,17,522.04 | - |
| Maturing after 3 years, rate of interest 5.50 % p.a. - 8.75 % p.a. | 2,66,175.67 | - |
| Maturing upto 3 years, rate of interest 6.68 % p.a. - 9.00 % p.a. | - | 4,86,229.72 |
| Maturing after 3 years, rate of interest 7.95 % p.a. - 8.90 % p.a. | - | 3,66,337.59 |
| | 7,83,697.71 | 8,52,567.31 |

*(ii) The NHB Refinance is secured by way of first pari-passu charge on the receivables of the Company. The refinance facility of Rs. 22,592.87 lakh (March 31, 2020 - Rs. 30,305.00 lakh) is further guaranteed by way of corporate guarantee issued by holding company. The repayment terms and rate of interest are as under-*

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Maturing upto 3 years, rate of interest 8.20% p.a. and 8.30% p.a. | 16,302.00 | - |
| Maturing after 3 years, rate of interest 8.20% p.a. and 8.30% p.a. | 6,290.87 | |
| Maturing upto 3 years, rate of interest 8.95 % p.a. - 9.05 % p.a. | - | 16,302.00 |
| Maturing after 3 years, rate of interest 8.95 % p.a. - 9.05 % p.a. | - | 14,003.00 |
| | 22,592.87 | 30,305.00 |

*(iii) The external commercial loan is secured by way of first pari-passu charge on the receivables of the Company. The repayment terms and rate of interest are as under-*

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Maturing upto 3 years, rate of interest 7.79 %p.a. | 36,604.07 | 37,963.32 |
| | 36,604.07 | 37,963.32 |

*(iv) The working capital loans are secured by way of first pari-passu charge on receivables of the Company. The repayment terms and rate of interest of working capital loans are as under-*

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Repayable on demand , rate of interest 7.50% to 8.70 % p.a. | - | 18,503.82 |

*(v) The cash credit facilities are secured by way of first pari-passu charge on the receivables of the Company. The repayment terms and rate of interest of cash credit are as under-*

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Repayable on demand , rate of interest 8.50% p.a. | 1,301.92 | - |
| Repayable on demand , rate of interest 8.00% p.a. to 8.65% p.a. | - | 8,487.76 |

*(vi) The overdraft on account of cheques issued but not presented as on the balance sheet date are backed by cash credit facilities which are secured by way of first pari-passu charge on the receivables of the Company. The repayment terms and rate if interest is same as applicable to cash credit facilities.*

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Repayable on demand | 16,537.67 | 598.58 |

*(vii) The intercorporate borrowings are unsecured borrowing taken from related parties. The repayment terms of loans from related party are as under-*

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Repayable on demand , rate of interest 4.00% p.a. | 400.00 | - |
| Repayable on demand , rate of interest 7.50% p.a. | - | 656.00 |

## 19 Subordinated liabilities

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Unsecured** | | |
| Sub ordinate debts - debentures (refer foot note below) | 34,199.24 | 26,608.02 |
| | **34,199.24** | **26,608.02** |

*The repayment terms and rate of interest (ROI) of subordinate debentures are as under-*

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Maturing after 3 years, Rate of interest(ROI) 7.43% to 9.10 % p.a. | | |
| ABHFL Sub Debt Series 'SD1' FY 2016-17, *ROI: 9.10 % p.a; maturity date - 3 July 2026* | 1,595.45 | 1,594.65 |
| ABHFL Sub Debt Series 'SD2' FY 2016-17, *ROI: 9.10 % p.a; maturity date - 7 July 2026* | 1,062.07 | 1,061.51 |
| ABHFL Sub Debt Series 'SD3' FY 2016-17, *ROI: 9.10 % p.a; maturity date - 13 July 2026* | 1,590.80 | 1,589.95 |
| ABHFL Sub Debt Series 'SD4' FY 2016-17, *ROI: 8.99 % p.a; maturity date - 24 July 2026* | 2,643.33 | 2,639.82 |
| ABHFL Sub Debt Series 'SDB1' FY 2017-18, *ROI: 8.50 % p.a; maturity date - 14 May 2027* | 6,418.84 | 6,415.01 |
| ABHFL Sub Debt Series 'SDC1' FY 2017-18, *ROI: 8.50 % p.a; maturity date - 1 June 2027* | 7,990.76 | 7,985.13 |
| ABHFL Sub Debt Series 'SDC1' FY 2019-20, *ROI: 8.94 % p.a; maturity date - 8 June 2029* | 5,325.69 | 5,321.96 |
| ABHFL Sub Debt Series 'SDJ1' FY 2020-21, ROI: 7.43 % p.a; maturity date - 15 January 2031 | 7,572.30 | - |
| | 34,199.24 | 26,608.02 |

## 20 Lease Liability

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Liability for lease payments | 1,584.65 | 2,602.12 |
| | **1,584.65** | **2,602.12** |

## 21 Other financial liabilities

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Payable for salaries, bonus and other employee benefits | 1,857.81 | 2,254.66 |
| Payable for Capital expenditure | 17.07 | 146.99 |
| Other financial liabilities relating to customer accounts | 8,512.00 | 2,105.63 |
| | **10,386.88** | **4,507.28** |

## 22 Provisions

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Provision for employee benefits | | |
| Compensated absences | 299.46 | 338.78 |
| Gratuity *(refer note 47)* | 523.97 | 441.01 |
| | **823.43** | **779.79** |

## 23 Other non-financial liabilities

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Payable to government authorities | 289.19 | 371.74 |
| Other Payable | - | - |
| | **289.19** | **371.74** |

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| 24 Equity share capital | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Authorised** | | |
| 1000,000,000 (March 31, 2020 : 1000,000,000) equity shares of Rs 10 each | 1,00,000.00 | 1,00,000.00 |
| | 1,00,000.00 | 1,00,000.00 |
| **Issued, subscribed and fully paid up shares** | | |
| 501,197,682 (March 31, 2020: 501,197,682) equity shares of Rs 10 each, fully paid up | 50,119.77 | 50,119.77 |
| | 50,119.77 | 50,119.77 |

***A) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.***

| | Numbers | Amount |
|---|---|---|
| As at April 01, 2019 | 47,55,56,656 | 47,555.67 |
| Add: shares issued during the year | 2,56,41,026 | 2,564.10 |
| As at March 31, 2020 | 50,11,97,682 | 50,119.77 |
| Add: shares issued during the year | - | - |
| As at March 31, 2021 | 50,11,97,682.00 | 50,119.77 |

| ***B) Shares held by holding company*** | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Aditya Birla Capital Limited, holding company | 50,11,97,682 | 50,11,97,682 |

| ***C) Details of shareholders holding more than 5% shares in the company*** | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Aditya Birla Capital Limited, holding company | | |
| % Holding | 100% | 100% |

***D) Terms/rights attached to equity shares***

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be receiving remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of the equity shares held by the shareholders.

***E)*** During the past five years immediately preceding the current financial year, the Company has not issued any shares pursuant to any contract without payment being received in cash or by way of bonus shares and have also not engaged in any buyback of its own equity.

| 25 Other equity | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Securities premium *(refer foot note (i) below)* | 71,582.21 | 71,582.21 |
| Special reserve u/s 29C of The National Housing Bank Act, 1987*(refer foot note (ii) below)* | 328.85 | 328.85 |
| Reserve u/s 36(1)(viii) of the Income Tax Act, 1961 *(refer foot note (iii) below)* | 6,790.61 | 3,868.46 |
| Retained earnings *(refer foot note (iv) below)* | 23,995.30 | 13,119.42 |
| Cash flow hedge reserve *(refer foot note (v) below)* | (901.45) | (732.46) |
| | 1,01,795.52 | 88,166.48 |

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*Foot notes:*

**(i) Securities premium**

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Balance at beginning of year | 71,582.21 | 64,156.31 |
| Addition: Received on issue of shares during the year | - | 7,435.90 |
| Deduction: Utilisation against share issue expense | - | (10.00) |
| Balance at end of year | **71,582.21** | **71,582.21** |

*Securities premium is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.*

**(ii) Special reserve u/s 29C of The National Housing Bank Act, 1987** *(refer note 3.13)*

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Balance at beginning of year | 328.85 | 79.98 |
| Addition: Amount transferred from surplus balance in the Statement of Profit and Loss | - | 248.87 |
| Balance at end of year | **328.85** | **328.85** |

As per Section 29C of The National Housing Bank Act, 1987 (the "NHB Act"), the Company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by the Company under Section 36(1)(viii) of the Income-tax Act, 1961, is considered to be an eligible transfer. The amount transferred to special reserve u/s 29C of the NHB Act includes Rs.2,922.15 lakh (March 31, 2020: Rs.1,804.19 lakh) for Special Reserve in terms of Section 36(1)(viii) of the Income-tax Act, 1961.

**(iii) Reserve u/s 36(1)(viii) of the Income Tax Act, 1961**

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Balance at beginning of year | 3,868.46 | 2,064.27 |
| Addition: Amount transferred from surplus balance in the Statement of Profit and Loss | 2,922.15 | 1,804.19 |
| Less: Amount withdrawn from the special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of provision u/s 29C of the National Housing Bank Act, 1987 | - | - |
| Balance at end of year | **6,790.61** | **3,868.46** |

**(iv) Retained earnings**

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Balance at beginning of year | 13,119.42 | 5,175.44 |
| Profit for the year | 13,723.32 | 10,265.25 |
| Remeasurement of defined employee benefit plans | 74.71 | (68.12) |
| Impact of IndAS 116 | - | (200.09) |
| Transfer to special reserve u/s 29C of The National Housing Bank Act, 1987 | - | (248.87) |
| Transfer to reserve u/s 36(1)(viii) of the Income Tax Act, 1961 | (2,922.15) | (1,804.19) |
| Items of other comprehensive income recognised directly in retained earnings | - | - |
| Re-measurement gains/ (losses) on defined benefit plans | - | - |
| Balance at end of year | **23,995.30** | **13,119.42** |

**(v) Cash flow hedge reserve**

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Balance at beginning of year | (732.46) | - |
| Net change during the year | (168.99) | (732.46) |
| Balance at end of year | **(901.45)** | **(732.46)** |

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| 26 Interest Income | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| *-On financial assets measured at amortised cost* | | |
| Interest on loans and advances to customers | 1,23,104.59 | 1,24,142.33 |
| Other interest income | 346.86 | 201.45 |
| | 1,23,451.45 | 1,24,343.78 |

| 27 Net gain on fair value changes in investments | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Net gain on financial instruments at fair value through profit or loss | 803.29 | 1,412.67 |
| Total Net gain on fair value changes | 803.29 | 1,412.67 |
| *Fair Value changes:* | | |
| Realised | 682.41 | 1,220.53 |
| Unrealised | 120.88 | 192.14 |
| | 803.29 | 1,412.67 |

| 28 Net gain/(loss) on derecognition of financial instruments under amortised cost category | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Reversal of expected credit loss on derecognition of financial instruments | 694.01 | 2,860.50 |
| Bad debts written off (net off of recoveries for write off of previous years) | (704.84) | (2,738.55) |
| | **(10.83)** | **121.95** |

| 29 Other Income | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Interest on income tax refund | 41.38 | 118.92 |
| Profit on sale of property, plant and equipment | 2.80 | - |
| Profit on surrender of right to use asset | 294.26 | - |
| Income from rent concession due to COVID-19 | 37.58 | - |
| Rental Income | 59.26 | 37.31 |
| | 435.28 | 156.23 |

| 30 Finance Cost | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| *-On financial liabilities measured at amortised cost* | | |
| Interest on borrowings | 71,609.14 | 80,485.76 |
| Interest on debt securities | 13,042.92 | 11,373.80 |
| Interest on lease liability | 176.37 | 225.25 |
| Other interest expense | 94.36 | 613.72 |
| | 84,922.79 | 92,698.53 |

| 31 Impairment on Financial Instruments (measured at amortised cost) | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| *-On Financial Assets measured at amortised cost* | | |
| Loans *(refer note 8.1.2)* | 8,740.25 | 7,127.68 |
| | 8,740.25 | 7,127.68 |

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| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **32 Employee benefit expenses** | | |
| Salaries, bonus and allowances | 10,591.94 | 10,577.54 |
| Contribution to provident and other funds *(refer note 47)* | 416.72 | 382.81 |
| Retirement benefit expense - Gratuity | 126.30 | 108.19 |
| Employee stock option expenses *(refer note 41)* | 20.44 | 51.33 |
| Staff welfare expenses | 83.93 | 205.40 |
| | 11,239.33 | 11,325.27 |

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **33 Other expenses** | | |
| Rental charges payable under operating leases *(refer note 36)* | 637.27 | 607.65 |
| Travelling and conveyance | 208.90 | 371.88 |
| Water and electricity | 109.54 | 131.69 |
| Repairs and maintenance | 1,112.76 | 876.92 |
| Insurance | 236.02 | 79.01 |
| Credit rating expenses | 126.06 | 114.58 |
| Legal and professional charges | 868.80 | 755.53 |
| Rates and taxes | 31.14 | 64.95 |
| Printing and stationery | 63.82 | 127.49 |
| Contract service charges | 256.62 | 296.56 |
| Advertisement expenses | 281.66 | 102.91 |
| Postage expenses | 57.31 | 87.24 |
| Miscellaneous expenses | 832.28 | 565.40 |
| | 4,822.18 | 4,181.81 |

ADITYA BIRLA HOUSING FINANCE LTD.

**1 Corporate information**

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

**2 Basis of preparation and presentation**

2.1 The accompanying financial statements have been prepared and presented under the historical cost convention except for certain financial assets and liabilities measured at fair value; and defined benefit plans where plan assets are measured at fair value, in accordance with accounting principles generally accepted in India, the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') and (Companies (Indian Accounting Standards) Rules, 2015).

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

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

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

**2.2 Presentation of financial statements**

The Company presents its balance sheet in order of liquidity in compliance with requirements of Schedule III of the Companies Act 2013 ("the Act") applicable for Non Banking Finance Companies ("NBFC"). An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in *note 48*.

**3 Summary of significant accounting policies**

**3.1 Recognition of interest income**

**3.1.1 The effective interest rate method**

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

**3.1.2 Interest income**

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets

When a financial asset becomes credit-impaired (as set out in *note 3.21*) and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

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

**3.2 Recognition of income and expenses**

**3.2.1 Fee and commission income**

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

**3.2.2 Dividend income**

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

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### 3.3 Property, plant and equipment

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

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

**Depreciation methods, estimated useful lives and residual value**

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

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

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

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

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

### 3.4 Intangible assets

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

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

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

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

*Intangible assets under development*

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

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### 3.5 Impairment of non financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

### 3.6 Taxes

#### 3.6.1 Current tax

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

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

#### 3.6.2 Deferred tax

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

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

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

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

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### 3.7 Retirement and other employee benefits

#### 3.7.1 Short term employee benefits

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

#### 3.7.2 Defined contribution plan

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

#### 3.7.3 Defined benefit plan

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

Remeasurements, comprising of actuarial gains and losses on retirement benefits arising from experience adjustments and changes in actuarial assumptions are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.
Past service costs are recognised in profit or loss on the earlier of:

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

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

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

#### 3.7.4 Long term incentive benefit

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

#### 3.7.5 Termination benefits

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

### 3.8 Borrowing costs

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

### 3.9 Cash and cash equivalent

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

### 3.10 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.
For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

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### 3.11 Provisions, contingent liabilities and contingent assets

Provisions are recognized when there is a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. Provisions are determined based on best estimate required to settle the obligation at the balance sheet date.

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

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

Contingent assets are not recognised in the financial statements. Contingent assets are disclosed where an inflow of economic benefits is probable.
Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

### 3.12 Commitments

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

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

### 3.13 Leases

#### 3.13.1 Company as a lessee

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

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

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

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

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

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

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#### 3.13.2 Company as a lessor

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

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

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

### 3.14 Special reserve

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

### 3.15 Securities premium

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

### 3.16 Financial instruments – initial recognition

#### 3.16.1 Date of recognition

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

#### 3.16.2 Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Company accounts for the Day 1 profit or loss, as described below.

#### 3.16.3 Day 1 profit or loss

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

#### 3.16.4 Measurement categories of financial assets and liabilities

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

### 3.17 Financial assets and liabilities

#### 3.17.1 Bank balances, Loans, Trade receivables and financial investments at amortised cost

The Company measures Bank balances, Loans, Trade receivables and other financial investments at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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**3.17.2 Debt securities and other borrowed funds**

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

**3.17.3 Financial assets and financial liabilities at fair value through profit or loss**

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

1. The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis.

2. The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

3. The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

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

**3.17.4 Undrawn loan commitments**

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

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

**3.18 Reclassification of financial assets and liabilities**

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in FY 2020-21 and FY 2019-20.

**3.19 Modification and derecognition of financial asset**

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

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

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

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or

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- The Company has transferred its rights to receive cash flows from the asset or it retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**3.20 Derecognition of financial liabilities**

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

**3.21 Repossession of Collaterals**

To mitigate the credit risk on financial assets, the Company seeks to use collateral, as per the powers conferred on the HFC under SARFAESI act. In its normal course of business, the Company does not physically repossess properties or other assets in its portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet and not treated as
non-current assets held for sale

**3.22 Derivatives and hedging activities**

Derivatives are only used for economic hedging purposes and not as a speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at FVTPL.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Company designates certain derivatives as either:
hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value changes)
hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges), or hedges of a net investment in a foreign operation (net investment hedges).
At inception of the hedge relationship, the Company documents the economic relationship between hedging instruments and hedged items including whether the changes in the cash flows of the hedging instrument are expected to offset changes in cash flows of hedged items. The Company documents its risk management objective before undertaking hedge transactions.

**3.22.1 Cash flow hedges that qualify for hedge accounting**

The effective portion of change in the fair value of the designated hedging instrument is recognised in the other comprehensive income and accumulated under the heading cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within Other Income.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within 'finance cost' at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset.

When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses).

### 3.23 Impairment of financial assets

#### 3.23.1 Overview of the ECL principles

The Company records allowance for expected credit losses (ECL) for all loans, other debt financial assets not held at FVTPL, together with loan commitments, in this section all referred to as 'financial instruments'.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined in *note 3.21.2*.

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

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

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorises its loans into Stage 1, Stage 2, Stage 3 and POCI, as described below:

| | |
|---|---|
| Stage 1 | When loans are first recognised, the Company recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2. |
| Stage 2 | When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3. |
| Stage 3 | Loans considered credit-impaired. The Company records an allowance for the LTECLs. |
| POCI | Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses. |

#### 3.23.2 The calculation of ECLs

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

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

| | |
|---|---|
| PD | The Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. |
| EAD | The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. |
| LGD | The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. |

When estimating the ECLs, the Company considers four scenarios (a base case, an upside, a mild downside ('downside 1') and a more extreme downside ('downside 2')). Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.



*The mechanics of the ECL method are summarised below:*

| | |
|---|---|
| Stage 1 | The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. |
| Stage 2 | When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR. |
| Stage 3 | For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%. |
| POCI | POCI assets are financial assets that are credit impaired on initial recognition. The Company only recognises the cumulative changes in lifetime ECLs since initial recognition, based on a probability-weighting of the four scenarios, discounted by the credit-adjusted EIR. |
| Loan commi-tments | When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weighting of the four scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan. |

For a loan and an undrawn commitment, ECLs are calculated and presented together with the loan. For loan commitments, the ECL is recognised within provisions.

**3.23.3 Significant increase in credit risk**

The Company monitors all financial assets and financial guarantee contracts that are subject to the impainment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's historical experience and expert credit assessment.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the Probability of Default will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD. As a back-stop when loan asset becomes 30 days past due, the Company considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL.

**3.23.4 Credit-impaired financial assets**

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- restructuring of loans due to financial difficulty of the borrowers;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event. Instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortised cost or FVOCI are credit-impaired at each reporting date. To assess if corporate debt instruments are credit impaired, the Company considers factors such as bond yields, credit ratings and the ability of the borrower to raise funds.

A loan is considered credit-impaired when a concession is granted to the borrower due to deterioration in the borrower's financial condition. The definition of default includes unlikeliness to pay indicators and a back-stop if amounts are overdue for 90 days or more.

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**3.23.5 Trade receivables and other assets**

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates.

**3.23.6 Forward looking information**

In its ECL models, the Company relies on a broad range of forward looking information as economic inputs, such as: GDP growth, unemployment rates, Central Bank base rates, house price indices, etc

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

**3.23.7 Write-offs**

Financial assets are written off either partially or in their entirety only when the Company had concluded that it had no reasonable expectations of recovering the asset and has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

**3.23.8 Presentation of allowance for ECL in the Balance Sheet**
For financial assets measured at amortised cost, loss allowances for ECL are presented in the statement of financial position as a deduction from the gross carrying amount of the assets.

**3.24 Determination of fair value**

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

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

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

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as below:

| | |
|---|---|
| Level 1 | Quoted (unadjusted) market prices in active markets for identical assets or liabilities |
| Level 2 | Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable |
| Level 3 | Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable |

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

**3.25 Security deposits**

At initial recognition the carrying value of the refundable deposits is taken at present value of all expected future principal repayments discounted using market rates prevailing at the time of inception. For Interest expenses, the difference between present market value and deposit made is recognised as prepayment and amortised in the Statement of Profit and loss over the benefit period on systematic basis. Interest income is recognised at the prevailing market rates.

### 3.26 Statement of Cash flows

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

### 3.27 Foreign Currencies

Functional currency of the Company and foreign operations has been determined based on the primary economic environment in which the Company and its foreign operations operate considering the currency in which funds are generated, spent and retained.

Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the rates prevailing at the year-end. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise.

### 3.28 Share-based payment arrangements

The stock options granted to employees by the holding company's (i.e. Aditya Birla Capital Limited) Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. The cost incurred by the holding company, in respect of options granted to employees of the Company, is being recovered by holding company and it is charged to the Statement of Profit and Loss of the Company over the period of vesting.

## 4 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

***Estimates and assumptions***

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### 4.1 Impairment of financial asset

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

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

- The Company's internal credit grading model, which assigns PDs to the individual grades
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

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

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## 34 Contingent liabilities and commitments

### Contingent liabilities

Claims against the Company not acknowledged as debts on account of legal disputes Rs. 8.10 Lakh (March 31, 2020: Rs. 4.96 Lakh). Unfavourable outcome of these legal cases if any do not have any material and adverse impact on the financial position of the Company as on the balance sheet date.

The Company is not exposed to any other contingent liabilities as on the balance sheet except as mentioned above for legal disputes.

### Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) on account of property, plant and equipment Rs. 0.16 Lakh (March 31, 2020: Rs. 1.57 Lakh) and on account of intangible assets Rs. 185.31 Lakh (March 31, 2020: Rs. 166.01 Lakh ).

## 35 Related party disclosures

### I) List of related parties as per Ind AS -24 with whom transactions have taken place during the year.

**(A) Where control exists**
Aditya Birla Capital Limited (ABCL) (Holding Company)
Grasim Industries Limited (Ultimate Holding Company)

**(B) Fellow subsidiaries**
Aditya Birla Finance Limited (ABFL)
Aditya Birla Capital Technology Services Limited (ABCTSL)
Aditya Birla Sun Life Insurance Company Limited (ABSLICL)
Aditya Birla Sun Life AMC Limited (ABSLAMCL)
Aditya Birla Money Limited (ABML)
Aditya Birla Health Insurance Limited (ABHI)
Aditya Birla Financial Shared Services Limited (ABFSSL)
Aditya Birla Insurance Brokers Limited (ABIBL)
Aditya Birla PE Advisors Private Limited (ABPEL)
Aditya Birla Wellness Private Limited (ABWPL)
Ultratech Cement Limited (UCL)
Aditya Birla Insulators (ABI)

**(C) Key management personnel**

| | |
|---|---|
| Mr. Netrapal Singh | Chief Executive Officer (w.e.f. July 30, 2019) |
| | Chief Business Officer (upto July 29, 2019) |
| Mr. Tushar Kotecha | Chief Financial Officer (w.e.f July 31, 2019) |
| | Chief Financial Officer and Manager (upto July 30, 2019) |

### II) Transactions with related parties

| (a) Purchase and sale of services | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Referred in (A) above** | | |
| Other operating expenses | | |
| Aditya Birla Capital Limited | 279.54 | 378.98 |
| Employees Stock option plan expenses | | |
| Aditya Birla Capital Limited | 20.44 | 51.33 |
| Interest expenses | | |
| Aditya Birla Capital Limited | 53.70 | 146.72 |
| Other Comprehensive Income - Gratuity (gain)/loss | | |
| Aditya Birla Capital Limited | (2.90) | 5.31 |
| Recovery of other operating expenses | | |
| Aditya Birla Capital Ltd | 4.64 | - |

ADITYA BIRLA HOUSING FINANCE LTD.

| Referred in (B) above | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Other operating expenses | | |
| Aditya Birla Finance Limited | 1,507.82 | 1,547.26 |
| Aditya Birla Money Limited | 0.26 | 0.88 |
| Aditya Birla Sun Life AMC Limited | 1.27 | 0.60 |
| Aditya Birla Capital Technology Services Limited | 124.83 | 7.08 |
| Aditya Birla Health Insurance Limited | 0.12 | 1.71 |
| Aditya Birla Financial Shared Services Limited | 861.77 | 818.97 |
| Aditya Birla PE Advisors Private Limited | 0.89 | - |
| Aditya Birla Insurance Brokers Limited | 0.18 | - |
| Aditya Birla Wellness Private Limited | 0.47 | - |
| Ultratech Cement Limited | 0.23 | - |
| Interest expenses | | |
| Aditya Birla Sun Life Insurance Company Limited | 128.49 | 129.78 |
| Other Comprehensive Income - Gratuity (gain)/loss | | |
| Aditya Birla Financial Shared Services Limited | (41.79) | 7.35 |
| Recovery of other operating expenses | | |
| Aditya Birla Finance Limited | 365.21 | 465.43 |
| Aditya Birla Insurance Brokers Limited | 7.48 | 52.34 |
| Aditya Birla Sun Life AMC Limited | 3.80 | 3.80 |
| Ultratech Cement Limited | 51.90 | - |
| Aditya Birla Financial Shared Services Limited | 4.64 | - |
| Income | | |
| Aditya Birla Health Insurance Limited | 121.84 | 118.50 |
| Aditya Birla Sun Life Insurance Company Limited | 165.07 | 132.66 |
| **Referred in (C) above** | | |
| Remuneration | 320.30 | 326.15 |
| (Mr. Netrapal Singh - April 1, 2019 to March 31, 2021) | | |
| (Mr. Tushar Kotecha - April 1, 2019 to July 30, 2019) | | |

| b) Outstanding balances arising from purchase and sale of services | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Referred in (A) above** | | |
| Payable | | |
| Aditya Birla Capital Limited | 28.41 | 24.00 |
| **Referred in (B) above** | | |
| Receivable *(refer note 7)* | | |
| Aditya Birla Money Limited | - | 3.41 |
| Aditya Birla Sun Life AMC Limited | - | 0.27 |
| Aditya Birla Insurance Brokers Limited | - | 20.53 |
| Aditya Birla Health Insurance Limited | 67.79 | 44.22 |
| Aditya Birla Sun Life Insurance Company Limited | 119.60 | 32.56 |
| Payable | | |
| Aditya Birla Finance Limited | 299.60 | 236.21 |
| Aditya Birla Health Insurance Limited | - | 0.43 |
| Aditya Birla Financial Shared Services Limited | 126.35 | 118.46 |
| Aditya Birla Money Limited | 0.25 | - |
| Aditya Birla Capital Technology Services Limited | 22.40 | - |
| Aditya Birla Wellness Private Limited | 0.44 | - |
| Aditya Birla Sun life Asset Management Company Limited | 0.59 | - |
| Ultratech Cement Limited | 0.12 | - |
| Other balances (Receivables) | | |
| Aditya Birla Financial Shared Services Limited | 6.03 | 7.43 |
| Aditya Birla Capital Technology Services Limited | 0.49 | - |

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## Aditya Birla Housing Finance Limited
### Notes to the financial statements for the year ended March 31, 2021
*(Currency: Rupees in Lakhs)*

| c) Loans from related parties | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Referred in (A) above** | | |
| Aditya Birla Capital Limited | | |
| Loan balance at the beginning of the year | 656.00 | 2,600.00 |
| Loan obtained (including inter corporate borrowings) | 500.00 | 16,242.00 |
| Loans repaid (including inter corporate borrowings) | 756.00 | 18,186.00 |
| Loan balance at the end of the year | 400.00 | 656.00 |
| Interest accrued on above | - | - |
| **Referred in (B) above** | | |
| Aditya Birla Sun Life Insurance Company Limited | | |
| Loan balance at the beginning of the year | 1,500.00 | 1,500.00 |
| Loan obtained (issue of debentures) | - | - |
| Loans repaid | 500.00 | - |
| Loan balance at the end of the year | 1,000.00 | 1,500.00 |
| Interest accrued but not due on above | 74.29 | 75.54 |

| d) Other transactions | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Referred in (A) above** | | |
| Capital issued | | |
| Aditya Birla Capital Limited | | |
| Share capital issued during the year * | - | 10,000.00 |
| **Includes securities premium of Rs. Nil (March 31, 2020: Rs. 7,435.90 Lakh)* | | |
| Capital Outstanding | | |
| Aditya Birla Capital Limited | | |
| Equity share capital outstanding | 50,119.77 | 50,119.77 |
| **Referred in (B) above** | | |
| Other transactions | | |
| Aditya Birla Financial Shared Services Limited (Recovery of transfer employees) | 0.50 | 0.75 |
| Aditya Birla Financial Shared Services Limited (Sale of Fixed Assets) | 2.55 | - |
| Aditya Birla Sun Life Insurance Company Limited (Recovery of transfer employees) | 12.65 | 5.13 |
| Aditya Birla Money Limited (Recovery of transfer employees ) | 0.16 | 3.41 |
| Aditya Birla Finance Limited (Reimbursement relating to CWIP) | - | 32.16 |
| Aditya Birla Finance Limited (Sale of Fixed Assets) | 2.44 | 4.74 |
| Aditya Birla Finance Limited (Purchase of Fixed Assets) | - | 0.35 |
| Aditya Birla Sun Life Insurance Company Limited (Purchase of Fixed Assets) | - | 1.59 |
| Aditya Birla PE Advisors Private Limited (Purchase of Fixed Assets) | - | 0.00 |
| Aditya Birla Capital Technology Services Limited (Purchase of Fixed Assets) | 30.18 | - |
| Aditya Birla Money Limited (Purchase of Fixed Assets) | 8.39 | - |
| Aditya Birla Financial Shared Services Limited (Transfer of Employees) | 4.69 | - |
| Aditya Birla Finance Limited (Recovery of transfer employees) | 72.52 | - |
| Aditya Birla Insulators (Recovery of transfer employees) | 0.71 | - |

*Foot notes:*

a) The related party relationships have been as identified by the management on the basis of the requirements of the Ind AS -24 'Related Party Disclosures' issued by the Ministry of Corporate Affairs.
b) The relationships as mentioned above except where control exists pertain to those related parties with whom transactions have taken place during the year.

**36 Leasing arrangements**

**Disclosure Pursuant to Indian Accounting Standard 116 - Leases is as under:**

*Transition for IND AS 116 - Leases*

Effective April1, 2019, the Company adopted IND AS 116 "Leases" and applied the standard to all lease contracts existing on April1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Financial Statements for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of Rs. 2,738.27 lakhs, 'Net investment in sub-lease' of ROU asset of NIL and a lease liability of Rs. 3,045.83 Lakh. The cumulative effect of applying the standard, amounting to Rs. 200.09 lakh was debited to retained earnings, net of taxes. The effect of this adoption is in significant on the operating profit, net profit for the period and earnings per share. Ind AS 116 will result in an increase in cash in flows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

**The following is the summary of practical expedients elected on initial application:**

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly for all contracts as on April 1, 2019, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is between the range of 8.00% to 8.50% for a period varying from 1 to 10 years.

**Critical accounting judgements and key sources of estimation uncertainty**

Critical judgements required in the application of Ind AS 116 may include, among others, the following:

- Identifying whether a contract (or part of a contract) includes a lease;
- Determining whether it is reasonably certain that an extension or termination option will be exercised;
- Classification of lease agreements (when the entity is a lessor);
- Determination of whether variable payments are in-substance fixed;
- Establishing whether there are multiple leases in an arrangement;
- Determining the stand-alone selling prices of lease and non-lease components.

**Key sources of estimation uncertainty in the application of Ind AS 116 may include, among others, the following:**

- Estimation of the lease term;
- Determination of the appropriate rate to discount the lease payments;
- Assessment of whether a right-of-use asset is impaired.

**Operating lease commitments – Company as lessee (refer note 33)**

The Company has entered into lease agreements for premises at various locations for periods between 12 months to 60 months. The lease payments recognised in the statement of profit and loss are Rs. 637.27 lakhs (March 31, 2020 Rs. 607.65 lakhs).

Following are the changes in the carrying value of right of use assets: *(refer note 14)*

| Category of ROU Asset - Leasehold premises | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Opening Balance | 2,288.82 | 2,738.27 |
| Additions | 1,030.25 | 3.47 |
| Reclassified from deferred lease expense | 31.04 | 108.25 |
| Deletions | -1,366.70 | - |
| Depreciation | -490.09 | -561.17 |
| Closing Balance | 1,493.32 | 2,288.82 |

ADITYA BIRLA HOUSING FINANCE LTD.

**Amounts recognised in profit and loss**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Depreciation expense on right-of-use assets | 490.09 | 561.17 |
| Interest expense on lease liabilities | 176.37 | 225.25 |
| Expense relating to short-term leases | 354.01 | 400.52 |
| Income from subleasing right-of-use assets | 59.26 | 37.31 |

**The break-up of current and non-current lease liabilities is as follows:**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Current Lease Liabilities | 357.69 | 585.61 |
| Non-Current Lease Liabilities | 1226.96 | 2,016.51 |
| **Total** | **1,584.65** | **2,602.12** |

**The movement in lease liabilities during the is as follows:**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Opening balance | 2,602.12 | 3,045.83 |
| Additions | 1,030.25 | 3.47 |
| Additions through Business Combinations | - | - |
| Deletions | -1698.53 | - |
| Finance Cost accrued during the period | 176.37 | 225.25 |
| Payment of Lease Liabilities | -525.56 | -672.43 |
| **Closing balance** | **1,584.65** | **2,602.12** |

**The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Less than one year | 371.64 | 607.75 |
| One to Five years | 1,231.89 | 2,052.53 |
| More than Five years | 402.57 | 605.65 |
| **Total** | **2,006.10** | **3,265.93** |

**Future expected cash outflows to which the lessee is potentially exposed and are not reflected in the measurement of lease liabilities:**

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Lessee utilises its extension option | - | - |
| Amount of residual value guarantees | - | - |
| Leases not yet commenced to which the lessee is committed | - | - |
| **Total** | - | - |

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Company has applied the practical expedient as given in para 46B of Ind AS 116 in relation to Rent concessions being given due to Covid-19 pandemic by the lessor.

**Operating lease commitments – Company as lessor**

The Company is not involved in such activity during the current financial year as well as during previous financial year.

**Impact of COVID-19**

The Company does not foresee any large-scale contraction in demand which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant. The leases that the Company has entered with lessors towards properties used as branches are long term in nature and no changes in terms of those leases are expected due to the COVID-19.

ADITYA BIRLA HOUSING FINANCE LTD.

**37 Earnings per share (EPS)**

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Net profit for the year available for equity shareholders | 13,723.32 | 10,265.25 |
| Weighted average number of equity shares outstanding (numbers) | 50,11,97,682 | 47,61,87,173 |
| Basic and diluted earnings per share (Rs.) | 2.74 | 2.16 |

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

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

**38 Micro, small and medium enterprises**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| i. the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year; | 28.70 | 69.55 |
| ii. the amount of interest paid by the Company in terms of section 16 of MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during the year; | - | - |
| iii. the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006; | - | - |
| iv. the amount of interest accrued and remaining unpaid at the end of each accounting year; | - | - |
| v. the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006. | - | 0.01 |

The management has identified micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of information made available by the supplier or vendors of the Company.

**39 Segment information**

Operating business segment results are reviewed regularly by the Company's Chief Operating Decision Maker (Board of Directors) to make decisions about resources to be allocated to the segments and assess their performance. Business segment is the primary segment comprising of 'Housing finance'. As the Company operates only in a single business segment, no segment information thereof is given as required under Ind AS 108.'

**40 Auditors remuneration** *(included in legal and professional charges - refer note 33)*

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Audit fees (including limited review fees) | 27.61 | 25.00 |
| Tax audit fees | 2.00 | 2.00 |
| Certification work | 8.18 | 7.33 |
| Out of pocket expenses | 0.66 | 1.15 |
| | 38.45 | 35.48 |

**41 Employee stock option plan (ESOP)**

Pursuant to ESOP Plan being established by the holding company i.e. Aditya Birla Capital Limited, stock options were granted to the employees of the Company during the financial year 2017-18. Total cost incurred by the holding company till date is being recovered from the Company over the period of vesting. Accordingly, a sum of Rs. 20.44 lakh (March 31, 2020 : Rs. 51.33 lakh) has been charged to the Statement of Profit and Loss. The balance sum of Rs. 8.50 lakh will be charged to the Statement of Profit and Loss in future periods.

**42 Nature and Term of Outstanding Derivative Contract**

**a) Cross currency interest rate swaps (CCIRS)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| i) Total notional principal amount of CCIRS agreement undertaken during the year | 35,445.00 | 35,445.00 |
| ii) Total notional principal amount of CCIRS agreement outstanding as on end of the year | 35,445.00 | 35,445.00 |
| iii) Maturity date of CCIRS | October 30, 2022 | October 30, 2022 |
| iv) Hedge ratio | 1:1 | 1:1 |
| v) Currency pair | USD / INR | USD / INR |

**b) The fair value mark to market (MTM) gains or losses in respect of CCIRS Agreement outstanding as at the Balance Sheet date is stated below:**

| Hedging Instrument | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Cross currency interest rate swaps (CCIRS) | (306.73) | 1,070.50 |

**c) Movement in Hedge Reserve (excluding deferred tax)**

| Cash Flow Hedge Reserve Account | March 31, 2021 | | |
|---|---|---|---|
| | Realised | Unrealised | Total |
| i) Balance at the beginning of the year | - | (978.81) | (978.81) |
| ii) Add: Changes in the fair value during the Year | 2,022.62 | (1,377.22) | 645.40 |
| iii) Less: Amounts reclassified to statement of profit & loss | 2,022.62 | (1,151.40) | 871.22 |
| iv) Balance at the end of the year | - | (1,204.63) | (1,204.63) |

| Cash Flow Hedge Reserve Account | March 31, 2020 | | |
|---|---|---|---|
| | Realised | Unrealised | Total |
| i) Balance at the beginning of the year | - | - | - |
| ii) Add: Changes in the fair value during the Year | (409.19) | 1,070.50 | 661.30 |
| iii) Less: Amounts reclassified to statement of profit & loss | (409.19) | 2,049.31 | 1,640.11 |
| iv) Balance at the end of the year | - | (978.81) | (978.81) |

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| i) Name of the Counter Party | State bank of India | State bank of India |
| ii) Hedge Designation | Effective | Effective |
| iii) Exchange rate (USD/INR) | 70.89 | 70.89 |
| iv) Interest rate (p.a.) | 7.79% | 7.79% |

ADITYA BIRLA HOUSING FINANCE LTD.

**43**

**Disclosure as per Insurance Regulatory and Development Authority of India (Insurance Brokers) Regulations, 2018 :-**

**A. Detail of income received from insurers:**

| Name of insurer | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Aditya Birla Health Insurance Co Ltd | 121.84 | 118.50 |
| Liberty General Insurance Co. Ltd. | 131.45 | 119.92 |
| Reliance General Insurance Co. Ltd | 47.12 | 130.45 |
| Aditya Birla Sun Life Insurance Co. Ltd. | 108.07 | 132.66 |

**B. Detail of payments received by the group companies from insurers:**

| Company name | Name of insurer | Nature of payment | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|---|
| Aditya Birla Insurance Brokers Limited. | Aditya Birla Sunlife Insurance Company Ltd. | Reinsurance Premium Payable, Employee transfer Dues Received, Brokerage | 65.15 | 110.69 |
| | Aditya Birla Health Insurance Ltd. | Rent, Brokerage, Reinsurance Premium Payable | 175.21 | 203.97 |
| | Liberty General Insurance Co. Ltd. | Brokerage, Reinsurance Premium Payable | 4,633.17 | 5,898.24 |
| | Reliance General Insurance Company Ltd. | Brokerage, Reinsurance Premium Payable | 5,410.50 | 6,518.66 |
| | Go Digit General Insurance Limited | Brokerage, Reinsurance Premium Payable | 1,679.35 | - |
| Aditya Birla Money Insurance Advisory Services Limited. | Aditya Birla Sunlife Insurance Co. Ltd. | Insurance Commission | 266.17 | 134.11 |
| | Liberty General Insurance Co. Ltd. | Insurance Commission | 209.41 | 129.00 |
| | Reliance General Insurance Co. Ltd. | Insurance Commission | 119.56 | 173.38 |
| | Aditya Birla Health Insurance Co. Ltd. | Insurance Commission | 57.00 | 31.00 |
| | Tata-AIG General Insurance Co. Ltd | Insurance Commission | 1.85 | - |
| Aditya Birla Sunlife Insurance Co Ltd | Aditya Birla Health Insurance Co Ltd | Recovery of expenses | - | 0.32 |
| | Aditya Birla Health Insurance Co Ltd | Reimbursement of Rent | - | 88.63 |
| | Aditya Birla Health Insurance Co Ltd | Reimbursement of Expenses, Employee Transfer,Transfer of Asset | 287.68 | 12.44 |
| Grasim Industries Ltd | The New India Assurance Company | Claim ( Mega Policy) | - | 93.40 |
| | | CD balance refund | - | 4.29 |
| | | CD balance refund | - | 0.30 |
| | | Claim ( Office Protection Policy) | - | 0.05 |
| | Tata AIG General Insurance Co. Ltd | Excess premium Refund | - | 0.00 |
| | HDFC Ergo General Insurance Co. | CD balance refund | - | 0.96 |

## Aditya Birla Housing Finance Limited

### Notes to the financial statements for the year ended March 31, 2021

*(Currency: Rupees in Lakhs)*

| | | | | |
|---|---|---|---|---|
| Aditya Birla Money Limited | Aditya Birla Sunlife Insurance Co Ltd | Office premises usage charges | 1.78 | 13.94 |
| Aditya Birla Health Insurance Co Ltd | Aditya Birla Sunlife Insurance Co Ltd | Premium | 437.31 | 391.29 |
| Aditya Birla Capital Technology Services Ltd | Aditya Birla Sunlife Insurance Co Ltd | Advertisement Income | - | 58.00 |
| | | Employee Transfer (LTA, Leave Encashment & Gratuity) | - | 0.21 |
| | | Business Support Income (IT Development - Mumbai),Software Development Income (IT Development - Chennai) | 552.46 | - |
| | Aditya Birla Health Insurance Co Ltd | Business Support Income (IT Development - Mumbai), Group Mediclaim Receipt, Software Development Income (IT Development - Chennai) | 139.57 | - |
| Aditya Birla Sun Life AMC Limited | Aditya Birla Sunlife Insurance Co Ltd | Non insurance receipt toward reimbursement of expenses/Sale of assets/employee transfers etc | 29.27 | - |
| | Aditya Birla Health Insurance Co Ltd | Non insurance receipt toward reimbursement of expenses/Sale of assets etc. | 10.35 | - |
| | Tata-AIG General Insurance Co. Ltd | Other Damaged Claims | 6.94 | - |
| Aditya Birla Capital Limited | Aditya Birla Sunlife Insurance Co Ltd | Business Support Cost | 3,342.94 | - |
| | Aditya Birla Health Insurance Co Ltd | Business Support Cost | 140.29 | - |
| Aditya Birla Finance Limited | Tata-AIG General Insurance Co. Ltd | Damaged Claims | 1.47 | - |
| Aditya Birla Financial Shared Services Limited | ICICI Lombard | Car Insurance | 15.80 | - |

**Note:**

As per Regulation 34 (6) of Insurance Regulatory and Development Authority of India (Insurance Brokers) Regulations, 2018, insurance brokers are required to include details of payments received by the group companies and/or associates and/or related parties of the insurance broker from any insurer and the details thereof in their financial statements. The above information covers payments received from insurers by Aditya Birla Capital Group companies and Grasim Industries Limited, the ultimate holding company.

ADITYA BIRLA HOUSING FINANCE LTD.

**44 Fees and Commission Income**

Fees and commission income includes brokerage of Rs. 408.48 lakh (March 31, 2020: Rs. 501.53 lakh) received in respect of insurance/agency business undertaken by the Company. Out of this, Rs. 229.91 lakh (March 31, 2020: Rs. 251.16 lakh) have been received from related parties.

**45 Statement of corporate social responsibility expenditure**

The gross amount required to be spent by the Company during the year towards Corporate Social Responsibility as per Sec 135 (5) of the Companies Act, 2013 was Rs. 177.98 lakh (March 31, 2020 : Rs. 77.02 lakh).

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Amount spent during the year on:** | | |
| I. Construction/acquisition of assets | - | - |
| II. On purpose other than (I) above | 177.98 | 77.02 |

ADITYA BIRLA HOUSING FINANCE LTD.

## Aditya Birla Housing Finance Limited
### Notes to the financial statements for the year ended March 31, 2021
*(Currency: Rupees in Lakhs)*

**46 Issuance of Debt Securities by Large Corporate (Ref : SEBI/HO/DDHS/CIR/P/2018/144 dated 26.11.2018)**

**A. Initial disclosure to be made by an entity identified as a Large Corporate -**

| Sr. No. | Particulars | Details |
|---|---|---|
| 1 | Name of the company | Aditya Birla Housing Finance Limited |
| 2 | CIN | U65922GJ2009PLC083779 |
| 3 | Outstanding borrowing of company as on March 31, 2021 | * Rs. 10,22,713 lakh |
| 4 | Highest Credit Rating During the previous FY along with name of the Credit Rating Agency | 1. AAA by India Ratings & Research Private Ltd for NCD, Sub Debt & PPMLD (Principal Protected Market Linked Debenture), Bank Lines (Long Term).<br>2. AAA by ICRA Ltd for NCD, Sub Debt & Bank Lines (Long Term). |
| 5 | Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework | National Stock Exchange India Ltd (NSE) |

** Principal Outstanding and Excluding commercial papers, cash credit, WCDL & inter corporate borrowings from Parent Company.*

**B. Annual disclosure to be made by an entity identified as a Large Corporate -**

| | | |
|---|---|---|
| 1 | Name of the Company : | Aditya Birla Housing Finance Limited |
| 2 | CIN : | U65922GJ2009PLC083779 |
| 3 | Report filed for : | FY : 2020-2021 |
| 4 | Details of the borrowings : | |

| Sr. No. | Particulars | Details |
|---|---|---|
| I | Incremental Borrowing in FY (a) | 2,37,500 |
| II | Mandatory borrowing to be done through issuance of debt securities (b) = (25% of a) | 59,375 |
| III | Actual borrowings done through debt securities in FY21 (c) | 77,500 |
| IV | Shortfall in the mandatory borrowing through debt securities, if any (d) = (b) - (c) | Nil |
| V | Reasons for short fall, if any, in mandatory borrowings through debt securities | None, as the Company has exceeded the mandatory incremental borrowing through issuance of debt securities. |

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## 47 Employee benefit plans

### I) Defined contribution plans

Amount recognised as an expense and included in *note 32 - "Contribution to provident and other funds"* :

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Contribution to Govt. managed Employees Provident Fund | 394.08 | 361.68 |
| Contribution to Employee State Insurance Fund and others | 22.64 | 21.13 |
| | **416.72** | **382.81** |

### II) Defined benefit plans

The Company has a defined benefit gratuity plan (funded) to cater its liability under Payment of Gratuity Act, 1972 and long term compensated absences plan (unfunded) for leave entitlements to employees.
The details of the Company's defined benefit gratuity plan for its employees are given below:

| **a) Amount recognized in the balance sheet** | **As at March 31, 2021 (Funded)** | **As at March 31, 2020 (Funded)** |
|---|---|---|
| Present value of defined benefit obligation at the end of the year *( refer note 22)* | 523.97 | 441.01 |
| Fair value of plan assets at the end of the year *(refer note 15)* | 502.92 | 273.70 |
| Net liability at the end of the year | **21.05** | **167.31** |

| **b) Components of defined benefit costs recognised in statement of profit and loss and other comprehensive income** | **For the year ended March 31, 2021** | **For the year ended March 31, 2020** |
|---|---|---|
| Recognised in the statement of profit and loss | | |
| Current service cost | 101.49 | 89.79 |
| Interest on defined benefit obligation | 9.03 | 3.89 |
| Past service cost | - | - |
| Administration expenses | - | - |
| (Gains) / loss on settlement | - | - |
| **Total expense charged** | **110.52** | **93.68** |
| Recognised in other comprehensive income | | |
| Remeasurement of the net defined benefit liability due to | | |
| - Changes in financial assumptions | 12.58 | 37.49 |
| - Changes in demographic assumptions | - | (0.08) |
| - Experience adjustments | (20.58) | 43.56 |
| - Actual return on plan assets less interest on plan assets | (47.15) | (2.60) |
| - Adjustments to recognise the effect of asset ceiling | - | - |
| **Closing amount recognised in OCI** | **(55.15)** | **78.37** |

Current service cost and the net interest expense for the year are included in the 'Employee benefit expenses'.
The remeasurement of the net defined benefit liability is included in other comprehensive income.
Gratuity expense in the Statement of Profit and loss includes the charge of Rs. 13.26 lakh (March 31, 2020 : Rs. 11.99 lakh ) from Aditya Birla Financial Shared Services Limited and Rs. 2.52 lakh (March 31, 2020 : Rs. 2.52 lakh) from Aditya Birla Capital Limited on account of shared employee cost.
Other comprehensive Income in the Statement of Profit and loss includes the charge/ (credit) of Rs. (41.79) lakh (March 31, 2020 : Rs. 7.35 lakh) from Aditya Birla Financial Shared Services Limited and Rs. (2.90) lakh (March 31, 2020 : Rs. 5.31 lakh) from Aditya Birla Capital Limited on account of shared employee cost.



**c) Reconciliation of present value of the obligation**

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Opening defined benefit obligation | 441.01 | 257.69 |
| Current service cost | 101.49 | 89.79 |
| Past service cost | - | - |
| Interest on defined benefit obligation | 23.80 | 17.30 |
| Remeasurements due to: | | |
| -Actuarial loss/(gain) arising from change in financial assumption | 12.58 | 37.49 |
| -Actuarial loss/(gain) arising from change in demographic assumption | - | (0.08) |
| -Actuarial loss/(gain) arising on account of experience changes | (20.58) | 43.56 |
| Benefit paid | (34.32) | (4.74) |
| Liabilities assumed / (settled) | - | - |
| Closing defined benefit obligation | 523.97 | 441.01 |

**d) Reconciliation of fair value of the plan assets:**

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Opening fair value of the plan assets | 273.70 | 199.74 |
| Employer contributions | 167.30 | 57.95 |
| Interest on plan assets | 14.77 | 13.41 |
| Administration expenses | - | - |
| Remeasurements due to: | | |
| - Actual return on plan assets less interest on plan assets | 47.15 | 2.60 |
| Benefits paid | - | - |
| Assets acquired / (settled) | - | - |
| Assets distributed on settlements | - | - |
| Closing fair value of plan assets | 502.92 | 273.70 |

**e) Disaggregation of plan assets**

| | As at March 31, 2021 | | |
|---|---|---|---|
| | Quoted value | Non quoted value | Total |
| Government debt instruments | - | 61.61 | 61.61 |
| Other debt instruments | - | 4.83 | 4.83 |
| Insurer managed funds | - | 202.22 | 202.22 |
| Others | - | 234.26 | 234.26 |
| Total | - | 502.92 | 502.92 |

| | As at March 31, 2020 | | |
|---|---|---|---|
| | Quoted value | Non quoted value | Total |
| Government debt instruments | - | 13.79 | 13.79 |
| Other debt instruments | - | 0.77 | 0.77 |
| Insurer managed funds | - | 108.47 | 108.47 |
| Others | - | 150.67 | 150.67 |
| Total | - | 273.70 | 273.70 |

**f) Principal actuarial assumptions**

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Discount rate (p.a.) | 4.90% | 5.40% |
| Salary escalation rate (p.a) | 7.00% | 7.00% |
| Expected return on plan assets (p.a) | 4.90% | 5.40% |
| Attrition rate (p.a) | Age: Upto 30 : 46%<br>Age: 31-40 : 35%<br>Age: 41-50 : 19%<br>Age: Above 50 : 0% | Age: Upto 30 : 46%<br>Age: 31-40 : 35%<br>Age: 41-50 : 19%<br>Age: Above 50 : 0% |

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**g) Sensitivity analysis of principal assumptions**

| *(in terms of percentage)* | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Impact of increase in 50 bps on DBO** | | |
| Discount rate | -3.40% | -3.40% |
| Salary escalation rate | 3.60% | 3.60% |
| Attrition Rate | -15.20% | -15.70% |
| **Impact of decrease in 50 bps on DBO** | | |
| Discount rate | 3.70% | 3.70% |
| Salary escalation rate | -3.40% | -3.40% |
| Attrition Rate | 30.90% | 32.00% |

| *(in terms of amount)* | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **DBO due to Impact of increase in 50 bps** | | |
| Discount rate | 505.91 | 425.88 |
| Salary escalation rate | 542.78 | 456.83 |
| Attrition Rate | 444.50 | 371.84 |
| **DBO due to Impact of decrease in 50 bps** | | |
| Discount rate | 543.23 | 457.12 |
| Salary escalation rate | 506.14 | 426.00 |
| Attrition Rate | 686.09 | 582.27 |

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.
The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

**h) Maturity profile of defined benefit obligation**

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

| **Maturity profile** | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Expected benefits for year 1 | 95.61 | 67.87 |
| Expected benefits for year 2 | 69.87 | 58.12 |
| Expected benefits for year 3 | 55.09 | 53.80 |
| Expected benefits for year 4 | 44.60 | 43.00 |
| Expected benefits for year 5 | 35.23 | 33.29 |
| Expected benefits for year 6 | 27.35 | 26.48 |
| Expected benefits for year 7 | 21.18 | 20.22 |
| Expected benefits for year 8 | 17.70 | 48.83 |
| Expected benefits for year 9 | 24.06 | 12.55 |
| Expected benefits for year 10 and above | 393.60 | 325.81 |

The weighted average duration to the payment of these cash flows is 7 years (March 31, 2020 : 7 years).
The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields as at Balance Sheet date.
Estimated amount of contribution expected to be paid to the gratuity fund during the period after the Balance Sheet date is Rs. 139.87 lakh (March 31, 2020: Rs. 285.44 lakh).

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## Aditya Birla Housing Finance Limited

### Notes to the financial statements for the year ended March 31, 2021

*(Currency: Rupees in Lakhs)*

**48 Maturity analysis of assets and liabilities**

| Particulars | As at March 31, 2021 | | | As at March 31, 2020 | | |
|---|---|---|---|---|---|---|
| | Within 12 months | After 12 months | Total | Within 12 months | After 12 months | Total |
| **ASSETS** | | | | | | |
| **FINANCIAL ASSETS** | | | | | | |
| (a) Cash and cash equivalents | 37,737.34 | - | 37,737.34 | 40,020.60 | - | 40,020.60 |
| (b) Derivative financial instruments | - | - | - | - | 1,070.50 | 1,070.50 |
| (c) Receivables | | | | | | |
| - Trade Receivables | 250.45 | - | 250.45 | 213.77 | - | 213.77 |
| - Other Receivables | 187.40 | - | 187.40 | 100.99 | - | 100.99 |
| (d) Loans | 55,002.36 | 11,25,260.35 | 11,80,262.71 | 56,751.62 | 11,54,457.47 | 12,11,209.09 |
| (e) Investments | 10,120.38 | - | 10,120.38 | 54,692.14 | - | 54,692.14 |
| (f) Other Financial assets | 848.15 | 165.22 | 1,013.37 | 295.95 | 184.65 | 480.60 |
| | 1,04,146.08 | 11,25,425.57 | 12,29,571.65 | 1,52,075.07 | 11,55,712.82 | 13,07,787.89 |
| **NON- FINANCIAL ASSETS** | | | | | | |
| (a) Current tax assets (Net) | - | 156.86 | 156.86 | - | 1,257.04 | 1,257.04 |
| (b) Deferred tax Assets (Net) | - | 3,931.01 | 3,931.01 | - | 2,232.68 | 2,232.68 |
| (c) Property, Plant and Equipment | - | 658.84 | 658.84 | - | 903.29 | 903.29 |
| (d) Right to use of Assets | - | 1,493.32 | 1,493.32 | - | 2,288.82 | 2,288.82 |
| (e) Intangible assets under development | - | 119.55 | 119.55 | - | 28.02 | 28.02 |
| (f) Other Intangible assets | - | 485.52 | 485.52 | - | 510.11 | 510.11 |
| (g) Other non-financial assets | 1,130.28 | 31.14 | 1,161.42 | 790.79 | 130.13 | 920.92 |
| | 1,130.28 | 6,876.24 | 8,006.52 | 790.79 | 7,350.09 | 8,140.88 |
| **TOTAL ASSESTS** | 1,05,276.36 | 11,32,301.81 | 12,37,578.17 | 1,52,865.86 | 11,63,062.91 | 13,15,928.77 |
| **LIABILITIES AND EQUITY** | | | | | | |
| **LIABILITIES** | | | | | | |
| **FINANCIAL LIABILITIES** | | | | | | |
| (a) Payables | | | | | | |
| (I) Trade Payables | | | | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | 28.70 | - | 28.70 | 69.55 | - | 69.55 |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 3412.38 | - | 3,412.38 | 2,621.35 | - | 2,621.35 |
| (b) Derivative financial instruments | - | 306.73 | 306.73 | - | - | - |
| (c) Debt Securities | 58,578.26 | 1,14,850.24 | 1,73,428.50 | 1,06,361.56 | 84,639.32 | 1,91,000.88 |
| (d) Borrowings other than debt securities | 1,14,120.79 | 7,47,013.45 | 8,61,134.24 | 1,28,000.93 | 8,21,080.86 | 9,49,081.79 |
| (e) Lease Liability | 357.69 | 1,226.96 | 1,584.65 | 585.61 | 2,016.51 | 2,602.12 |
| (f) Subordinated Liabilities | 1,835.39 | 32,363.85 | 34,199.24 | 1,726.41 | 24,881.61 | 26,608.02 |
| (g) Other financial liabilities | 10,386.88 | - | 10,386.88 | 4,507.28 | - | 4,507.28 |
| | 1,88,720.09 | 8,95,761.23 | 10,84,481.32 | 2,43,872.68 | 9,32,618.31 | 11,76,490.99 |
| **NON- FINANCIAL LIABILITIES** | | | | | | |
| (a) Current tax liabilities (Net) | 68.94 | - | 68.94 | - | - | - |
| (a) Provisions | 823.43 | - | 823.43 | 779.79 | - | 779.79 |
| (b) Other non-financial liabilities | 289.19 | - | 289.19 | 371.74 | - | 371.74 |
| | 1,181.56 | - | 1,181.56 | 1,151.53 | - | 1,151.53 |
| **NET** | (84,625.29) | 2,36,540.58 | 1,51,915.29 | (92,158.35) | 2,30,444.60 | 1,38,286.25 |

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**49 Financial risk management objectives and policies**

ABHFL's risk philosophy involves a competent and comprehensive risk management framework & robust policies and processes which minimise the element of uncertainty and help in developing and maintaining a healthy portfolio within its risk appetite and the regulatory framework. The Risk Management provides stability and balance ensuring that growth is backed by a robust portfolio. ABHFL is exposed to various types of risks such as credit risk, market risk (which includes liquidity risk and pricing risk), operational risk, legal risk, regulatory risk and competition risk.

ABHFL's risk management strategy is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring. The policies and procedures established for this purpose are continuously benchmarked with best practices. The Board of Directors have an oversight over the risk management framework applicable to the Company. The risk management oversight structure includes various Committees such as Risk Management Committee which consist of Board members and Senior Management. The Risk Management Committee ("RMC") which is chaired by an Independent Director conducts review at regular intervals to monitor compliance with risk policies, risk tolerance limits, review and analysis of risk exposure and provides oversight of risk across the organization.

**Market risk**

The Company does not have any investments in securities other than short term investments of excess funds in liquid schemes of mutual funds and hence, there is no material market risk.
On liabilities front, the Company borrows through CPs (fixed rate, short duration), Term Loans (from Banks – at rates lined to their MCLR) and NCDs (fixed rate, long term).
The Company has a robust mechanism to take care of liquidity risks in form of free Bank lines (CC and TL). From time to time depending on markets, the Company also invests in liquid schemes of mutual funds which ensures availability of funds to meet its immediate liabilities.
Asset Liability Committee (ALCO) meets around 6 times a year to discuss market conditions and Asset Liability Management (ALM). There is a Risk Committee meeting every quarter and also a Board meeting every quarter where the risks are discussed and ALM is presented.

**Interest rate risk**

Interest rate risk is monitored through the IRS statement prepared every quarter. The Company has issued NCDs which are fixed rate instruments. The major portion of the borrowings are through term loans, which are a variable rate with annual reset, linked to the Bank's MCLR.
ALCO has set a limit for the interest rate gap that is acceptable and the same is monitored by ALCO and Risk Committee.
Most of the loans given by the Company are floating rate loans and hence, any change in interest rate can be passed on to the customers, thereby minimising the risk.

**Credit risk**

Credit Risk is managed and controlled through a Credit Risk Management Framework comprising detailed risk evaluation of borrower and security. ABHFL has developed expertise to underwrite all kinds of customer segments (salaried, self-employed professionals, self-employed non-professionals) and our underwriting guidelines are benchmarked to the market and adequate internal controls have been put in place to maintain the quality of loans being approved. Distinct policies and processes are in place which are followed rigorously while selecting the borrowers and people who occupy key positions are professionally qualified (such as CA/MBA/ICWA). For each product, programs defining customer segments, underwriting standards, security structures, etc. are specified to ensure consistency of credit patterns. All the cases are approved by Credit Committees formulated at different levels with various approval limits. Collateral Risk refers to the risk of loss arising from errors in the nature, quantity, pricing, or characteristics of collateral securing a transaction with credit risk. ABHFL has dual external valuation process and the same is also evaluated internally to mitigate such risk. After sanctioning the loan, regular monitoring of the accounts is also done to sight irregularities if any and where required prompt action is initiated and a well defined collection process helps in ensuring minimum credit loss. As credit risk is one of the major risks faced by the Company, the policies and processes are reviewed periodically and, if need be, revised in order to keep them up-to-date.

*Analysis of maximum exposure to credit risk and collateral and other credit enhancements*
The following table shows the maximum exposure to credit risk, the total fair value of collateral and the net exposure to credit risk. The collateral value as at the time of on-boarding of the customer has been considered for below disclosure.

| | Maximum exposure to credit risk | Fair value of collateral and other credit enhancements held (Mortgage) | Net exposure |
|---|---|---|---|
| As at March 31, 2021 | 12,53,058.41 | 24,67,141.72 | - |
| As at March 31, 2020 | 12,90,103.35 | 25,31,938.67 | - |

*Collateral and other credit enhancements*
The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.
The main type of collateral obtained is mortgages over residential/ commercial properties.

**Liquidity risk**

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.
Company manages its liquidity requirement by analysing the maturity pattern of Company's cash flows of financial assets and financial liabilities. The Asset Liability Management of the Company is periodically reviewed by its Risk Management Committee.

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at respective balance sheet dates.

**As at March 31, 2021**

| | Liabilities | | | Assets | |
|---|---|---|---|---|---|
| | Borrowings from banks | Market borrowings# | Other financial liabilities | Advances* | Other financial assets |
| Less than 1 year | 1,13,891.94 | 60,819.02 | 14,185.65 | 1,23,658.59 | 49,143.72 |
| More than 1 year | 7,46,842.30 | 1,47,185.57 | 1,533.69 | 10,56,604.12 | 165.22 |
| **Total** | **8,60,734.24** | **2,08,004.59** | **15,719.34** | **11,80,262.71** | **49,308.94** |

**As at March 31, 2020**

| | Liabilities | | | Assets | |
|---|---|---|---|---|---|
| | Borrowings from banks | Market borrowings# | Other financial liabilities | Advances* | Other financial assets |
| Less than 1 year | 1,27,565.83 | 1,08,776.40 | 7,783.79 | 1,25,627.63 | 95,323.45 |
| More than 1 year | 8,21,452.52 | 1,09,648.51 | 2,016.51 | 10,94,462.10 | 1,255.35 |
| **Total** | **9,49,018.35** | **2,18,424.91** | **9,800.30** | **12,20,089.73** | **96,578.80** |

The above table includes future contractual cash flows recognised as at balance sheet date in different buckets and does not include other future contracted cash flows (such as interest which are not accrued as at Balance Sheet date).

# Net of unamortized discounting charges on commercial paper amounting to Rs. 21.66 lakh (March 31, 2020: Rs. 409.03 lakh)

* Advances includes loan and advances to the customers.

**Operational and business risk**

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

**Foreign currency exchange rate risk**

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets/ liabilities are denominated in a currency other than the functional currency. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates.

The Company, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange.
The total foreign currency exposure as at March 31, 2021 is USD 500 lakh (March 31, 2020: USD 500 lakh) of which unhedged foreign currency exposure as at March 31, 2021 is Nil (March 31, 2020: Nil)

**Impact of COVID-19 (Global pandemic)**

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The Company basis their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Company continues to believe that there is no impact on effectiveness of its hedges.



**50 Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of its Regulator, NHB. The Company monitors capital using, among other measures, a capital adequacy ratio which is a ratio of weighted assets to total owned capital derived as per the NHB requirements. As per the NHB guidelines Company being a Housing Finance Company is required to maintain minimum of 14% of capital adequacy ratio (March 31, 2020 - 13%). Company has complied in full with all its externally imposed capital requirements over the reported period

The Company also manages its leverage position on periodic basis by monitoring debt equity ratio to aligning itself with market and peers.

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Capital adequacy ratio : | 21.73% | 18.05% |
| Debt equity ratio : | 7.04 | 8.44 |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

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## 51 Fair values

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values, that are not carried at fair value in the financial statements. This table does not include the fair values of non–financial assets and non–financial liabilities.

| | Carrying value | | Fair value | |
|---|---|---|---|---|
| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2021 | As at March 31, 2020 |
| **Financial assets at amortised cost** | | | | |
| Loans # | 11,80,262.71 | 12,11,209.09 | 11,80,262.71 | 12,11,209.09 |
| Security deposits | 271.47 | 476.86 | 282.66 | 477.56 |
| | **11,80,534.18** | **12,11,685.95** | **11,80,545.37** | **12,11,686.65** |
| **Financial assets at FVTPL** | | | | |
| Investments - mutual fund | 10,120.38 | 54,692.14 | 10,120.38 | 54,692.14 |
| | **10,120.38** | **54,692.14** | **10,120.38** | **54,692.14** |
| **Financial assets at Fair Value** | | | | |
| Derivative financial instruments | - | 1,070.50 | - | 1,070.50 |
| | **-** | **1,070.50** | **-** | **1,070.50** |
| **Financial liabilities at amortised cost** | | | | |
| Debt Securities* | 1,63,450.16 | 1,03,909.91 | 1,61,515.09 | 1,06,399.78 |
| Sub debts** | 34,199.24 | 26,608.02 | 33,592.49 | 24,907.53 |
| Commercial papers | 9,978.34 | 87,090.97 | 9,978.34 | 87,090.97 |
| Borrowings other than debt securities# | 8,61,134.24 | 9,49,081.79 | 8,61,134.24 | 9,49,081.79 |
| | **10,68,761.98** | **11,66,690.69** | **10,66,220.16** | **11,67,480.07** |
| **Financial liabilities at Fair Value** | | | | |
| Derivative financial instruments | 306.73 | - | 306.73 | - |
| | **306.73** | **-** | **306.73** | **-** |

*# Loans to customers and borrowings other than debt securities are primarily at floating rate of interest hence carrying value approximates the fair value.*

**Includes redeemable non convertible debentures subscribed by Aditya Birla Sun Life Insurance Company Limited of face value Rs. Nil (March 31, 2020 :Rs. 500 lakh ) with fair value Rs. Nil (March 31, 2020 : Rs. 500.26 lakh ) included in level 2 below.*
***Includes subordinate debts subscribed by Aditya Birla Sunlife Insurance Company Limited of face value Rs. 1,000 lakh ( March 31, 2020 : Rs. 1,000 lakh ) with fair value Rs. 1,042.93 lakh ( March 31, 2020 : Rs. 915.46 lakh ) included in level 2 below.*

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company has availed the exemption granted under para 29(a) Ind AS 107-Financial Instruments: Disclosures, with regard to disclosure of financial instruments where the carrying amount approximates the fair value and accordingly, have not provided the disclosure of financial instruments falling under this category, except in case of loans to customers and borrowings other than debt securities.

### Valuation methodologies of financial instruments not measured at fair value

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

*Short-term financial assets and liabilities*

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and bank balances, Trade receivables, trade payables, other financial assets and financial liabilities. Disclosures of financial assets and financial liabilities where the carrying amount approximates fair value is not required and hence not given.

*Loans and advances to customers*

Since the mortgage lending by the Company is primarily bearing variable rate of interest, the carrying amount net of ECL is considered as the most comparable price and approximates fair value.

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*Debt securities, security deposits and other borrowings*

The fair values of the Company's interest-bearing debt securities and security deposits are determined by using discounted cash flow (DCF) method using discount rate that reflects the issuer's market borrowing rate as at the end of the reporting period.

Since entity's other borrowings are primarily bearing variable rate of interest, the carrying amount of such borrowings is considered as the most comparable price and approximates fair value.

**Fair value hierarchy**

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

| | Carrying Amount | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total |
|---|---|---|---|---|---|
| **As at March 31, 2021** | | | | | |
| **Financial assets at amortised cost** | | | | | |
| Loans | 11,80,262.71 | - | - | 11,80,262.71 | 11,80,262.71 |
| Security deposits | 271.47 | - | - | 282.66 | 282.66 |
| | 11,80,534.18 | - | - | 11,80,545.37 | 11,80,545.37 |
| **Financial assets at FVTPL** | | | | | |
| Investments - mutual fund | 10,120.38 | - | 10,120.38 | - | 10,120.38 |
| | 10,120.38 | - | 10,120.38 | - | 10,120.38 |
| **Financial assets at Fair Value** | | | | | |
| Derivative financial instruments | - | - | - | - | - |
| | - | - | - | - | - |
| **Financial liabilities at amortised cost** | | | | | |
| Debt securities | 1,63,450.16 | - | 1,61,515.09 | - | 1,61,515.09 |
| Sub Debts | 34,199.24 | - | 33,592.49 | - | 33,592.49 |
| Commercial papers | 9,978.34 | - | 9,978.34 | - | 9,978.34 |
| Borrowings other than debt securities | 8,61,134.24 | - | - | 8,61,134.24 | 8,61,134.24 |
| | 10,68,761.98 | - | 2,05,085.92 | 8,61,134.24 | 10,66,220.16 |
| **Financial liabilities at Fair Value** | | | | | |
| Derivative financial instruments | 306.73 | - | 306.73 | - | 306.73 |
| | 306.73 | - | 306.73 | - | 306.73 |
| **As at March 31, 2020** | | | | | |
| **Financial assets at amortised cost** | | | | | |
| Loans | 12,11,209.09 | - | - | 12,11,209.09 | 12,11,209.09 |
| Security deposits | 476.86 | - | - | 477.56 | 477.56 |
| | 12,11,685.95 | - | - | 12,11,686.65 | 12,11,686.65 |
| **Financial assets at FVTPL** | | | | | |
| Investments - mutual fund | 54,692.14 | - | 54,692.14 | - | 54,692.14 |
| | 54,692.14 | - | 54,692.14 | - | 54,692.14 |
| **Financial assets at Fair Value** | | | | | |
| Derivative financial instruments | 1,070.50 | - | 1,070.50 | - | 1,070.50 |
| | 1,070.50 | - | 1,070.50 | - | 1,070.50 |

ADITYA BIRLA HOUSING FINANCE LTD.

| | | | | | |
|---|---|---|---|---|---|
| **Financial liabilities at amortised cost** | | | | | |
| Debt securities | 1,03,909.91 | - | 1,06,399.78 | - | 1,06,399.78 |
| Sub debts | 26,608.02 | - | 24,907.53 | - | 24,907.53 |
| Commercial papers | 87,090.97 | - | 87,090.97 | - | 87,090.97 |
| Borrowings other than debt securities | 9,49,081.79 | - | - | 9,49,081.79 | 9,49,081.79 |
| | **11,66,690.69** | **-** | **2,18,398.28** | **9,49,081.79** | **11,67,480.07** |
| **Financial liabilities at Fair Value** | | | | | |
| Derivative financial instruments | - | - | - | - | - |
| | - | - | - | - | - |

**52 Events after reporting date**

There have been no events after the reporting date that require disclosure in these financial statements.

ADITYA BIRLA HOUSING FINANCE LTD.

53 Disclosure of details as required under amended guidelines on Housing Finance Companies- Corporate Governance (National Housing Bank) Directions, 2016 issued by NHB vide circular dated February 9, 2017 has been given under Annexure 1 to these financial statements.

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

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

**Ajay Srinivasan**
Director
DIN: 00121181

**Rakesh Singh**
Director
DIN: 07006067

**Netrapal Singh**
Chief Executive Officer

**Tushar Kotecha**
Chief Financial Officer

**Muthiah Ganapathy**
Company Secretary

Place: Mumbai
Date: May 04, 2021

## Aditya Birla Housing Finance Limited

### Notes to the financial statements for the year ended March 31, 2021

*(Currency: Rupees in Lakhs)*

Annexure 1

**1 Disclosure of details as required under Annexure IV of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by Reserve Bank of India vide circular dated February 17, 2021.**

**1.1 Capital:**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| CRAR (%) | 21.73% | 18.05% |
| CRAR - Tier I capital (%) | 17.09% | 14.74% |
| CRAR - Tier II Capital (%) | 4.64% | 3.31% |
| Amount of subordinated debt raised as Tier- II Capital | 34,199.24 | 26,608.02 |
| Amount raised by issue of perpetual debt instruments | - | - |

**1.2 Reserve fund u/s 29C of the National Housing Bank Act, 1987:**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Balance at the beginning of the year** | | |
| i) Statutory reserves u/s 29C of the National Housing bank Act, 1987 | 328.85 | 79.98 |
| ii) Amount of special reserve u/s 36(1)(viii) of the Income Tax Act, 1961 taken into account for the purposes of statutory reserve u/s 29C of the National Housing Bank Act, 1987 | 3,868.46 | 2,064.27 |
| **Total** | **4,197.31** | **2,144.25** |
| **Addition/ appropriation/ withdrawal during the year** | | |
| **Add:** | | |
| i) Amount transferred u/s 29C of the National Housing Bank Act, 1987 | - | 248.87 |
| ii) Amount of special reserve u/s 36(1)(viii) of the Income Tax Act, 1961 taken into account for the purposes of statutory reserve u/s 29C of the National Housing Bank Act, 1987 | 2,922.15 | 1,804.19 |
| **Less:** | | |
| i) Amount appropriated from the statutory reserve u/s 29C of the National Housing Bank Act, 1987 | - | - |
| **Balance at the end of the year** | | |
| i) Statutory reserve u/s 29C of the National Housing Bank Act, 1987 | 328.85 | 328.85 |
| ii) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of statutory reserve under Section 29C of the NHB Act, 1987 | 6,790.61 | 3,868.46 |
| **Total** | **7,119.46** | **4,197.31** |

**1.3 Investments:**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **1.3.1 Value of Investments** | | |
| i) Gross value of investments | | |
| - In India | 10,120.38 | 54,692.14 |
| - Outside India | - | - |
| ii) Provisions for depreciation | | |
| - In India | - | - |
| - Outside India | - | - |
| iii) Net value of investments | | |
| - In India | 10,120.38 | 54,692.14 |
| - Outside India | - | - |
| **1.3.2 Movement of provisions held towards depreciation on investments** | | |
| i) Opening balance | - | - |
| ii) Add: Provisions made during the year | - | - |
| iii) Less: Write-off / Written-back of excess provisions during the year | - | - |
| iv) Closing balance | - | - |

ADITYA BIRLA HOUSING FINANCE LTD.

## Aditya Birla Housing Finance Limited

### Notes to the financial statements for the year ended March 31, 2021

*(Currency: Rupees in Lakhs)*

**Annexure 1**

**1 Disclosure of details as required under Annexure IV of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by Reserve Bank of India vide circular dated February 17, 2021.**

**1.4 Derivatives:**

**1.4.1 Forward rate agreement (FRA) / Interest rate swap (IRS)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| i) The notional principal of swap agreements | 35,445.00 | 35,445.00 |
| ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements | - | 1,070.50 |
| iii) Collateral required by the HFC upon entering into swaps | NA | NA |
| iv) Concentration of credit risk arising from the swaps $ | Refer foot note $ | Refer foot note $ |
| v) The fair value of the swap book | -306.73 | 1,070.50 |

*$ Counter-party for all Swaps entered into by the company are Scheduled Commercial Banks.*

**1.4.2 Exchange traded interest rate (IR) derivative**

Company has not entered into any Exchange traded interest rate (IR) derivative during the current as well as previous financial year, hence the disclosure under this clause is not applicable.

**1.4.3 Disclosures on risk exposure in derivatives**

**i) Qualitative disclosure**

The Company's activities expose it to the financial risks of changes in foreign exchange rates and interest rates. The Company uses derivate contracts such as cross currency interest rate swaps to hedge its exposure to movements in foreign exchange and interest rates. The use of these derivative contracts reduce the risk or cost to the Company and the Company does not use those for trading or speculation purposes.

The Company uses hedging instruments that are governed by the policies of the Company which are approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Company. The Board constituted Risk Management Committee (RMC) of the company manages risk on the company's derivative portfolio. All derivative transactions that are entered into by the company are reported to the board, and the mark-to-market on its portfolio is monitored regularly by the senior management.

To hedge its risks on the principal and/or interest amount for foreign currency borrowings on its balance sheet, the company has currently used cross currency interest rate swaps (CCIRS). The same is also used to hedge its LIBOR risk for foreign currency borrowings.

Derivative financial instruments are initially measured at fair value on the contract date and are subsequently remeasured to fair value at each reporting date. Derivatives are classified as assets when the fair value is positive (positive marked to market value) or as liabilities when the fair value is negative (negative marked to market value). Derivative assets and liabilities are recognized on the balance sheet at fair value. Fair value of derivatives is ascertained from the mark to market and accrual values received from the counter-party banks. Changes in the fair value of derivatives other than those designated as hedges are recognized in the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, no longer qualifies for hedge accounting or the Company chooses to end the hedging relationship.

**ii) Quantitative disclosure**

| Particulars | Cross Currency interest rate Derivatives |
|---|---|
| (i) Derivatives (Notional Principal Amount) | 35,445.00 |
| (ii) Marked to Market Positions [1] | |
| (a) Assets (+) | - |
| (b) Liability (-) | -306.73 |
| (iii) Credit Exposure [2] | Nil |
| (iv) Unhedged Exposures | Nil |

Company has entered into a cross currency interest rates swaps hence the name of the column has been amended to that extent and the existing columns (currency derivatives and interest rate derivatives) as per NHB circulars requirements have not been given as they are not applicable.

ADITYA BIRLA HOUSING FINANCE LTD.

## Aditya Birla Housing Finance Limited
### Notes to the financial statements for the year ended March 31, 2021
*(Currency: Rupees in Lakhs)*

Annexure 1

**1 Disclosure of details as required under Annexure IV of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by Reserve Bank of India vide circular dated February 17, 2021.**

**1.5 Securitisation :**

**1.5.1** Since the Company has not sponsored any securitisation transactions during the current as well as previous financial year, the disclosure under this clause is not applicable.

**1.5.2 Details of financial assets sold to securitisation / reconstruction Company for asset reconstruction**

Since the Company has not sold any financial assets to securitisation or reconstruction company for asset reconstruction during the current as well as previous financial year, the disclosure under this clause is not applicable.

**1.5.3 Details of assignment transactions undertaken by HFCs (portfolio acquired)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| i) No. of accounts | - | - |
| ii) Aggregate value (net of provisions) of accounts assigned | - | - |
| iii) Aggregate consideration paid | - | - |
| iv) Additional consideration realized in respect of accounts transferred in earlier years | - | - |
| v) Aggregate gain / loss over net book value | - | - |

**1.5.4 Details of non-performing financial assets purchased / sold**

**A. Details of non-performing financial assets purchased:**
Since the Company has not purchased any non-performing financial assets during the current as well as previous financial year, the disclosure under this clause is not applicable.

**B. Details of non-performing financial assets sold:**
Since the Company has not sold any non-performing financial assets during the current as well as previous financial year, the disclosure under this clause is not applicable.

**1.6 Exposure**

**1.6.1 Exposure to real estate sector**

| Direct exposure to | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **i) Residential mortgages -** Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; | 10,04,785.59 | 10,63,822.49 |
| **ii) Commercial real estate -** Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure would also include non-fund based (NFB) limits; | 1,94,171.57 | 2,25,551.30 |
| **iii) Investments in mortgage backed securities (MBS) and other securitised exposures -** | | |
| Residential | - | - |
| Commercial real estate | - | - |

**1.6.2 Indirect exposure**

| | | |
|---|---|---|
| Fund base and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs). | - | - |

**1.6.3 Exposure to capital market**

Since the Company does not have any exposure to capital market during the current as well as previous financial year, the disclosure under this clause is not applicable.

**Annexure 1**

**1 Disclosure of details as required under Annexure IV of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by Reserve Bank of India vide circular dated February 17, 2021.**

**1.6.4 Details of financing of parent company products**

Since the Company has not entered into any transaction for financing the parent company products during the current as well as previous financial year, the disclosure under this clause is not applicable.

**1.6.5 Single Borrower Limit (SBL) / Group Borrower Limit (GBL)**

The Company has not exceeded Single Borrower Limit (SBL) / Group Borrower Limit (GBL) during the current as well as previous financial year.

**1.6.6 Unsecured advances**

The exposure of the company towards unsecured advances in the current year is Rs. 1,418.98 Lakh, previous year is Rs. 737.18 Lakh.

**1.6.7 Exposure to group companies engaged in real estate business**

| Description | Amount | % of owned fund |
|---|---|---|
| (i) Exposure to any single entity in a group engaged in real estate business | Nil | Nil |
| (ii) Exposure to all entities in a group engaged in real estate business | Nil | Nil |

**1.7 Miscellaneous**

**1.7.1 Registration obtained from other financial sector regulators-**

| Regulator | Registration No |
|---|---|
| Insurance Regulatory and Development Authority: As corporate agent (Composite) | CA0623 |

**1.7.2 Disclosure of penalties imposed by NHB and other regulators -**

A penalty amount of Rs. 0.12 lakh (incl. GST of Rs. 0.02 lakh) is imposed by NHB during the current financial year [March 31, 2020: Rs. 48.30 lakh (incl. GST of Rs. 7.39 lakh)]. The Company has paid the said penalty.

**1.7.3 Related party transactions**

Details of all material transactions with related parties are disclosed in note no 35. The policy on related party transaction is set out in Director's report.

**1.7.4 Group Structure**

For diagrammatic representation of group structure please refer 'annexure a' to these notes.

**1.7.5 Rating assigned by Credit Rating Agencies and migration of rating during the year**

| Instrument | Rating agency | Rating assigned |
|---|---|---|
| Bank lines programme | India Ratings | IND AAA Outlook Stable |
| | ICRA | [ICRA] AAA (stable) / ICRA A1+ |
| Non-convertible debenture programme | India Ratings | IND AAA; Outlook Stable |
| | ICRA | [ICRA] AAA with Stable Outlook |
| Subordinated debt programme | India Ratings | IND AAA; Outlook Stable |
| | ICRA | [ICRA] AAA with Stable Outlook |
| Principal Protected Market Linked Debenture - (PP-MLD) | India Ratings | IND- PPMLD AAA emr' Outlook Stable |
| Commercial paper programme | India Ratings | IND A1+ |
| | ICRA | [ICRA] A1+ |

*There were no changes in any of the ratings or outlook during the year.*

ADITYA BIRLA HOUSING FINANCE LTD.

**Annexure 1**

**1 Disclosure of details as required under Annexure IV of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by Reserve Bank of India vide circular dated February 17, 2021.**

**1.7.6 Remuneration of directors**

Details of remuneration of directors are disclosed as part of the Director's Report.

**1.7.7 Management**

Refer to the Management Discussion and Analysis Report for the relevant disclosures.

**1.7.8 Net profit or loss for the period, prior period items and changes in accounting policies**

There are no prior period items that have impact on the current as well as previous year's profit and loss.

**1.7.9 Revenue recognition**

There have been no instances during current as well as previous financial year in which revenue recognition has been postponed pending the resolution of significant uncertainties.

**1.7.10 Accounting Standard 21 - Consolidated Financial Statements (CFS)**

These details are not applicable since the Company does not have any subsidiary / associate.

**1.8 Additional Disclosures**

**1.8.1 Provisions and contingencies**

| Break up of 'Provisions and Contingencies' shown under the head expenditure in statement of profit and loss | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| i) Provisions for depreciation on investments | - | - |
| ii) Provision made towards income tax (including tax on other comprehensive income) | 3,882.82 | 3,084.32 |
| iii) Provision towards Stage 3 assets | 3,296.99 | 4,185.02 |
| iv) Provision towards Stage 1 & Stage 2 assets* | 4,749.25 | 2,942.66 |
| v) Other provision and contingencies | | |
| - Provision for employee benefits - gratuity (net of fund assets) | 26.46 | 199.22 |
| - Provision for employee benefits - leave encashment | (15.35) | 101.46 |

**Provision for Stage 1 & Stage 2 assets includes charge of CRE of Rs. 73.66 lakh (March 31, 2020 Rs. 288.41 lakh), CRE - RH of Rs. 284.51 lakh (March 31, 2020 Rs. -43.62 lakh) and Others of Rs. 785.08 lakh (March 31, 2020 Rs. 963.19 Lakh).*

| Break up of loan & advances and provisions thereon | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Housing loans** | | |
| Standard assets | | |
| *- Total outstanding amount* | 7,53,853.23 | 7,99,200.33 |
| *- Provisions made* | 7,098.52 | 3,698.18 |
| Sub standard assets | | |
| *- Total outstanding amount* | 12,431.35 | 6,117.34 |
| *- Provisions made* | 2,728.54 | 1,840.16 |
| Doubtful I | | |
| *- Total outstanding amount* | 5,475.38 | 1,833.09 |
| *- Provisions made* | 2,105.25 | 634.92 |
| Doubtful II | | |
| *- Total outstanding amount* | 1,698.85 | 337.70 |
| *- Provisions made* | 656.54 | 159.89 |
| Doubtful III | | |
| *- Total outstanding amount* | - | - |
| *- Provisions made* | - | - |
| Loss | | |
| *- Total outstanding amount* | 421.38 | - |
| *- Provisions made* | 421.38 | - |



## Aditya Birla Housing Finance Limited

### Notes to the financial statements for the year ended March 31, 2021

*(Currency: Rupees in Lakhs)*

**Annexure 1**

**1 Disclosure of details as required under Annexure IV of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by Reserve Bank of India vide circular dated February 17, 2021.**

| | | |
|---|---|---|
| **Non-housing loans** | | |
| Standard assets | | |
| *- Total outstanding amount* | 4,09,906.12 | 4,07,026.12 |
| *- Provisions made* | 2,445.38 | 1,966.23 |
| Sub standard assets | | |
| *- Total outstanding amount* | 9,392.56 | 4,979.62 |
| *- Provisions made* | 1,124.78 | 1,582.98 |
| Doubtful I | | |
| *- Total outstanding amount* | 4,274.30 | 1,569.04 |
| *- Provisions made* | 1,444.34 | 511.94 |
| Doubtful II | | |
| *- Total outstanding amount* | 1,301.28 | 794.05 |
| *- Provisions made* | 467.01 | 253.91 |
| Doubtful III | | |
| *- Total outstanding amount* | - | - |
| *- Provisions made* | - | - |
| Loss | | |
| *- Total outstanding amount* | 202.71 | - |
| *- Provisions made* | 202.71 | - |
| **Total** | | |
| *- Total outstanding amount* | 11,98,957.16 | 12,21,857.29 |
| *- Provisions made* | 18,694.45 | 10,648.21 |

**1.8.2 Draw down from reserves**

There were no draw down from Reserves during the current as well as previous financial year.

**1.8.3 Concentration of public deposits, advances, exposures and NPA**

**i) Concentration of public deposits**

Since the company is not a public deposit taking/holding HFC , the above disclosure is not applicable to the company.

| **ii) Concentration of loans & advances** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| Total loans & advances to twenty largest borrowers | 44,242.60 | 48,532.72 |
| Percentage of loans & advances to twenty largest borrowers to total advances of the company | 3.69% | 3.97% |

| **iii) Concentration of all exposure (including off-balance sheet exposure)** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| Total exposure to twenty largest borrowers / customers | 55,459.10 | 58,585.87 |
| Percentage of exposure to twenty largest borrowers / customers to total exposure of the company on borrowers / customers | 4.43% | 4.46% |

| **iv) Concentration of NPAs** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| Total exposure to top ten NPA accounts | 6,779.61 | 5,196.97 |

**v) Sector-wise NPAs**

| **Sector** | **Percentage of NPAs to total advances in that sector** |
|---|---|
| **I. Housing loans :-** | |
| a) Individuals | 1.61% |
| b) Builders/project loans | 0.06% |
| c) Corporates | 0.17% |
| d) Others (specify) | 0.00% |

## Aditya Birla Housing Finance Limited

### Notes to the financial statements for the year ended March 31, 2021

*(Currency: Rupees in Lakhs)*

**Annexure 1**

**1 Disclosure of details as required under Annexure IV of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by Reserve Bank of India vide circular dated February 17, 2021.**

| | |
|---|---|
| **II. Non - housing loans :-** | |
| a) Individuals | 0.71% |
| b) Builders/project loans | 0.00% |
| c) Corporates | 0.39% |
| d) Organisation | 0.00% |

**vi) Movement of NPAs**

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| (I) Net NPAs to net advances (%) | 2.21% | 0.88% |
| (II) Movement of NPAs (Gross) | | |
| a) Opening balance | 15,630.85 | 8,291.39 |
| b) Additions during the year | 26,093.64 | 12,069.12 |
| c) Reductions during the year | 6,526.68 | 4,729.66 |
| d) Closing balance | 35,197.81 | 15,630.85 |
| (III) Movement of Net NPAs | | |
| a) Opening balance | 10,647.05 | 4,632.11 |
| b) Additions during the year | 19,895.51 | 7,884.10 |
| c) Reductions during the year | 4,495.30 | 1,869.16 |
| d) Closing balance | 26,047.26 | 10,647.05 |
| (IV) Movement of provisions for NPAs (excluding provisions on standard assets) | | |
| a) Opening balance | 4,983.80 | 3,659.28 |
| b) Provisions made during the year | 6,198.13 | 4,185.02 |
| c) Write-off/write-back of excess provisions | 2,031.38 | 2,860.50 |
| d) Closing balance | 9,150.55 | 4,983.80 |

**vii) Overseas assets**

The company does not have any overseas assets during the current as well as previous financial year.

**viii) Off- balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)**

The company does not have any off- balance sheet SPVs during the current as well as previous financial year.

**1.9 Disclosure of Complaints**

**1.9.1 Customers complaints**

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| i) No of complaints pending as at the beginning of the year | 7 | - |
| ii) No of complaints received during the year | 823 | 693 |
| iii) No of complaints redressed during the year | 819 | 686 |
| iv) No of complaints pending as at the end of the year | 11 | 7 |

ADITYA BIRLA HOUSING FINANCE LTD.

## Aditya Birla Housing Finance Limited

### Notes to the financial statements for the year ended March 31, 2021

*(Currency: Rupees in Lakhs)*

**1 Disclosure of details as required under Annexure IV of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by Reserve Bank of India vide circular dated February 17, 2021.**

**1.10 Asset liability management (Maturity pattern of certain items of assets and liabilities)**

| Particulars | Liabilities | | | | Assets | | |
|---|---|---|---|---|---|---|---|
| | Deposits | Borrowings from banks | Market borrowings* | Foreign Currency Liabilities | Advances** | Investments | Foreign Currency Assets |
| 1 day to 7 days | 400.00 | 4,460.43 | 357.94 | - | 5,197.34 | 10,120.38 | - |
| 8 to 14 days | - | 2,894.09 | - | - | 6,203.30 | - | - |
| 15 days to 30/31 days (one month) | - | 6,538.04 | 14,656.43 | 94.97 | 6,967.18 | - | - |
| Over one months to 2 months | - | 4,134.42 | 443.38 | - | 9,138.13 | - | - |
| Over 2 months to 3 months | - | 3,076.44 | 7,228.42 | - | 9,221.63 | - | - |
| Over 3 months to 6 months | - | 4,648.04 | 22,530.23 | - | 28,180.78 | - | - |
| Over 6 months to 1 year | - | 88,045.51 | 15,202.62 | - | 58,750.23 | - | - |
| Over 1 year to 3 years | - | 4,37,816.84 | 1,12,844.87 | 36,509.10 | 2,70,345.70 | - | - |
| Over 3 years to 5 years | - | 2,68,628.23 | 1,999.55 | - | 2,84,658.07 | - | - |
| Over 5 years | - | 3,888.13 | 32,341.15 | - | 5,01,600.35 | - | - |
| Total | 400.00 | 8,24,130.17 | 2,07,604.59 | 36,604.07 | 11,80,262.71 | 10,120.38 | - |

* The above amount is net of unamortized discounting charges on commercial paper amounting to Rs. 21.66 lakh (March 31, 2020: Rs. 409.03 lakh).

** Advances includes loan and advances in the nature of loans and excludes advances recoverable in cash or kind or for value to be received and advance payment of taxes and other Deposits.

**Foot Note:**

**Non-performing asset (NPA)** in these notes have been derived basis definition in the Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021.

Accordingly, assets, where the terms of the agreement regarding interest and/ or principal have been re-negotiated or rescheduled after release of any instalment of loan (excluding asset covered under Resolution Framework for COVID-19-related Stress) have been classified as non-performing asset (Sub-standard category: loan principal outstanding Rs. 11,720.39 Lakh ; total outstanding Rs. 12,014.45 Lakh). Such assets have been classified under Stage 2 category (as request to restructure is an indication of significant increase in credit risk) for the purpose of Ind AS reporting and expected credit loss calculations.

Further, a few assets, which are adversely affected by a potential threat of non-recoverability have also been classified as non-performing asset (loss category, loan principal outstanding Rs. 130.03 Lakh ; total outstanding Rs. 132.03 Lakh). Since these accounts have been performing satisfactorily, for the purpose of Ind AS reporting, the same have been reported under respective stage (Stage 1/ Stage 2) basis their DPD bucket. However, as an abundant precaution, these accounts have been fully provided for.

## Aditya Birla Housing Finance Limited
### Notes to the financial statements for the year ended March 31, 2021
*(Currency: Rupees in Lakhs)*

**2 Disclosure of details as required under other guidelines of HFCs (NHB) Directions, 2010 and Reserve Bank of India circulars.**

**2.1 Percentage of outstanding loans granted against the collateral gold jewellery to their outstanding total assets :**
We have not disbursed any loans against the collateral of gold jewellery during the relevant financial year and in previous year.

**2.2 Disclosure related to information namely, area, country of operation and joint venture partners with regard to joint ventures and overseas subsidiaries as prescribed under the said Directions :**
We do not have any joint venture or overseas subsidiaries during the relevant financial year and in previous year.

**2.3 Disclosure pursuant to RBI circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020**

| Asset Classification as per RBI Norms | Asset classification as per Ind AS 109 | Gross Carrying Amount as per Ind AS | Loss Allowances (Provisions) as required under Ind AS 109 | Net Carrying Amount | Provisions required as per IRACP norms | Difference between Ind AS 109 provisions and IRACP norms |
|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5)=(3)-(4) | (6) | (7) = (4)-(6) |
| **Performing Assets** | | | | | | |
| Standard | Stage 1 | 11,30,021.88 | 5,683.13 | 11,24,338.75 | 7,139.96 | -1,456.83 |
| | Stage 2 | 33,737.47 | 3,540.29 | 30,197.18 | 1,595.73 | 1,944.56 |
| **Subtotal** | | **11,63,759.35** | **9,223.42** | **11,54,535.93** | **8,735.69** | **487.73** |
| | | | | | | |
| **Non-Performing Assets (NPA)** | | | | | | |
| Substandard (Re-structured) | Stage 2 | 12,014.43 | 737.73 | 11,276.70 | 1,758.06 | -1,020.33 |
| Substandard | Stage 3 | 9,809.46 | 3,115.59 | 6,693.89 | 1,542.42 | 1,573.17 |
| | | | | | | |
| Doubtful - up to 1 year | Stage 3 | 9,749.68 | 3,549.59 | 6,200.09 | 2,887.03 | 662.56 |
| 1 to 3 years | Stage 3 | 3,000.13 | 1,123.55 | 1,876.58 | 1,231.23 | -107.68 |
| More than 3 years | Stage 3 | - | - | - | - | - |
| Subtotal for doubtful | | 12,749.81 | 4,673.14 | 8,076.67 | 4,118.26 | 554.88 |
| | | | | | | |
| Loss (potential threat of non-recoverability) | Stage 1 | 132.03 | 132.03 | - | 132.03 | - |
| Loss | Stage 3 | 492.06 | 492.06 | - | 492.06 | - |
| **Subtotal for NPA** | | **35,197.81** | **9,150.55** | **26,047.26** | **8,042.83** | **1,107.72** |
| | | | | | | |
| Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms* | Stage 1 | - | 256.34 | - | - | 256.34 |
| | Stage 2 | - | 64.14 | - | - | 64.14 |
| | Stage 3 | - | - | - | - | - |
| **Subtotal** | | | | | | |
| | | | | | | |
| Total | Stage 1 | 11,30,153.91 | 6,071.50 | 11,24,338.75 | 7,271.99 | -1,200.49 |
| | Stage 2 | 45,751.90 | 4,342.16 | 41,473.86 | 3,353.79 | 988.37 |
| | Stage 3 | 23,051.35 | 8,280.79 | 14,770.56 | 6,152.74 | 2,128.05 |
| | Total | **11,98,957.16** | **18,694.45** | **11,80,583.19** | **16,778.52** | **1,915.93** |

ADITYA BIRLA HOUSING FINANCE LTD.

## Aditya Birla Housing Finance Limited
### Notes to the financial statements for the year ended March 31, 2021
*(Currency: Rupees in Lakhs)*

**2 Disclosure of details as required under other guidelines of HFCs (NHB) Directions, 2010 and Reserve Bank of India circulars.**

**2.4 Disclosure pursuant to RBI circular RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020**

In accordance with the RBI circular dated March 27, 2020, April 17,2020 and May 23, 2020 on 'COVID-19 Regulatory Package- Assest Classification and Provisioning', the details pertaining to loan accounts to which a moratorium on instalments and interest was extended, as of March 2021 are as below:

| | |
|---|---|
| 1. Advances in SMA / overdue categories, where the moratorium was extended* | 55,103.82 |
| 2. Advances where asset classification benefit was extended* | 10,889.63 |
| 3. Provisions made (as per para 4 of the circular, applicable to HFCs covered under Ind AS) | 648.44 |
| 4. Provisions adjusted against slippages | - |
| 3. Residual provisions | 648.44 |

** represents outstanding balance of accounts as on March 31, 2021*

**2.5 Disclosure pursuant to RBI circular RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020**

| Type of borrower | (A) Number of accounts where resolution plan has been implemented under this window | (B) exposure to accounts mentioned at (A) before implementation of the plan | (C) Of (B), aggregate amount of debt that was converted into other securities | (D) Additional funding sanctioned, if any, including between invocation of the plan and implementation | (E) Increase in provisions on account of the implementation of the resolution plan |
|---|---|---|---|---|---|
| Personal Loans~ | 1,487 | 37,181.63 | - | 704.08 | 569.87 |
| Corporate persons* | - | - | - | - | - |
| *Of which, MSMEs* | - | - | - | - | - |
| Others | - | - | - | - | - |
| Total | 1,487 | 37,181.63 | - | 704.08 | 569.87 |

*~Includes 6 loan accounts (Exposure:305.51 lakhs) which were restructured during the year but are closed as of March 31, 2021.*
** As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016*

ADITYA BIRLA HOUSING FINANCE LTD.

## Aditya Birla Housing Finance Limited

### Notes to the financial statements for the year ended March 31, 2021

*(Currency: Rupees in Lakhs)*

**2 Disclosure of details as required under other guidelines of HFCs (NHB) Directions, 2010 and Reserve Bank of India circulars.**

**2.6 Disclosure on liquidity risk under RBI/2020-21/60 DOR.NBFC (HFC).CC.No.118/03.10.136/2020-21 dated October 22, 2020**

i. Funding Concentration based on significant counterparty (both deposits and borrowings)

| Sl. No. | No. of Significant Counterparties | Amount | % of total Deposits | % of Total Liabilities* |
|---|---|---|---|---|
| 1 | 18 | 9,52,150.95 | NA | 88% |

ii. Top 20 large deposits – Not Applicable

iii. Top 10 Borrowings

| Amount | % of Total Liabilities* |
|---|---|
| 7,71,838.58 | 71% |

iv. Funding Concentration based on significant instrument/product

| Sr. No. | Name of the Instrument | Amount | % of Total Liabilities* |
|---|---|---|---|
| 1 | Term Loans | 8,06,290.58 | 74% |
| 2 | NCD | 1,63,450.16 | 15% |
| 3 | ECB | 36,604.07 | 3% |
| 4 | CP | 9,978.34 | 1% |
| 5 | Sub-Debt | 34,199.24 | 3% |
| 6 | Working capital / short term facilities | 18,239.59 | 2% |

v. Stock Ratios

| Sr. No. | Particulars | 31-Mar-21 |
|---|---|---|
| 1 | Commercial Papers to Total Liabilities* | 1% |
| 2 | Commercial Papers to Total Assets | 1% |
| 3 | NCDs (Original Maturity <1 ys) to Total Assets | Nil |
| 4 | NCDs (Original Maturity <1 ys) to Total Liabilities | Nil |
| 5 | Other Short-Term Liabilities** to Total Assets | 15% |
| 6 | Other Short-Term Liabilities to Total Liabilities | 17% |

**Total Liabilities does not include Net Worth.*

*** Other Short Term Liabilities excludes Commercial Paper as they are already considered in1 & 2.*

**** Significant Counterparties and Top 10 Borrowings are as per actual outstanding*

vi. Institutional set-up for liquidity risk management

The Company has an Asset Liability Management Committee (ALCO), a management level committee to handle liquidity risk. The ALCO meetings are held at periodic intervals. At the apex level, the Risk Committee (RC), a sub- committee of the Board of Directors of the Company, oversees the liquidity risk management. The RC subsequently updates the Board of Directors on the same.

ADITYA BIRLA HOUSING FINANCE LTD.

## Aditya Birla Housing Finance Limited

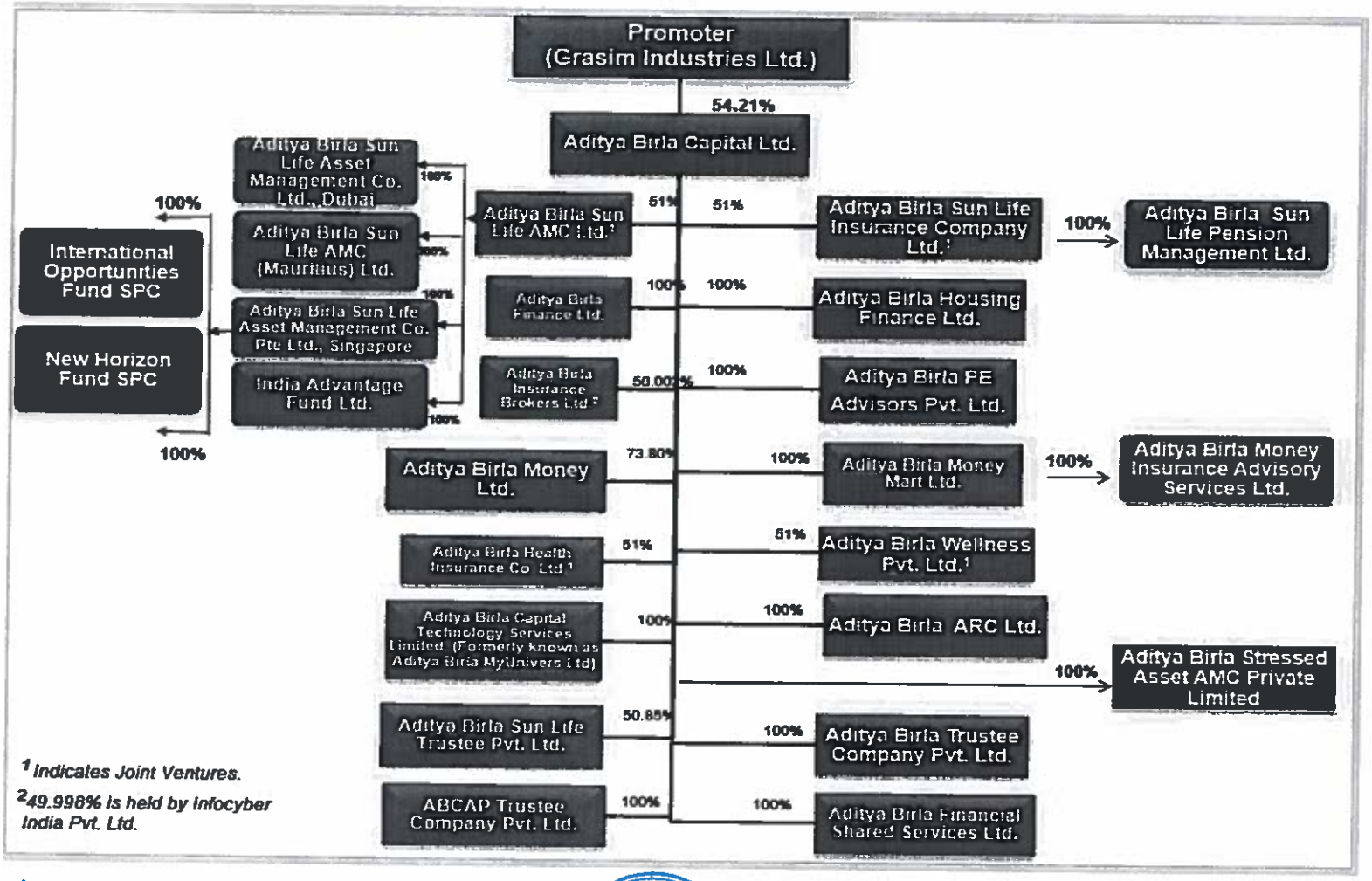
### Notes to the financial statements for the year ended March 31, 2021

*(Currency: Rupees in Lakhs)*

Annexure a

**1 Disclosure of details as required under Annexure IV of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by Reserve Bank of India vide circular dated February 17, 2021.**

The diagrammatic representation of group structure is shown as below (refer note 1.7.4):




ADITYA BIRLA HOUSING FINANCE LTD

**Independent auditor's report**

To
The Board of Directors of
Aditya Birla Housing Finance Limited

**Report on the audit of the Financial Results**

**Opinion**

1. We have audited the accompanying statement of financial results of Aditya Birla Housing Finance Limited ("the Company") for the quarter ended 31 March 2022 and the year to date results for the period from 1 April 2021 to 31 March 2022 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Statement:
   2.1. are presented in accordance with the requirements of the Listing Regulations in this regard; and
   2.2. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian accounting standards ("Ind AS"), regulatory guidelines and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the quarter ended 31 March 2022 and the year to date results for the period from 1 April 2021 to 31 March 2022.

**Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

4. We draw attention to Note no. 4 of the Statement, which describes the extent to which the COVID-19 pandemic will impact the Company's operations depending on future developments, which being uncertain, the said note narrates management's proposed future actions based on its assessment of internal as well as external factors and macro level developments. Our opinion is not modified in respect of this matter.

**Management's Responsibilities for the Financial Results**

5. The Statement has been prepared on the basis of the annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and loss and other comprehensive income and other financial



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KHIMJI KUNVERJI & CO. LLP CHARTERED ACCOUNTANTS MUMBAI

information in accordance with the recognition and measurement principles laid down in Ind AS prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with the Listing Regulations and other regulatory guidelines. 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 are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

**Auditor's Responsibilities for the Audit of the Financial Results**

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

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

   9.1. Identify and assess the risks of material misstatement of the Statement, 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.

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

   9.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

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9.4. Conclude on the appropriateness of the Board of Directors' 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 Statement 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.

9.5. Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

9.6. 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.

9.7. 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.

**Other matters**

10. Attention is drawn to the fact that the audited financial results and statements of the Company for the quarter and year ended 31 March 2021 were audited by erstwhile auditors whose report dated 11 May 2021, expressed an unmodified opinion on those audited financial results and the financial statements. Our opinion is not modified in respect of these matters.

11. The Statement includes the results for the quarter ended 31 March 2022 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by statutory auditors.

For Khimji Kunverji & Co LLP
Chartered Accountants
Firm Registration Number: 105146W/W100621

Hasmukh B Dedhia
Partner
ICAI Membership No: 033494
UDIN: 22033494AHSVLM6527

KHIMJI KUNVERJI & CO. LLP
CHARTERED ACCOUNTANTS
MUMBAI

Place: Mumbai
Date: 25 April 2022



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Suite 52, Bombay Mutual Building, Sir Phirozshah Mehta Road, Fort, Mumbai 400001, India

# Aditya Birla Housing Finance Limited

**Regd office: Indian Rayon Compound Veraval Gujarat, 362266**
**CIN: U65922GJ2009PLC083779**
**website: https://homefinance.adityabirlacapital.com/**

## STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022

*Rs. in lakh*

| | Particulars | Quarter ended | | | Year ended | |
|---|---|---|---|---|---|---|
| | | Mar 31, 2022 | Dec 31, 2021 | Mar 31, 2021 | Mar 31, 2022 | Mar 31, 2021 |
| | | Unaudited | | | Audited | Audited |
| 1 | **Revenue from operations** | | | | | |
| | Interest income | 29,498.09 | 29,627.30 | 29,556.07 | 1,18,567.54 | 1,23,451.45 |
| | Fees and commission income | 989.87 | 489.54 | 902.44 | 2,713.99 | 3,801.00 |
| | Net gain on fair value changes in investments | - | 58.10 | 79.63 | 234.19 | 803.29 |
| | Net gain on derecognition of financial instruments classified under amortised cost category | 0.90 | - | - | - | - |
| | **Total revenue from operations** | **30,488.86** | **30,174.94** | **30,538.14** | **1,21,515.72** | **1,28,055.74** |
| 2 | **Other Income** | 25.65 | 23.46 | 22.51 | 108.60 | 435.28 |
| 3 | **Total Income (1+2)** | **30,514.51** | **30,198.40** | **30,560.65** | **1,21,624.32** | **1,28,491.02** |
| 4 | **Expenses** | | | | | |
| | Finance costs | 16,540.92 | 17,332.53 | 19,174.07 | 69,493.52 | 84,922.79 |
| | Net loss on derecognition of financial instruments classified under amortised cost category | - | 195.38 | 4.73 | 1,023.69 | 10.83 |
| | Impairment of financial instruments | 1,197.60 | 1,227.52 | 2,305.75 | 6,446.77 | 8,740.25 |
| | Employee benefit expenses | 3,889.74 | 3,291.08 | 2,640.65 | 13,173.98 | 11,239.33 |
| | Depreciation and amortization expenses | 284.39 | 248.63 | 228.48 | 1,003.10 | 1,117.79 |
| | Other expenses | 1,573.62 | 1,130.77 | 1,451.96 | 5,158.14 | 4,822.18 |
| | **Total expenses** | **23,486.27** | **23,425.91** | **25,805.64** | **96,299.20** | **1,10,853.17** |
| 5 | **Profit before tax (3-4)** | **7,028.24** | **6,772.49** | **4,755.01** | **25,325.12** | **17,637.85** |
| 6 | **Tax expense** | | | | | |
| | Current tax | 2,290.94 | 1,735.92 | 1,340.48 | 7,108.81 | 5,415.69 |
| | Deferred tax | (771.81) | (255.49) | (331.57) | (1,594.41) | (1,666.63) |
| | Income tax for earlier years | 81.43 | - | 139.27 | 81.43 | 165.47 |
| | **Total tax expense** | **1,600.56** | **1,480.43** | **1,148.18** | **5,595.83** | **3,914.53** |
| 7 | **Profit for the period (5-6)** | **5,427.68** | **5,292.06** | **3,606.83** | **19,729.29** | **13,723.32** |
| 8 | **Other comprehensive income** | | | | | |
| | ***Items that will not be reclassified to profit or loss*** | | | | | |
| | Re-measurement gains/ (losses) on defined benefit plans | 21.60 | 40.33 | 59.58 | 67.66 | 99.84 |
| | Income tax effect of above | (5.44) | (10.15) | (15.00) | (17.03) | (25.13) |
| | ***Items that will be reclassified to profit or loss*** | | | | | |
| | Re-measurement gains/ (losses) on hedge instruments | 106.02 | 303.47 | 183.88 | 539.71 | (225.83) |
| | Income tax effect of above | (26.68) | (76.37) | (46.28) | (135.83) | 56.84 |
| | **Total other comprehensive income** | **95.50** | **257.28** | **182.18** | **454.51** | **(94.28)** |
| 9 | **Total comprehensive income (7+8)** | **5,523.18** | **5,549.34** | **3,789.01** | **20,183.80** | **13,629.04** |
| 10 | **Paid up equity share capital** *(Face value of Rs. 10 each)* | | | | 50,119.77 | 50,119.77 |
| 11 | **Reserve excluding revaluation reserve** | | | | 1,21,979.31 | 1,01,795.52 |
| 12 | **Earnings per share of Rs. 10 each (not annualised)** | | | | | |
| | Basic & diluted earnings per share *(continuing and discontinued operation)* | 1.08 | 1.06 | 0.72 | 3.94 | 2.74 |

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ADITYA BIRLA HOUSING FINANCE LIMITED

# Aditya Birla Housing Finance Limited

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**CIN: U65922GJ2009PLC083779**
**website: https://homefinance.adityabirlacapital.com/**

## STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022

**Notes:**

1. Statement of assets and liabilities as at March 31, 2022

*Rs. in lakh*

| | Particulars | As at Mar 31, 2022 Audited | As at Mar 31, 2021 Audited |
|---|---|---|---|
| | **ASSETS** | | |
| (1) | **FINANCIAL ASSETS** | | |
| | (a) Cash and cash equivalents | 55,695.10 | 37,737.34 |
| | (b) Derivative financial instruments | 1,420.03 | - |
| | (c) Receivables | | |
| | - Trade receivables | 1,224.70 | 250.45 |
| | - Other receivables | 53.56 | 187.40 |
| | (d) Loans | 11,89,546.08 | 11,80,262.71 |
| | (e) Investments | - | 10,120.38 |
| | (f) Other Financial assets | 306.29 | 1,013.37 |
| | | **12,48,245.76** | **12,29,571.65** |
| (2) | **NON- FINANCIAL ASSETS** | | |
| | (a) Current tax assets (net) | 232.75 | 156.86 |
| | (b) Deferred tax assets (net) | 5,372.56 | 3,931.01 |
| | (c) Property, plant and equipment | 830.69 | 658.84 |
| | (d) Right to use of Assets | 1,921.43 | 1,493.32 |
| | (e) Intangible assets under development | 61.42 | 119.55 |
| | (f) Other intangible assets | 561.33 | 485.52 |
| | (g) Other non-financial assets | 1,844.16 | 1,161.42 |
| | | **10,824.34** | **8,006.52** |
| | **TOTAL ASSESTS** | **12,59,070.10** | **12,37,578.17** |
| | **LIABILITIES AND EQUITY** | | |
| | **LIABILITIES** | | |
| (1) | **FINANCIAL LIABILITIES** | | |
| | (a) Payables | | |
| | Trade payables | | |
| | (i) total outstanding dues of micro enterprises and small enterprises | 49.22 | 28.70 |
| | (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 2,776.70 | 3,412.38 |
| | (b) Derivative financial instruments | - | 306.73 |
| | (c) Debt Securities | 2,19,114.54 | 1,73,428.50 |
| | (d) Borrowings (Other than debt securities) | 8,18,218.60 | 8,61,134.24 |
| | (e) Subordinated Liabilities | 34,191.81 | 34,199.24 |
| | (f) Lease Liability | 2,019.30 | 1,584.65 |
| | (g) Other financial liabilities | 8,953.04 | 10,386.88 |
| | | **10,85,323.21** | **10,84,481.32** |
| (2) | **NON- FINANCIAL LIABILITIES** | | |
| | (a) Current tax liabilities (Net) | 11.11 | 68.94 |
| | (b) Provisions | 948.44 | 823.43 |
| | (c) Other non-financial liabilities | 688.26 | 289.19 |
| | | **1,647.81** | **1,181.56** |
| | **TOTAL LIABILITIES** | **10,86,971.02** | **10,85,662.88** |
| (3) | **EQUITY** | | |
| | (a) Equity share capital | 50,119.77 | 50,119.77 |
| | (b) Other equity | 1,21,979.31 | 1,01,795.52 |
| | **TOTAL EQUITY** | **1,72,099.08** | **1,51,915.29** |
| | **TOTAL EQUITY AND LIABILITY** | **12,59,070.10** | **12,37,578.17** |

KHIMJI KUNVERJI & CO. LLP CHARTERED ACCOUNTANTS MUMBAI

ADITYA BIRLA HOUSING FINANCE LIMITED MUMBAI

# Aditya Birla Housing Finance Limited

**Regd office: Indian Rayon Compound Veraval Gujarat, 362266**
**CIN: U65922GJ2009PLC083779**
**website: https://homefinance.adityabirlacapital.com/**

**STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022**

2. The above financial results have been prepared for the purpose of inclusion in consolidated financial results of Aditya Birla Capital Limited ("the Parent Company") prepared as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended and are in accordance with recognition and measurement principles laid down in Indian Accounting Standards.

3. The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on April 25, 2022. The statutory auditors of the Company have carried out audit of the aforesaid results.

**4. Estimation uncertainty relating to COVID-19 global health pandemic -**
In estimating the expected credit loss (ECL) allowance the Company has taken into consideration internal and certain sources of external information upto the date of approval of these financial results. The Company has also performed sensitivity analysis on the inputs and assumptions used in estimating the ECL allowance and has embedded in its ECL allowance an adjustment of Rs. 1,250 lakh during the current quarter in addition to the management overlay of Rs. 7,101.00 lakh embedded until December 31, 2021, for credit risks arising from macro economic factors. Based on the Company's expectations of future economic conditions, it expects to recover the carrying amount of its loan assets. The extent to which health pandemic will impact the Company's provision on financial assets will depend on future developments, which are uncertain. The eventual outcome of impact of the health pandemic may be different from those estimated as on the date of approval of these financial results.

5. On November 12, 2021, Reserve Bank of India issued circular requiring changes to and clarifying certain aspects of Income Recognition and Asset Classification Norms. The Company's management has taken necessary steps to comply with the norms/changes as they become applicable. For quarter ended March 2022, there is no impact on the Financial Results of the Company as provisions are adequately covered by the IND AS provisions.

6. Details pertaining to resolution plan implemented under the RBI Resolution Framework 1.0 & 2.0 is enclosed in Appendix I.

7. Cash flow statement is enclosed in Appendix II.

8. Previous quarter/period/year figures have been regrouped / rearranged wherever necessary to conform to the current quarter's/ period's figures.

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

**Rakesh Singh**
*Director*
*DIN: 07006067*

*Place: Mumbai*
*Date: April 25, 2022*

KHIMJI KUNVERJI & CO. LLP
CHARTERED ACCOUNTANTS
MUMBAI

**Aditya Birla Housing Finance Limited**
*(Currency : Rupees in lakh)*

*Appendix I*

1 **Details of resolution plan implemented under the Resolution Framework for COVID-19-related stress as per RBI circular dated August 6, 2020 (Resolution Framework 1.0) and Resolution for COVID-19 related stress of Individuals and Small Businesses dated May 05, 2021 (RBI Resolution Framework - 2.0) are given below:**

**Format - B**

| Type of borrower | Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A) | Of (A), aggregate debt that slipped into NPA during the half-year | Of (A) amount written off during the half-year | Of (A) amount paid by the borrowers during the half-year | Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year |
|---|---|---|---|---|---|
| Personal Loans | 71,496.86 | 3,146.70 | - | 2,615.52 | 66,214.03 |
| Corporate persons* | 2,523.25 | - | - | - | 2,531.80 |
| *Of which, MSMEs* | - | - | - | - | - |
| Others | - | - | - | - | - |
| **Total** | **74,020.11** | **3,146.70** | - | **2,615.52** | **68,745.83** |

** As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016*

KHIMJI KUNVERJI & CO. LLP CHARTERED ACCOUNTANTS MUMBAI

ADITYA BIRLA HOUSING FINANCE LIMITED MUMBAI

## Aditya Birla Housing Finance Limited

### Cash Flow Statement for the year ended March 31, 2022

*(Currency : Rupees in lakh)*

*Appendix II*

| Particulars | | For the year ended March 31, 2022 | | For the year ended March 31, 2021 |
|---|---|---|---|---|
| **A. Cash flow from operating activities** | | | | |
| ***(a) Profit before tax*** | | **25,325.12** | | **17,637.85** |
| *Adjustments for:* | | | | |
| Depreciation and amortisation | 1,003.10 | | 1,117.79 | |
| Interest on lease liability | 139.71 | | 176.37 | |
| Profit on surrender of lease liability/ income from rent concession | (21.93) | | (331.84) | |
| Impairment on financial instruments including loss on derecognition of financial assets at amortised cost | 7,470.46 | | 8,751.08 | |
| Net gain on Fair value changes | (234.19) | | (803.29) | |
| Loss/ (profit) on derecognition of property, plant and equipment | 0.44 | | (2.80) | |
| ***(b) Operating profit before working capital changes*** | | **33,682.71** | | **26,545.16** |
| *Adjustments for:* | | | | |
| Decrease/(increase) in trade receivables | (840.41) | | (123.09) | |
| Decrease/(increase) in loans | (16,753.83) | | 22,195.30 | |
| Decrease/(increase) in other financial assets | 707.08 | | (532.57) | |
| Decrease/(increase) in derivative financial instruments | (1,187.05) | | 1,151.40 | |
| Decrease/(increase) in other assets | (698.97) | | (332.44) | |
| (Decrease)/increase in trade payables | (615.16) | | 750.18 | |
| (Decrease)/increase in provisions | 192.67 | | 143.48 | |
| (Decrease)/increase in other financial liabilities | (3,053.24) | | 8,949.42 | |
| (Decrease)/increase in other liabilities | 399.07 | | (82.55) | |
| ***(c) Cash from operating activities*** | | **11,832.87** | | **58,664.29** |
| Direct taxes paid (net of refund) | (7,323.96) | | (4,412.04) | |
| **Net cash from operating activities (A)** | | **4,508.91** | | **54,252.25** |
| **B. Cash flow from investing activities** | | | | |
| Purchase of property, plant and equipment, acquisition of intangible assets | (865.67) | | (538.04) | |
| Proceeds from sale of property, plant and equipment | 22.05 | | 21.65 | |
| Profit on sale of current investments | 355.07 | | 874.55 | |
| Sale of current investments (net) | 9,999.50 | | 44,500.50 | |
| **Net cash from investing activities (B)** | | **9,510.95** | | **44,858.66** |
| **C. Cash flow from financing activities** | | | | |
| Proceeds from share capital issue including securities premium (net of share issue expense) | - | | - | |
| Payment of lease liability | (436.20) | | (525.56) | |
| Proceeds from long term borrowings | 55,957.49 | | 2,60,261.00 | |
| Repayment of long term borrowings | (71,969.67) | | (2,74,010.41) | |
| Net proceeds/ (repayment) for short term borrowings | 20,386.28 | | (87,119.20) | |
| **Net cash from/ (used in) financing activities (C)** | | **3,937.90** | | **(1,01,394.17)** |
| **D Net increase/ (decrease) in cash and cash equivalents (A+B+C)** | | **17,957.76** | | **(2,283.26)** |
| **E. Cash and cash equivalents at the beginning of the year** | | **37,737.34** | | **40,020.60** |
| **F. Cash and cash equivalents at the end of the year** | | **55,695.10** | | **37,737.34** |
| **Additional Information:** | | | | |
| Interest received | 1,15,277.75 | | 1,22,307.72 | |
| Interest paid | 86,489.37 | | 81,111.42 | |

KHIMJI KUNVERJI & CO. LLP CHARTERED ACCOUNTANTS

ADITYA BIRLA HOUSING FINANCE LIMITED MUMBAI

## Aditya Birla Housing Finance Limited

**Related Party Disclosure on a Consolidated basis for the Year Ended 31st March 2022.**

**List of Related Parties with whom the Company has transactions :**

**Holding Company :**

Aditya Birla Capital Limited

Grasim Industries Limited (Ultimate Holding)

**Fellow Subsidiaries**

Aditya Birla Sun Life Insurance Company Limited
Aditya Birla Financial Shared Services Limited
Aditya Birla PE Advisors Private Limited
Aditya Birla Capital Technology Services Limited
Aditya Birla Money Limited
Aditya Birla Insurance Brokers Limited
Aditya Birla Finance Limited
Aditya Birla Sun Life Asset Management Company Limited
Aditya Birla Health Insurance Co. Limited
Aditya Birla Wellness Private Limited
Ultratech Cement Limited

**Key Management Personnel:**

Mr. Netrapal Singh (Chief Executive Officer)

**a) The following transactions were carried out with related parties in the ordinary course of business:**

Rs. In Lakhs

| Particulars | Holding Company | Fellow Subsidiaries | Key Management personnel | Grand Total |
|---|---|---|---|---|
| Interest Income | - | - | - | - |
| Dividend Income | - | - | - | - |
| Insurance Commission Income | - | 254.76 | - | **254.76** |
| Sale of Services | - | - | - | - |
| Rent Income | - | - | - | - |
| Other Income | | 0.45 | | **0.45** |
| Payment of Other Services | - | - | - | - |
| Receipts against Reimbursement of Expenses | 2.81 | 698.53 | - | **701.34** |
| Interest Expenses | 0.61 | 85.00 | - | **85.61** |
| Other Expenses | 325.32 | 3,035.36 | - | **3,360.68** |
| Advances Given/Paid Back | - | 70.41 | - | **70.41** |
| Payment to Key Management Personnel | - | - | 204.95 | **204.95** |

**b) Outstanding balances**

| Particular | Holding Company | Fellow Subsidiaries | Key Management personnel | Grand Total |
|---|---|---|---|---|
| Equity Accounted Investment | 50,119.77 | - | - | **50,119.77** |
| NCD Investment | - | 1,074.29 | - | **1,074.29** |
| Amount Receivable | - | 53.56 | - | **53.56** |
| Amount Payable | 26.26 | 484.16 | - | **510.42** |



Independent Auditor's review report on unaudited quarterly financial results of Aditya Birla Housing Finance Limited under Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To
The Board of Directors of
Aditya Birla Housing Finance Limited

**Introduction**

1. We have reviewed the accompanying statement of unaudited financial results of Aditya Birla Housing Finance Limited ("the Company") for the quarter ended 30 June 2022 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors of the Company, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard ("Ind AS") 34 "Interim Financial Reporting" specified in section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

**Scope of Review**

3. We conducted our review in accordance with the Standard on Review Engagements ("SRE") 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

**Conclusion**

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the applicable Ind AS and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

**Emphasis of Matter**

5. We draw attention to Note no. 4 of the Statement, which describes the extent to which the COVID-19 pandemic will impact the Company's operations depending on future developments, which being uncertain, the said note narrates management's proposed future actions based on its assessment of internal as well as external factors and macro level developments. Our conclusion is not modified in respect of this matter.

kkc & associates llp chartered accountants

**Other Matter**

6. Attention is drawn to the fact that the unaudited condensed interim financial statements of the Company for the corresponding quarter ended 30 June 2021 were reviewed by predecessor auditors whose report dated 30 July 2021, expressed an unmodified conclusion on those unaudited condensed interim financial statements. Our conclusion is not modified in respect of this matter.

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

**Hasmukh B. Dedhia**
Partner
ICAI Membership No: 033494
UDIN: 22033494ANRMTY9001

Place: Mumbai
Date: 27 July 2022

# Aditya Birla Housing Finance Limited

**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2022**

*Rs. in lakh*

| | Particulars | Quarter ended | | | Year ended |
|---|---|---|---|---|---|
| | | Jun 30, 2022 | Mar 31, 2022 | Jun 30, 2021 | Mar 31, 2022 |
| | | Unaudited | | | Audited |
| 1 | **Revenue from operations** | | | | |
| | Interest income | 30,163.14 | 29,498.09 | 29,911.44 | 1,18,567.54 |
| | Fees and commission income | 1,104.01 | 989.87 | 714.66 | 2,713.99 |
| | Net gain on fair value changes in investments | 20.91 | - | 82.73 | 234.19 |
| | Net gain on derecognition of financial instruments classified under amortised cost category | - | 0.90 | - | - |
| | **Total revenue from operations** | **31,288.06** | **30,488.86** | **30,708.83** | **1,21,515.72** |
| 2 | **Other Income** | 30.69 | 25.65 | 30.76 | 108.60 |
| 3 | **Total Income (1+2)** | **31,318.75** | **30,514.51** | **30,739.59** | **1,21,624.32** |
| 4 | **Expenses** | | | | |
| | Finance costs | 16,521.76 | 16,540.92 | 18,164.81 | 69,493.52 |
| | Net loss on derecognition of financial instruments classified under amortised cost category | 80.09 | - | 573.83 | 1,023.69 |
| | Impairment of financial instruments | 1,469.28 | 1,197.60 | 2,694.10 | 6,446.77 |
| | Employee benefit expenses | 4,159.25 | 3,889.74 | 2,900.95 | 13,173.98 |
| | Depreciation and amortization expenses | 297.40 | 284.39 | 219.99 | 1,003.10 |
| | Other expenses | 1,628.90 | 1,573.62 | 1,239.79 | 5,158.14 |
| | **Total expenses** | **24,156.68** | **23,486.27** | **25,793.47** | **96,299.20** |
| 5 | **Profit before tax (3-4)** | **7,162.07** | **7,028.24** | **4,946.12** | **25,325.12** |
| 6 | **Tax expense** | | | | |
| | Current tax | 1,922.25 | 2,290.94 | 1,234.26 | 7,108.81 |
| | Deferred tax | (352.21) | (771.81) | (139.69) | (1,594.41) |
| | Income tax for earlier years | - | 81.43 | - | 81.43 |
| | **Total tax expense** | **1,570.04** | **1,600.56** | **1,094.57** | **5,595.83** |
| 7 | **Profit for the period (5-6)** | **5,592.03** | **5,427.68** | **3,851.55** | **19,729.29** |
| 8 | **Other comprehensive income** | | | | |
| | **Items that will not be reclassified to profit or loss** | | | | |
| | Re-measurement gains/ (losses) on defined benefit plans | 58.83 | 21.60 | 9.34 | 67.66 |
| | Income tax effect of above | (14.81) | (5.44) | (2.35) | (17.03) |
| | **Items that will be reclassified to profit or loss** | | | | |
| | Re-measurement gains/ (losses) on hedge instruments | 170.75 | 106.02 | 33.07 | 539.71 |
| | Income tax effect of above | (42.97) | (26.68) | (8.32) | (135.83) |
| | **Total other comprehensive income** | **171.80** | **95.50** | **31.74** | **454.51** |
| 9 | **Total comprehensive income (7+8)** | **5,763.83** | **5,523.18** | **3,883.29** | **20,183.80** |
| 10 | **Paid up equity share capital** *(Face value of Rs. 10 each)* | | | | 50,119.77 |
| 11 | **Reserve excluding revaluation reserve** | | | | 1,21,979.31 |
| 12 | **Earnings per share of Rs. 10 each (not annualised)** | | | | |
| | Basic & diluted earnings per share | 1.12 | 1.08 | 0.77 | 3.94 |






# Aditya Birla Housing Finance Limited

**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2022**

**Notes:**

1. The above financial results have been prepared for the purpose of inclusion in consolidated financial results of Aditya Birla Capital Limited ("the Parent Company") prepared as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended and are in accordance with recognition and measurement principles laid down in Indian Accounting Standards.

2. The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on July 27, 2022. The statutory auditor of the Company have carried out limited review of the aforesaid results.

**3. Estimation uncertainty relating to COVID-19 global health pandemic -**
In estimating the expected credit loss (ECL) allowance the Company has taken into consideration internal and certain sources of external information upto the date of approval of these financial results. The Company has also performed sensitivity analysis on the inputs and assumptions used in estimating the ECL allowance and has embedded in its ECL allowance an adjustment of Rs. 964 lakh during the current quarter in addition to the management overlay of Rs. 8,351 lakh embedded until March 31, 2022, for credit risks arising from macro economic factors. Based on the Company's expectations of future economic conditions, it expects to recover the carrying amount of its loan assets. The extent to which health pandemic will impact the Company's provision on financial assets will depend on future developments, which are uncertain. The eventual outcome of impact of the health pandemic may be different from those estimated as on the date of approval of these financial results.

4. On November 12, 2021, Reserve Bank of India issued circular requiring changes to and clarifying certain aspects of Income Recognition and Asset Classification Norms. The Company's management has taken necessary steps to comply with the norms/changes as they become applicable. For quarter ended June 2022, there is no impact on the Financial Results of the Company as provisions are adequately covered by the IND AS provisions.

5. The Statement of assets and liabilities is enclosed in Appendix I.

6. Related party statement is enclosed in Appendix II.

7. Previous quarter/year figures have been regrouped / rearranged wherever necessary to conform to the current quarter's figures.

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




**Rakesh Singh**
*Director*
*DIN: 07006067*

*Place: Mumbai*
*Date: July 27, 2022*

## Aditya Birla Housing Finance Limited

*Appendix I*

**Statement of assets and liabilities as at June 30, 2022**

*Rs. in lakh*

| | Particulars | As at June 30, 2022 Unaudited | As at June 30, 2021 Unaudited | As at March 31, 2022 Audited |
|---|---|---|---|---|
| | **ASSETS** | | | |
| (1) | **FINANCIAL ASSETS** | | | |
| | (a) Cash and cash equivalents | 38,530.93 | 7,029.58 | 55,695.10 |
| | (b) Bank Balance other than (a) above | - | 30,272.58 | - |
| | (c) Derivative financial instruments | 3,236.77 | 178.68 | 1,420.03 |
| | (d) Receivables | | | |
| | (I) Trade receivables | 1,602.61 | 257.00 | 1,224.70 |
| | (II) Other receivables | 239.70 | 250.29 | 53.56 |
| | (e) Loans | 11,92,201.69 | 11,23,096.20 | 11,89,546.08 |
| | (f) Investments | 4,814.31 | 10,203.11 | - |
| | (g) Other financial assets | 677.53 | 1,084.07 | 306.29 |
| | | **12,41,305.54** | **11,72,371.51** | **12,48,245.76** |
| (2) | **NON- FINANCIAL ASSETS** | | | |
| | (a) Current tax assets (net) | 244.44 | 212.97 | 232.75 |
| | (b) Deferred tax assets (net) | 5,666.99 | 4,060.03 | 5,372.56 |
| | (c) Property, plant and equipment | 1,001.07 | 592.93 | 830.69 |
| | (d) Right to use of assets | 2,393.23 | 1,497.89 | 1,921.43 |
| | (e) Intangible assets under development | 184.09 | 63.54 | 61.42 |
| | (f) Other intangible assets | 563.03 | 520.40 | 561.33 |
| | (g) Other non-financial assets | 1,819.65 | 1,294.27 | 1,844.16 |
| | | **11,872.50** | **8,242.03** | **10,824.34** |
| | **TOTAL ASSETS** | **12,53,178.04** | **11,80,613.54** | **12,59,070.10** |
| | **LIABILITIES AND EQUITY** | | | |
| (1) | **FINANCIAL LIABILITIES** | | | |
| | (a) Payables | | | |
| | (I) Trade payables | | | |
| | (i) total outstanding dues of micro enterprises and small enterprises | 10.73 | 24.52 | 49.22 |
| | (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 2,851.56 | 3,391.36 | 2,776.70 |
| | (b) Derivative financial instruments | - | - | - |
| | (c) Debt securities | 2,20,995.06 | 1,69,661.36 | 2,19,114.54 |
| | (d) Borrowings (other than debt securities) | 8,03,985.94 | 8,10,380.30 | 8,18,218.60 |
| | (e) Subordinated liabilities | 33,291.96 | 33,298.56 | 34,191.81 |
| | (f) Lease liability | 2,387.80 | 1,567.12 | 2,019.30 |
| | (g) Other financial liabilities | 9,431.04 | 5,314.21 | 8,953.04 |
| | | **10,72,954.09** | **10,23,637.43** | **10,85,323.21** |
| (2) | **NON- FINANCIAL LIABILITIES** | | | |
| | (a) Current tax liabilities (Net) | 739.96 | 68.94 | 11.11 |
| | (b) Provisions | 925.23 | 897.02 | 948.44 |
| | (c) Other non-financial liabilities | 695.85 | 211.58 | 688.26 |
| | | **2,361.04** | **1,177.54** | **1,647.81** |
| (3) | **EQUITY** | | | |
| | (a) Equity share capital | 50,119.77 | 50,119.77 | 50,119.77 |
| | (b) Other equity | 1,27,743.14 | 1,05,678.80 | 1,21,979.31 |
| | | **1,77,862.91** | **1,55,798.57** | **1,72,099.08** |
| | **TOTAL LIABILITIES AND EQUITY** | **12,53,178.04** | **11,80,613.54** | **12,59,070.10** |






## Aditya Birla Housing Finance Limited

*Appendix II*

**The following inter Company transactions/balances with the related parties have taken place/outstanding during/as at the period:**

Rs. In lakh

| No. | Particulars | Quarter ended | | | Year ended |
|---|---|---|---|---|---|
| | | Jun 30, 2022 | Mar 31, 2022 | Jun 30, 2021 | Mar 31, 2022 |
| | **Brief description Company wise & item wise:** | | | | |
| 1 | **Income - exclusive of GST** | | | | |
| | Aditya Birla Sun life Insurance Company Limited (Commission Income) | 27.91 | 39.39 | 18.02 | 156.38 |
| | Aditya Birla Health Insurance Co Limited (Commission Income) | 20.98 | 28.96 | 22.32 | 98.38 |
| | | | | | |
| 2 | **Recovery of expenses - Inclusive of GST** | | | | |
| | Aditya Birla Finance Limited (Rent recovery) | 17.47 | 18.58 | 14.46 | 67.26 |
| | Aditya Birla Finance Limited (Other admin expenses recovery) | 30.22 | 38.63 | 37.40 | 162.02 |
| | Aditya Birla Finance Limited (Asset utilisation charges) | 3.40 | 3.40 | 2.27 | 9.99 |
| | Aditya Birla Finance Limited (Recovery of transfer employees) | - | 21.82 | 0.58 | 72.12 |
| | Aditya Birla Sun life Insurance Company Limited (Recovery of expenses) | 113.57 | 88.80 | 66.90 | 302.10 |
| | Aditya Birla Sun life Insurance Company Limited (Recovery of expenses) | 13.37 | 26.89 | - | 38.93 |
| | Aditya Birla Financial Shared Services Limited (Recovery of Rent) | - | - | - | 2.81 |
| | Aditya Birla Financial Shared Services Limited (Recovery of transfer employees) | 2.68 | 3.67 | 3.66 | 13.56 |
| | Aditya Birla Sun life Asset Management Company Limited (Recovery of Rent) | 7.62 | 6.00 | 0.96 | 14.64 |
| | Aditya Birla Insurance Brokers Limited (Recovery of Expense) | 0.27 | - | - | - |
| | Ultratech Cement Limited (Salary and other cost recovery) | - | - | 12.66 | - |
| | Aditya Birla Capital Ltd (Recovery of Rent) | - | - | 2.11 | 2.81 |
| | Aditya Birla Health Insurance Co Limited(Recovery of expenses) | 2.09 | 2.59 | 2.11 | 5.91 |
| | Aditya Birla Health Insurance Co Limited(Recovery of transfer employees) | - | 4.57 | - | 7.70 |
| | Aditya Birla Money Limited (Recovery of transfer employees) | - | 1.50 | - | 1.50 |
| | | | | | |
| 3 | **Reimbursment of Expenses - Inclusive of GST** | | | | |
| | Aditya Birla Finance Limited (Reimbursement of repairs & maintenance computers) | 35.54 | 42.70 | 26.59 | 130.82 |
| | Aditya Birla Finance Limited (Reimbursement of rent expenses) | 84.24 | 77.77 | 101.61 | 371.46 |
| | Aditya Birla Finance Limited (Reimbursement for asset utilisation) | - | - | 0.86 | 2.58 |
| | Aditya Birla Finance Limited (Reimbursement of other admin expenses) | 61.34 | 65.90 | 86.07 | 283.39 |
| | Aditya Birla Finance Limited (Salary cost) | 193.69 | 153.06 | 174.24 | 649.44 |
| | Aditya Birla Finance Ltd (Transfer of employees) | 4.91 | 13.72 | 16.80 | 42.28 |
| | Aditya Birla Finance Ltd (LTIP Recovery) | - | - | - | 81.55 |
| | Aditya Birla Financial Shared Services Limited (Shared services expenses) | 410.08 | 375.24 | 279.97 | 1,278.73 |
| | Aditya Birla Financial Shared Services Limited (Transfer of Employees) | 1.76 | - | - | - |
| | Aditya Birla Financial Shared Services Limited (Other comprehensive income - gratuity (gain)/loss) | (7.91) | (10.75) | (4.14) | (12.07) |
| | Aditya Birla Capital Limited (Shared services expenses) | 81.24 | 68.44 | 65.08 | 271.20 |
| | Aditya Birla Capital Limited (Reimbursement of GST) | 0.59 | 0.94 | 45.46 | 47.81 |
| | Aditya Birla Capital Limited (ESOP) | 0.60 | 0.60 | 3.74 | 6.60 |
| | Aditya Birla Capital Limited (Other comprehensive income - gratuity (gain)/loss) | 0.24 | (0.84) | 0.23 | (0.30) |
| | Aditya Birla Capital Technology Services Limited (Reimbursement of expenses) | 56.98 | 27.96 | 27.72 | 112.63 |
| | Aditya Birla Capital Technology Services Limited (Transfer of Employees) | 7.22 | - | - | - |
| | Aditya Birla Wellness Private Limited (Reimbursement of expenses) | 5.76 | - | - | 0.08 |
| | Aditya Birla Sun life Asset Management Company Limited (Reimbursement of expenses) | 2.18 | 3.04 | 0.85 | 6.16 |
| | Ultratech Cement Limited (Referral Fees) | 4.86 | 8.53 | - | 10.45 |
| | Aditya Birla Sun life Insurance Company Limited( Sharing Expenses) | - | - | - | 5.05 |
| | Aditya Birla Money Limited (Reimbursement of expenses) | - | - | - | 0.07 |
| | | | | | |
| 4 | **Expenses - Inclusive of GST** | | | | |
| | Aditya Birla Sun life Insurance Company Limited (Interest on debentures issued) | 21.19 | 20.96 | 21.19 | 85.00 |
| | Aditya Birla Capital Limited (Interest expenses) | - | - | 0.61 | 0.61 |
| | | | | | |
| 5 | **Capital/Debt Investment Outstanding** | | | | |
| | Aditya Birla Capital Limited (Equity share Capital) | 50,119.77 | 50,119.77 | 50,119.77 | 50,119.77 |
| | Aditya Birla Sun life Insurance Company Limited - Accrued interest on sub debt outstanding payable | 10.48 | 74.29 | 10.48 | 74.29 |
| | Aditya Birla Sun life Insurance Company Limited - Sub debt outstanding | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 |
| | | | | | |
| 6 | **Other transactions** | | | | |
| | Aditya Birla Finance Ltd (Sale of Fixed Assets) | - | - | 0.43 | 0.45 |
| | Aditya Birla Finance Ltd (Purchase of Fixed Assets) | - | 22.37 | - | 22.37 |
| | Aditya Birla Finance Ltd (Security Deposit) | 30.28 | - | - | - |
| | Aditya Birla Capital Technology Services Limited (Purchase of Fixed Assets) | 11.51 | 19.84 | - | 19.84 |
| | Aditya Birla Sun life Insurance Company Limited (Security Deposit) | 52.47 | 12.67 | - | 27.75 |
| | Aditya Birla Health Insurance Company Limited (Security Deposit) | 0.31 | - | - | - |
| | Aditya Birla Sun life Asset Management Company Limited (Security Deposit) | 2.78 | 2.78 | - | 2.78 |
| | | | | | |

kk & associates llp chartered accountants

Aditya Birla Housing Finance Limited

Rs. In lakh

| No. | Particulars | Quarter ended | | | Year ended |
|---|---|---|---|---|---|
| | | Jun 30, 2022 | Mar 31, 2022 | Jun 30, 2021 | Mar 31, 2022 |
| 7 | **Other advances** | | | | |
| | Aditya Birla Sun life Insurance Company Limited (Unamortised insurance premium) | - | 61.10 | 17.23 | 61.10 |
| | Aditya Birla Financial Shared Services Limited (Advance prepaid) | 57.79 | 9.21 | 49.46 | 9.21 |
| | Aditya Birla Capital Technology Services Limited (Advance prepaid) | 4.87 | 0.10 | 2.46 | 0.10 |
| | | | | | |
| 8 | **Outstanding Balances** | | | | |
| | ***- Receivables*** | | | | |
| | Aditya Birla Insurance Brokers Limited (Short-term loans and advances) | 0.27 | - | - | - |
| | Aditya Birla Sun life Asset Management Company Limited(Trade receivable) | 5.65 | 0.12 | - | 0.12 |
| | Aditya Birla Money Limited (Trade Receivable) | 1.50 | 1.50 | - | 1.50 |
| | Aditya Birla Health Insurance Co Limited (Trade Receivable) | 45.63 | 29.97 | 90.11 | 29.97 |
| | Aditya Birla Sun life Insurance Company Limited (Trade Receivable) | 186.64 | 21.98 | 147.52 | 21.98 |
| | Ultratech Cement Limited (Trade Receivable) | - | - | 12.66 | - |
| | ***- Payables*** | | | | |
| | Aditya Birla Capital Technology Services Limited (Trade payables) | 28.97 | 23.92 | 20.48 | 23.92 |
| | Aditya Birla Finance Limited (Trade payables) | 334.10 | 362.92 | 619.23 | 362.92 |
| | Aditya Birla Capital Limited (Trade payables) | 28.90 | 26.26 | 29.27 | 26.26 |
| | Aditya Birla Money Limited (Trade payables) | - | - | 0.25 | - |
| | Aditya Birla Financial Shared Services Limited (Trade payables) | 140.43 | 91.19 | 81.71 | 91.19 |
| | Aditya Birla Wellness Private Limited (Trade payables) | 5.76 | - | - | - |
| | Aditya Birla Sun life Asset Management Company Limited (Trade payables) | - | - | 0.48 | - |
| | Ultratech Cement Limited (Trade payables) | 10.50 | 6.13 | - | 6.13 |






## Aditya Birla Housing Finance Limited

### Cash Flow Statement for the quarter ended June 30, 2022

*(Currency : Rupees in lakh)*

| Particulars | For the quarter ended June 30, 2022 | | For the quarter ended June 30, 2021 | |
|---|---|---|---|---|
| **A. Cash flow from operating activities** | | | | |
| ***(a) Profit before tax*** | | **7,182.07** | | **4,946.12** |
| *Adjustments for:* | | | | |
| Depreciation and amortisation | 297.40 | | 219.99 | |
| Interest on lease liability | 38.34 | | 31.42 | |
| Profit on surrender of lease liability/ income from rent concession | - | | (14.58) | |
| Impairment on financial instruments including loss on derecognition of financial assets at amortised cost | 1,549.37 | | 3,267.93 | |
| Net gain on Fair value changes | (20.91) | | (82.73) | |
| Loss/ (profit) on derecognition of property, plant and equipment | (3.73) | | (0.03) | |
| ***(b) Operating profit before working capital changes*** | | **9,022.54** | | **8,368.12** |
| *Adjustments for:* | | | | |
| Decrease/(increase) in trade receivables | (564.05) | | (69.44) | |
| Decrease/(increase) in Bank Balance other than Cash and cash equivalents | - | | (30,272.58) | |
| Decrease/(increase) in loans | (4,204.98) | | 53,898.58 | |
| Decrease/(increase) in other financial assets | (371.24) | | (70.70) | |
| Decrease/(increase) in derivative financial instruments | (1,647.99) | | (452.34) | |
| Decrease/(increase) in other assets | (59.60) | | (150.94) | |
| (Decrease)/increase in trade payables | 36.37 | | (25.20) | |
| (Decrease)/increase in provisions | 35.62 | | 82.93 | |
| (Decrease)/increase in other financial liabilities | 2,107.24 | | (8,124.87) | |
| (Decrease)/increase in other liabilities | 7.59 | | (77.61) | |
| ***(c) Cash from operating activities*** | | **4,361.50** | | **23,105.95** |
| Direct taxes paid (net of refund) | (1,205.09) | | (1,290.37) | |
| **Net cash from operating activities (A)** | | **3,156.41** | | **21,815.58** |
| **B. Cash flow from investing activities** | | | | |
| Purchase of property, plant and equipment, acquisition of intangible assets | (547.22) | | (57.85) | |
| Proceeds from sale of property, plant and equipment | 5.57 | | 0.38 | |
| (Purchase)/sale of current investments (net) | (4,793.40) | | - | |
| **Net cash used in investing activities (B)** | | **(5,335.05)** | | **(57.47)** |
| **C. Cash flow from financing activities** | | | | |
| Payment of lease liability | (128.62) | | (97.92) | |
| Proceeds from long term borrowings | 15,000.00 | | 70,000.00 | |
| Repayment of long term borrowings | (81,501.14) | | (1,22,030.26) | |
| Net proceeds/ (repayment) for short term borrowings | 51,644.23 | | (337.69) | |
| **Net cash used in financing activities (C)** | | **(14,985.53)** | | **(52,465.87)** |
| **D. Net increase/ (decrease) in cash and cash equivalents (A+B+C)** | | **(17,164.17)** | | **(30,707.76)** |
| **E. Cash and cash equivalents at the beginning of the year** | | **55,695.10** | | **37,737.34** |
| **F. Cash and cash equivalents at the end of the year*** | | **38,530.93** | | **7,029.58** |
| **Additional Information:** | | | | |
| Interest received | 30,174.00 | | 28,986.73 | |
| Interest paid | 22,518.96 | | 21,726.24 | |

Aditya Birla Housing Finance Limited

Date: July 27, 2022

India Ratings & Research
A Fitch Group Company

Fitch Group

**Mr. Ashish Damani**
**Chief Financial Officer,**
**Aditya Birla Housing Finance Ltd.,**
**16th Floor, One IndiaBulls Centre, Tower 1,**
**Elphistone Road, Mumbai – 400013**

October 12, 2022

***Dear Sir/Madam,***

***Re: Rating Letter for non-convertible debenture (NCD) programme of Aditya Birla Housing Finance Limited***

India Ratings and Research (Ind-Ra) is pleased to communicate the rating of

- INR 28.55bn Non-convertible debentures: 'IND AAA'; Outlook Stable

- INR 10bn Subordinated Debt: 'IND AAA'; Outlook Stable

- INR 5bn Principal Protected Market Linked Debentures: 'IND PP-MLD AAA emr'; Outlook Stable

(Out of the above rated amount the company has an outstanding amount of INR 15.85bn of the Non-convertible debentures, INR 3.25bn of the Subordinated Debt and INR0.15bn of the Principal Protected Market Linked Debentures).

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings

**Prakash Agarwal**
**Director**

**Jindal Zaverchand Haria**
**Director**

**Annexure: ISIN**

| Instrument | ISIN | Date of Issuance | Coupon Rate | Maturity Date | Ratings | Outstanding/Rated Amount(INR million) |
|---|---|---|---|---|---|---|
| NCD | INE831R07011 | 22/03/2016 | 8.95% | 20/03/2026 | IND AAA/Stable | 200 |
| NCD | INE831R07185 | 08/09/2017 | 7.60% | 08/09/2022 | WD/Stable | 200 |
| NCD | INE831R07268 | 17/02/2020 | (1st Coupon: 5.26% + 250 bps = 7.76%Benchmark 12 Month T-Bill + 250 bps spread Reset on yearly basis with fixed spread of 250 bps) | 17/02/2023 | IND AAA/Stable | 250 |
| NCD | INE831R07276 | 17/04/2020 | 8% SECURED RATED LISTED REDEEMABLE NON-CONVERTIBLE DEBENTURES. SERIES ABHFL NCD A1 FY 2020-21-MAY17,2023. MATURITY DATE 17/05/2023 | 17/05/2023 | IND AAA/Stable | 4000 |
| NCD | INE831R07284 | 11/09/2020 | 6.05% SECURED RATED LISTED REDEEMABLE NON-CONVERTIBLE DEBENTURES. ABHFL NCD SERIES F1 FY 2020-21. MATURITY DATE 08/09/2023 | 08/09/2023 | IND AAA/Stable | 500 |

| | | | | | | |
|---|---|---|---|---|---|---|
| NCD | INE831R07292 | 18/03/2021 | 5.99 % p.a. (275 bps spread over Benchmark), Benchmark to be Reset on quarterly basis. Coupon payable annually and on maturity .The Initial fixing for first Coupon is set as the average rate of 3Month | 15/03/2024 | IND AAA/Stable | 2500 |
| NCD | INE831R07300 | 16/07/2021 | The Initial fixing for first Coupon is set as the average rate of 3 Month T-bill (FBIL Benchmark) from date June 24, 2021 to July 7, 2021i.e. 3.41% plus 156 bps (spread) to arrive at a Initial Coupon | 16/07/2024 | IND AAA/Stable | 2500 |
| NCD | INE831R07318 | 24/01/2022 | 6.70% | 22/01/2027 | IND AAA/Stable | 2500 |
| NCD | INE831R07326 | 21/03/2022 | The Initial fixing for first Coupon is set as the average rate of 3Month T-bill (FBIL Benchmark) from date February 24, 2022 to March 10, 2022 i.e. 3.76% plus 181 bps (spread) to arrive at a Initial C | 21/03/2025 | IND AAA/Stable | 3400 |
| NCD (Unutilised) | | | | | IND AAA/Stable | 12700 |
| Subordinated debt | INE831R08019 | 04/07/2016 | 9.1 | 03/07/2026 | IND AAA/Stable | 150 |
| Subordinated debt | INE831R08027 | 07/07/2016 | 9.1 | 07/07/2026 | IND AAA/Stable | 100 |
| Subordinated debt | INE831R08035 | 13/07/2016 | 9.1 | 13/07/2026 | IND AAA/Stable | 150 |
| Subordinated debt | INE831R08043 | 26/07/2016 | 8.99 | 24/07/2026 | IND AAA/Stable | 250 |
| Subordinated debt | INE831R08050 | 17/05/2017 | 8.5 | 14/05/2027 | IND AAA/Stable | 600 |
| Subordinated debt | INE831R08068 | 01/06/2017 | 8.5 | 01/06/2027 | IND AAA/Stable | 750 |
| Subordinated debt | INE831R08076 | 10/06/2019 | 8.94 | 08/06/2029 | IND AAA/Stable | 500 |
| Subordinated debt | INE831R08084 | 15/01/2021 | 7.43 | 15/01/2031 | IND AAA/Stable | 750 |
| Subordinated debt (Unutilised) | | | | | IND AAA/Stable | 6750 |
| PP-MLD | INE831R07250 | 01/10/2019 | If greater that 50% digital level 7.9573% p.a. (7.95% XIRR (annualised yield)) else 0% | 30/09/2022 | IND PP-MLD AAA emr/Stable | 150 |
| PP-MLD (Unutilised) | | | | | IND PP-MLD AAA emr/Stable | 4850 |

India Ratings & Research
A Fitch Group Company

# India Ratings Affirms Aditya Birla Housing Finance & its NCDs at 'IND AAA'/Stable

**04**

APR 2022

By Bhavik Mehta

India Ratings and Research (Ind-Ra) has affirmed Aditya Birla Housing Finance Limited's (ABHFL) Long-Term Issuer Rating at 'IND AAA' with a Stable Outlook and Short-Term Issuer Rating at 'IND A1+'. The instrument-wise rating actions are as follows:

| Instrument Type | Date of Issuance | Coupon Rate (%) | Maturity Date | Size of Issue (billion) | Rating/Outlook | Rating Action |
|---|---|---|---|---|---|---|
| Bank loans | - | - | - | INR200 | IND AAA/Stable | Affirmed |
| Commercial paper (CP)# | - | - | - | INR15 | INR A1+ | Affirmed |
| Non-convertible debentures (NCDs)* | - | - | - | INR28.55 | IND AAA/Stable | Affirmed |
| Subordinated debt* | - | - | - | INR10 | IND AAA/Stable | Affirmed |
| Principal protected market-linked debenture (PP-MLD)^* | - | - | - | INR5 | IND PP-MLD AAAemr/Stable | Affirmed |

* Details in Annexure
# Maturity 7-365 days
^ The suffix 'emr' denotes the exclusion of the embedded market risk from the rating. The rating of the market-linked debentures is an ordinal assessment of the underlying credit risk of the instrument and does not factor in the market risk that investors in such instruments will assume. This market risk stems from the fact that coupon payment on the instrument will be based on the performance of a reference index or equity share (detailed in the information memorandum of the issue). PP-MLD refers to full principal protection in the equity-linked notes wherein the issuer is obligated to pay the full principal upon maturity.

**Analytical Approach:** Ind-Ra continues to factor in ABHFL's ultimate parent, Grasim Industries Limited's ('IND AAA'/Stable), which owns 54.2% stake in Aditya Birla Capital Ltd (direct parent of ABHFL), strong credit profile to arrive at the ratings.

The ratings factor in Ind-Ra's expectations that the financial services segment would continue to be highly important for Grasim Industries and the larger Aditya Birla (AB) group franchise from a long-term perspective. Ind-Ra understands that the financial services business remains a key focus area for the AB group, and it has a close oversight from the group's top management, though its present share in the consolidated balance sheet and profitability of the ultimate parent and the group is modest. In addition, Grasim Industries' management has stated that the financial services business continues to be among the core businesses for them, and it will maintain its majority ownership in the business, and as such, it intends to provide all the required support to the same.

## KEY RATING DRIVERS

**Stronger Parent with High Propensity and Ability to Support**: The ratings factor in Ind-Ra's expectation that the ultimate parent, Grasim Industries, will provide timely financial support to ABCL's financial services business, and consequently, to ABHFL. Ind-Ra believes Grasim Industries has a strong operating profile with adequate resources in terms of on-book liquidity and investment book to support ABHFL's requirements. Furthermore, the AB group considers ABHFL's lending business to be critical to its long-term growth prospects, which is evident from the group's regular equity infusions into ABHFL. There also exist board overlap between Grasim Industries (ultimate parent) and the financial services arm Aditya Birla Capital Limited, which houses ABHFL.

The AB group has stated that there is close co-ordination between the management of Grasim Industries and the financial services business, and Grasim Industries' intention and interest is to ensure the smooth flow of resources from Grasim Industries to the financial services segment at all times.

Although ABHFL has a moderate size in proportion to the group's consolidated financial services business, it operates in a high-growth segment and complements the group's philosophy of providing complete product suits in the financial services segment.

**Stable Funding Profile:** Banks form a larger part of ABHFL's funding requirement (9MFY22: 63%, FY21: 75.6%; FY20: 73.9%), as they provide funds for a longer duration. However, the company is diversifying its funding sources by borrowing from National Housing Bank ('IND AAA'/Stable/'IND A1+'); 9MFY22: 10.2%, FY21: 2.2%) and the company expects to further increase its share in the overall borrowing from low-cost loans from National Housing Bank in the near-to-medium term. CP formed 3.5% of the borrowing mix at end-December 2021.

**Liquidity Indicator - Adequate:** ABHFL has the maximum cumulative gap of INR5.9 billion (4.8% of total cumulative outflows at end-September 2021) in the structural liquidity statement (up to one-year tenure), excluding committed bank lines. The entity maintains adequate unutilised bank lines (3QFY22: INR21 billion), along with cash and liquid investments (end-December 2021: INR1.4 billion) to meet these gaps. Moreover, ABHFL can tap the broader group's liquidity, which is sufficient to support short-term mismatches in a tight liquidity situation, if required. At end-February 2022, ABHFL had adequate cover of unutilised lines of INR13 billion to cover the next three months of debt repayments of INR 8.05

billion, assuming zero inflows.

**Diversified Loan Book; Although Increasing Contribution from Affordable Housing:** ABHFL had diversified its loan book across various segments i.e. prime housing (9MFYE22: 38%, FY21: 44%, FY20: 53%), affordable housing (29%, 23%, 16%%), prime loan against property (21%, 24%, 24%), affordable loan against property (6%, 4%, 2%) and construction finance (5%, 4%, 5%). ABHFL turned profitable in FY18; its cost-to-income ratio moderated to 36.3% in 9MFY22 (9MFY21: 40.5%; 9MFY20: 45.9%) after gradually deriving efficiencies of scale and size.

ABHFL's sourcing is balanced equally between direct channels and direct selling agents; however, the company is shifting its focus towards direct channels over the long term, thereby reducing costs and improving prepayment ratios. ABHFL will be adding branches to its existing network (80 branches as of December 2021) by FYE23; however, it would control the overall costs, keeping the cost-to-income ratio between 35% and 40% in the medium term.

**Targeted Customer Profile:** The target segment through prime loans (home loan and loan against property (LAP) – 59% of the overall portfolio as of December 2021) are self-employed customers with better credit track record, however, this segment has seen a higher stress during the Covid-19 pandemic due to higher ticket size loans, leading to higher repayment obligation (EMI) payments. Also, the borrowers in this segment could be small and medium enterprises/micro, small and medium enterprises, which were impacted due to COVID-19-led disruptions, and normalising of cash flows could be gradual. The affordable segment (home loan – 29% of the overall portfolio as of December 2021) the customer profile is largely salaried in nature, leading to lower impact on borrower profile as job losses due to pandemic were limited to cash salaried segment.

The prime loans segment faces customer retention challenges as it competes heavily with other housing finance companies and banks. To retain customers, the company needs to undertake finer pricing, thus impacting segment margins. The affordable segment would be a key focus area for ABHFL for incremental growth as it provides adequate risk adjusted margin and origination is through own sourcing providing better retention benefit.

**Adequate Capitalisation**: ABHFL's capitalisation remains adequate with tier 1 ratio of 19.76% in 3QFY22; however, the equity-to-total assets ratio stood at 13.77%. The AB group remains committed to making regular capital infusions in ABHFL to support its growth plans. ABHFL moderated its gross leverage (net worth/ Tier 1 capital) to 6.3x in 9MFY22 (FY21: 7.8x, 9MFY21: 7.4x). As per Ind-Ra's assessment, ABHFL remains adequately capitalised for achieving more than 10% growth in FY23, while maintaining the gross leverage below 9x. Ind-Ra expects ABHFL to maintain above-average equity and liquidity buffers to absorb the possible shocks from the current situation. Also, since the leverage has moderated, the current capital buffers could support immediate financial year (FY23) growth needs adequately.

**Asset Quality Impacted by COVID-19:** Ind-Ra believes self-employed and cash salaried customers have been the most impacted in the ongoing pandemic. The gross non-performing assets increased to 2.12% in 9MFY22 (9MFY21: 1.89%). On segmental basis, the pressure was higher for prime home loans than affordable home loans. ABHFL, at end-December 2021, had around 7.3% of the book being restructured. Incrementally, it has seen an improvement in its collection efficiency to 96.3% 3QFY22 (4QFY21: 95.2%). ABHFL maintained a provision coverage ratio of 34% on the overall stressed assets. The underlying portfolio is yet to be seasoned and through-the-cycle credit costs are yet to be established for ABHFL.

Ind-Ra remains cautious on its LAP portfolio (ABHFL: 27% of assets under management at 9MFYE22), largely due to an increase in delinquencies in this segment. This was the result of a moderation in property prices, property valuation variations, along with large-scale assessment undertaken on borrowers' collateral, rather than their servicing capabilities through cash flows.

For ABHFL, 30% of the affordable home loans portfolio is backed by India Mortgage Guarantee Company's guarantee and 51% is eligible for the Pradhan Mantri Awas Yojana subsidy. It had adequate security cover of 2x against net stage 3 assets of INR3.25 billion in 9MFY22. Ind-Ra believes the asset quality performance would be a key monitorable for ABHFL, as the loan book seasons along with stable loan growth.

**Profitability to Improve with Scale:** As per agency's calculation, ABHFL's margins improved to 4.13% in 9MFY22 (9MFY21: 3.12%) due to a reduction in funding cost by about 68bp yoy. This margins expansion will lead to an improvement in profitability, despite elevated credit cost resulting from Covid-19 disruption, which stood at 73bp in 9MFY22 (9MFY21: 71bp). ABHFL has been able to maintain its operating expense with increased scale and manpower at 1.5% to total assets in 9MFY22 (9MFY21: 1.4%). In the medium term, margin expansion will largely be driven by the increasing proportion of the affordable housing and non-housing segments, which could pose credit challenges during an economic downcycle. ABHFL continues to face competitive pressure from banks, which have incrementally been catering to self-employed borrowers, thereby could pose pricing and retention challenges to ABHFL.

The return on assets improved to 1.8% in 3QFY22 (3QFY21: 1.2%); however, sustaining the same would be dependent on managing slippages from softer buckets and the loans moving out of moratorium from the restructured book.

## RATING SENSITIVITIES

**Negative:** The dilution of support expectations on account of weakened commercial prospects, weak operating/financial performance or otherwise, along with ABHFL's sustained below-average operating performance, its inability to manage asset quality as the book seasons out over the medium term, resulting in higher-than-expected losses, sustained higher-than-articulated leverage, weakened liability or liquidity profile or diminished business prospects, or otherwise could lead to a rating downgrade.

The lack of timely support in terms of equity capital or liquidity, if required, would also lead to a negative rating action. Any material deterioration in ABHFL's standalone profile or in the credit profile of Grasim Industries would impact the ratings. ABHFL's gross leverage exceeding 9.0x on a sustained basis with the existing loan portfolio structure can also lead to negative rating action.

## ESG ISSUES

**ESG Factors Minimally Relevant to Rating:** Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on ABHFL, either due to their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please click here. For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click here.

## COMPANY PROFILE

ABHFL, which commenced operations in October 2014, is a subsidiary of Aditya Birla Capital. The AB group is among the Fortune 500 league companies. ABHFL is largely focused on housing loans and loans against property to the retail segment and had assets under management of INR116 billion at end-December 2021. Its business is largely complementary to Aditya Birla Finance Limited's ('IND AAA'/Stable/'IND A1+') diversified lending business. ABHFL benefits from over 3,400 channel partners for retail loan sourcing.

ABHFL is a step-down subsidiary of Grasim Industries through the ultimate parent's 54.2% shareholding in Aditya Birla Capital. On the other hand, the promoters and the public hold 16.2% and 27.24%, respectively.

**FINANCIAL SUMMARY**

| Particulars | FY21 | FY20 |
|---|---|---|
| Total assets (INR billion) | 123.7 | 131.6 |
| Total equity (INR billion) | 15.2 | 13.8 |
| Net profit (INR billion) | 1.3 | 1.0 |
| Return on average assets (%) | 1.1 | 0.8 |
| Tier 1 capital (%) | 17.1 | 14.7 |
| Gross non-performing asset (%) | 1.8 | 1.2 |
| Source: ABHFL, Ind-Ra analysis | | |

## RATING HISTORY

| Instrument Type | Current Rating/Outlook | | | Historical Rating/Outlook | | | | |
|---|---|---|---|---|---|---|---|---|
| | Rating Type | Rated Limits (billion) | Rating | 5 April 2021 | 8 April 2020 | 15 February 2019 | 11 January 2019 | 7 May 20 |
| Issuer rating | Long-term/Short-term | - | IND AAA/Stable/IND A1+ | IND AAA/Stable/IND A1+ | IND AAA/Stable/IND A1+ | IND AAA/Stable/IND A1+ | IND AAA/Stable/IND A1+ | IND AAA/Stable/ A1+ |
| NCDs | Long-term | INR28.55 | IND AAA/Stable | IND AAA/Stable | IND AAA/Stable | IND AAA/Stable | IND AAA/Stable | IND AAA/St |
| Subordinated debt* | Long-term | INR10 | IND AAA/Stable | IND AAA/Stable | IND AAA/Stable | IND AAA/Stable | IND AAA/Stable | IND AAA/St |
| CP | Short-term | INR15 | IND A1+ | IND A1+ | IND A1+ | IND A1+ | IND A1+ | IND A1+ |
| Bank loans | Long-term | INR200 | IND AAA/Stable | IND AAA/Stable | IND AAA/Stable | IND AAA/Stable | IND AAA/Stable | IND AAA/St |
| PPMLD | Long-term | INR5 | IND PP-MLD AAA emr/Stable | IND PP-MLD AAA emr/Stable | IND PP-MLD AAA emr/Stable | IND PP-MLD AAA emr/Stable | IND PP-MLD AAA emr/Stable | - |

## ANNEXURE

| Instrument Type | ISIN | Date of Issuance | Coupon Rate | Maturity Date | Rated Amount (billion) | Rating/Outlook |
|---|---|---|---|---|---|---|
| NCD | INE831R07011 | 22 March 2016 | 8.95% | 20 March 2026 | INR0.2 | IND AAA/Stable |
| NCD | INE831R07037 | 20 April 2016 | 8.75% | 20 April 2021 | INR0.15 | WD |
| NCD | INE831R07128 | 10 March 2017 | 8% | 10 March 2022 | INR0.5 | WD |
| NCD | INE831R07136 | 20 March 2017 | 8% | 18 March 2022 | INR0.5 | WD |
| NCD | INE831R07151 | 3 April 2017 | 8% | 1 April 2022 | INR0.45 | IND AAA/Stable |
| NCD | INE831R07169 | 7 June 2017 | 8% | 7 June 2022 | INR1 | IND AAA/Stable |
| NCD | INE831R07177 | 1 August 2017 | 7.60% | 30 July 2021 | INR0.85 | WD |
| NCD | INE831R07185 | 8 September 2017 | 7.60% | 8 September 2022 | INR0.2 | IND AAA/Stable |
| NCD | INE831R07193 | 22 June 2018 | 8.85% (on XIRR) | 7 June 2021 | INR0.45 | WD |
| NCD | INE831R07201 | 27 July 2018 | 8.82% (on XIRR) | 26 July 2021 | INR0.663 | WD |
| NCD | INE831R07219 | 1 August 2018 | 8.82% | 28 October 2021 | INR0.2 | WD |
| NCD | INE831R07227 | 29 October 2018 | 9.40% (on XIRR) | 26 October 2021 | INR0.24 | WD |
| NCD | INE831R07201 | 1 November 2018 | 9.40% (on XIRR) | 26 July 2021 | INR0.18 | WD |

| | | | | | | |
|---|---|---|---|---|---|---|
| NCD | INE831R07235 | 11 December 2018 | 9.30% (on XIRR) | 13 April 2022 | INR0.54 | IND AAA/Stable |
| NCD | INE831R07235 | 24 December 2018 | 9.17% (on XIRR) | 13 April 2022 | INR0.86 | IND AAA/Stable |
| NCD | INE831R07235 | 25 January 2019 | 8.9000 % (on XIRR) | 13 April 2022 | INR0.406 | IND AAA/Stable |
| NCD | INE831R07243 | 25 September 2019 | 8.1800 % (on XIRR) | 24 September 2021 | INR0.2 | WD |
| NCD | INE831R07268 | 17 February 2020 | (1st Coupon: 5.26% + 250 bps = 7.76%<br>Benchmark 12 Month T-Bill + 250 bps spread<br>Reset on yearly basis with fixed spread of 250 bps) | 17 February 2023 | INR0.25 | IND AAA/Stable |
| NCD | INE831R07276 | 17 April 2020 | 8% SECURED RATED LISTED REDEEMABLE NON-CONVERTIBLE DEBENTURES. SERIES ABHFL NCD A1 FY 2020-21-MAY17,2023. MATURITY DATE 17/05/2023 | 17 May 2023 | INR4 | IND AAA/Stable |
| NCD | INE831R07284 | 11 September 2020 | 6.05% SECURED RATED LISTED REDEEMABLE NON-CONVERTIBLE DEBENTURES. ABHFL NCD SERIES F1 FY 2020-21. MATURITY DATE 08/09/2023 | 8 September 2023 | INR0.5 | IND AAA/Stable |
| NCD | INE831R07292 | 18 March 2021 | 5.99% p.a. (275bp spread over Benchmark), Benchmark to be Reset on quarterly basis. Coupon payable annually and on maturity .The Initial fixing for first Coupon is set as the average rate of 3Month T-bill (FBIL Benchmark) from date 25 February 2021 to 10 March 2021 i.e. 3.24% plus 275bp (spread) to arrive at a Initial coupon rate of 5.99%<br>The first interest payment is set as an average (simple) rate of previous four quarters reset coupon rate e.g. Coupon rate to be paid on 18 March 2022 is the average of coupon rate on 18 March 2021 (initial coupon) and the rate computed on the reset date being 18 June 2021, 18 September 2021 and 18 December 2021 | 15 March 2024 | INR2.5 | IND AAA/Stable |
| NCD | INE831R07300 | 16 July 2021 | The initial fixing for first coupon is set as the average rate of 3 Month T-bill (FBIL Benchmark) from date 24 June 2021 to 7 July 2021<br>i.e. 3.41% plus 156bp (spread) to arrive at a initial coupon rate of 4.97% p.a. | 16 July 2024 | INR2.5 | IND AAA/Stable |
| NCD | INE831R07318 | 24 January 2022 | 6.70% | 22 January 2027 | INR2.5 | IND AAA/Stable |
| | INE831R07326 | 21 March 2022 | The Initial fixing for first coupon is set as the average rate of 3Month T-bill (FBIL Benchmark) from date 24 February 2022 to 10 March 2022 i.e. 3.76% plus 181bp (spread) to arrive at a initial coupon rate of 5.57% p.a. | 21 March 2025 | INR3.4 | IND AAA/Stable |
| | | Utilised | | | INR19.31 | |
| | | Unutilised | | | INR9.24 | |
| | | Total | | | INR28.55 | |

| **Instrument Type** | **ISIN** | **Date of Issuance** | **Coupon Rate (%)** | **Maturity Date** | **Rated Amount (billion)** | **Rating/Outlook** |
|---|---|---|---|---|---|---|
| Subordinated debt | INE831R08019 | 4 July 2016 | 9.10 | 3 July 2026 | INR0.15 | IND AAA/Stable |
| Subordinated debt | INE831R08027 | 7 July 2016 | 9.10 | 7 July 2026 | INR0.10 | IND AAA/Stable |
| Subordinated debt | INE831R08035 | 13 July 2016 | 9.10 | 13 July 2026 | INR0.15 | IND AAA/Stable |
| Subordinated debt | INE831R08043 | 26 July 2016 | 8.99 | 24 July 2026 | INR0.25 | IND AAA/Stable |
| Subordinated debt | INE831R08050 | 17 May 2017 | 8.50 | 14 May 2027 | INR0.60 | IND AAA/Stable |
| Subordinated debt | INE831R08068 | 1 June 2017 | 8.50 | 1 June 2027 | INR0.75 | IND AAA/Stable |
| Subordinated debt | INE831R08076 | 10 June 2019 | 8.94 | 8 June 2029 | INR0.50 | IND AAA/Stable |
| Subordinated debt | INE831R08084 | 15 January 2021 | 7.43 | 15 January 2031 | INR0.75 | IND AAA/Stable |
| | | Utilised | | | INR3.25 | |
| | | Unutilised | | | INR6.75 | |
| | | Total | | | INR10.00 | |

/

| Instrument Type | ISIN | Date of Issuance | Coupon Rate (%) | Maturity Date | Rated Amount (billion) | Rating/Outlook |
|---|---|---|---|---|---|---|
| NCDs | INE831R07250 | 1 October 2019 | If greater that 50% digital level 7.9573% p.a. (7.95% XIRR (annualised yield)) else 0% | 30 September 2022 | INR0.15 | IND PP-MLD AAA emr/Stable |
| | | | | Utilised | INR0.15 | |
| | | | | Unutilised | INR4.85 | IND PP-MLD AAA emr/Stable |
| | | | | Total | INR5.00 | |

## BANK WISE FACILITIES DETAILS

Click here to see the details

## COMPLEXITY LEVEL OF INSTRUMENTS

| Instrument Type | Complexity Indicator |
|---|---|
| Bank loan | Low |
| NCDs | Low |
| Subordinated debt | Low |
| CP | Low |
| PPMLD | High |

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity-indicators.

## SOLICITATION DISCLOSURES

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Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India, the Reserve Bank of India and National Housing Bank.

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## Applicable Criteria

Evaluating Corporate Governance
Financial Institutions Rating Criteria
Rating FI Subsidiaries and Holding Companies
Rating of Financial Institutions Legacy Hybrids and Sub-Debt

Non-Bank Finance Companies Criteria

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ICRA Limited

**CONFIDENTIAL**

**Ref: ICRA/Aditya Birla Housing Finance Limited/12102022/1**
**October 12, 2022**

**Mr. Ashish Damani**
**Aditya Birla Housing Finance Limited**
One Indiabulls Centre, Tower 1,
18th Floor, Jupiter Mills Compound,
841, Senapati Bapat Marg, Elphinstone Road,
Mumbai - 400013

**Dear Sir,**

**Re: ICRA rating for Rs. 1,500 crore Commercial Paper of Aditya Birla Housing Finance Limited**

This is with reference to your email requesting revalidation of rating for the captioned programme.

We confirm that the **[ICRA]A1+ (pronounced as ICRA A one plus)** rating assigned to your captioned programme and communicated to you vide our letter dated **February 01, 2022** stands. Instruments with [ICRA]A1 rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk. Within this category rating modifier {"+" (plus)} can be used with the rating symbols. The modifier reflects the comparative standing within the category.

Additionally, we wish to highlight the following with respect to the rating:
(a) If the instrument rated, as above, is not issued by you within a period of 3 months from the date of this letter, the rating would need to be revalidated before issuance;
(b) Subject to Clause (c) below, once the instrument is issued, the rating is valid throughout the life of the captioned programme (which shall have a maximum maturity of twelve months from the date of the issuance of the instrument).
(c) Notwithstanding anything containing in clause (b) above, ICRA reserves the right to review and/or, revise the above rating at any time on the basis of new information or unavailability of information or such circumstances, which ICRA believes, may have an impact on the aforesaid rating assigned to you.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the Commercial Paper issued by you. The rating is restricted to your CP Programme size of Rs. 1,500 crore only. In case, you propose to enhance the size of the Commercial Paper, the same would be required to be rated afresh. ICRA does not assume any responsibility on its part, for any liability, that may arise consequent to your not complying with any eligibility criteria, applicable from time to time, for issuance of Commercial Paper.

You are requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing. You are also requested to keep us forthwith informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s).

Further, you are requested to us inform immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority (ies) is exceeded.

We thank you for your kind cooperation extended during the course of the rating exercise. Please let us know if you need any clarification.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,
Yours sincerely,
For ICRA Limited

ANIL GUPTA
Digitally signed by ANIL GUPTA
Date: 2022.10.12 15:11:05 +05'30'

**ANIL GUPTA**
Senior Vice President
anilg@icraindia.com

ICRA Limited

**CONFIDENTIAL**

**Ref: ICRA/Aditya Birla Housing Finance Limited/12102022/2**
**October 12, 2022**

**Mr. Ashish Damani**
**Aditya Birla Housing Finance Limited**
One Indiabulls Centre, Tower 1,
18th Floor, Jupiter Mills Compound,
841, Senapati Bapat Marg, Elphinstone Road,
Mumbai - 400013

**Dear Sir,**

**Re: ICRA rating for Rs. 3,451.70 crore Non Convertible Debenture Programme of Aditya Birla Housing Finance Limited (Rs. 1,585.00 crore outstanding, Rs. 1,421.1 crore unutilised)**

This is with reference to your email requesting revalidation of rating for the Non Convertible Debenture Programme of Rs. 3,000 crore.

We confirm that the **"[ICRA]AAA" rating with a Stable outlook,** assigned to the captioned Non Convertible Debenture Programme of your company and communicated to you vide our letters dated **February 01, 2022 stands**. Instruments with [ICRA]AAA rating are considered to have highest degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same vide our letters **Ref: ICRA/Aditya Birla Housing Finance Limited/01022022/6 and ICRA/Aditya Birla Housing Finance Limited/01022022/1** dated **February 01, 2022.**

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

Yours sincerely,

For ICRA Limited

ANIL GUPTA
Digitally signed by ANIL GUPTA
Date: 2022.10.12 15:39:11 +05'30'

**ANIL GUPTA**
Senior Vice President
anilg@icraindia.com

ICRA Limited

**CONFIDENTIAL**

**Ref: ICRA/Aditya Birla Housing Finance Limited/12102022/3**
**October 12, 2022**

**Mr. Ashish Damani**
**Aditya Birla Housing Finance Limited**
One Indiabulls Centre, Tower 1,
18th Floor, Jupiter Mills Compound,
841, Senapati Bapat Marg, Elphinstone Road,
Mumbai - 400013

**Dear Sir,**

**Re: ICRA rating for Rs. 1,000 crore Subordinated Debt Programme of Aditya Birla Housing Finance Limited (Rs. 325.00 crore outstanding, Rs. 675.00 crore unutilised)**

This is with reference to your email requesting revalidation of rating for the Subordinated Debt Programme of Rs. 1,000 crore.

We confirm that the "[ICRA]AAA" rating with a Stable outlook, assigned to the captioned Subordinated Debt Programme of your company and last communicated to you vide our letters dated February 01, 2022 stands. Instruments with [ICRA]AAA rating are considered to have highest degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same vide our letters Ref No: ICRA/Aditya Birla Housing Finance Limited/01022022/2 dated February 01, 2022.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

Yours sincerely,

For ICRA Limited

ANIL GUPTA

Digitally signed by ANIL GUPTA
Date: 2022.10.12 15:39:42 +05'30'

**ANIL GUPTA**
Senior Vice President
anilg@icraindia.com

February 07, 2022

# Aditya Birla Housing Finance Limited: Ratings reaffirmed

## Summary of rating action

| Instrument* | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action |
|---|---|---|---|
| Non-convertible Debenture | - | 750.00 | [ICRA]AAA (Stable); assigned |
| Non-convertible Debenture | 2,701.70 | 2,701.70 | [ICRA]AAA (Stable); reaffirmed |
| Non-convertible Debenture | 298.30 | - | [ICRA]AAA (Stable); reaffirmed and withdrawn |
| Bank Lines | 15,000.00 | 15,000.00 | [ICRA]AAA (Stable)/[ICRA]A1+; reaffirmed |
| Subordinated Debt Programme | 1,000.00 | 1,000.00 | [ICRA]AAA (Stable); reaffirmed |
| Commercial Paper Programme | 1,500.00 | 1,500.00 | [ICRA]A1+; reaffirmed |
| **Total** | **20,500.00** | **20,951.70** | |

**Instrument details are provided in Annexure-1*

## Rationale

ICRA has used the consolidated financials of Aditya Birla Capital Limited (collectively referred to as ABCL) as the basis for the ratings.

The ratings factor in the strong ultimate parentage in the form of Grasim Industries Limited (Grasim; rated [ICRA]AAA (Stable)/[ICRA]A1+) and the strategic fit and importance of the ABCL Group, which houses all the financial services entities (lending, asset management and insurance), to the Aditya Birla Group. The support from the promoter group is demonstrated by the strong capital and managerial support and the stated intent of the parent to ensure adequate capitalisation and liquidity of the ABCL Group. The ratings also consider the improving diversity in ABCL's revenue profile and the management's vast experience in the financial services domain. The ABCL Group has a diversified presence in the financial services space with a presence in various segments such as lending, life insurance, health insurance, asset management, asset reconstruction and securities broking among others. The ratings factor in the company's diversified funding profile and improving capitalisation for the current scale of operations. ABCL's capitalisation profile has been supported by internal capital generation and regular capital infusions from the parent.

The ABCL Group reported an increase in gross and net stage 3 to 3.3% and 1.9%, respectively, as on September 30, 2021 (2.5% and 1.4%, respectively, as on March 31, 2021), with the impact of the second wave of the Covid-19 pandemic. The outstanding restructured book increased to 4.6% of the assets under management (AUM) as on September 30, 2021 (2.6% as on March 31, 2021). The performance of the restructured book and the ABCL Group's ability to control slippages across segments in the current relatively subdued operating environment remain key monitorables.

Further, some of the company's business lines, like unsecured retail lending and affordable housing finance, have limited vintage. The ability to manage the asset quality in these segments, as the book seasons, is to be seen. ICRA also notes that the reported headline gross non-performing advances (NPAs) of the company could increase following the recent clarification by the Reserve Bank of India (RBI) on Income Recognition, Asset Classification (IRAC) norms, though the credit costs are likely to remain under control given the additional provisions carried by the company.

ICRA also notes the ABCL Group's moderate profitability (though improving), which has been impacted by the loss in the health insurance business that is in the growth phase. However, ICRA notes the diversification of the ABCL Group's revenue profile with income from lending, asset management, insurance and other businesses. Going forward, the company's ability to manage its asset quality indicators while maintaining its solvency, with further growth in the business in the current business environment, will remain a key rating sensitivity.

ICRA has reaffirmed and withdrawn the rating outstanding on the non-convertible debenture programmes aggregating Rs. 298.30 crore, as these instruments have been redeemed in full and there are no dues outstanding against the same in accordance with ICRA's policy on the withdrawal and suspension of credit ratings.

## Key rating drivers and their description

### Credit strengths

**Strong ultimate parentage of Grasim; key management personnel with vast experience in financial services domain** – ABCL is a subsidiary of Grasim, which held 54.19% as of December 31, 2021 while the other promoters had a 16.84% stake. It is the holding company of all the financial services entities of the Aditya Birla Group and is a prominent growth driver for the Group. Its strategic significance to the ABCL Group is reflected in the regular capital support from the parent (latest being Rs. 1,000 crore in FY2020). The ABCL Group enjoys strong financial flexibility by virtue of being a part of the Aditya Birla Group. ICRA expects Grasim to maintain a shareholding of more than 51% in the company. ICRA also takes into consideration the vast experience of ABCL's key management personnel in the financial services domain.

**Diversified financial services entity** – The ABCL Group is a diversified financial services entity with a presence in various segments such as lending, life insurance, health insurance, asset management, asset reconstruction and securities broking among others. ABCL's lending business is through two entities – Aditya Birla Finance Limited (ABFL; with a non-banking financial company (NBFC) licence) and Aditya Birla Housing Finance Limited (ABHFL; with a housing finance company (HFC) licence). Its consolidated lending book stood at Rs. 59,060 crore as on September 30, 2021, with corporate lending (large & mid-corporate) contributing 33%, small and medium enterprise (SME) lending contributing 24%, retail (40%) and high net worth individuals (HNI) and treasury investments accounting for the balance.

The AUM increased by 2.5% YoY as on September 30, 2021 driven by the growth in the retail and SME segments. The mix of retail loans continues to improve (40% as on September 30, 2021 compared to 34% as on March 31, 2020 and 27% as on March 31, 2019) with increased focus on loans like loan against property, unsecured loans, digital, and housing loans. Further, the concentration of the top 20 groups declined to 13% of the portfolio (60% of the adjusted net worth) as of September 30, 2021 (~16% of the loan book and 79% of the adjusted net worth as on September 30, 2020). ICRA also notes that most of the portfolio is secured (~80% of ABFL's portfolio and 100% of ABHFL's portfolio), which helps reduce losses in the event of defaults.

Apart from lending, the ABCL Group has a prominent presence in the asset management business through Aditya Birla Sun Life Asset Management Company Limited, which is the fourth largest asset management company (AMC) in terms of the average AUM. The ABCL Group has a presence in both life insurance (through Aditya Birla Sun Life Insurance Limited) and health insurance (through Aditya Birla Health Insurance Limited). While the health insurance entity is in the initial years (albeit growing at a fast pace), the life insurance company has a market share of 4.9% (for 7M FY2022) among private life insurers (1.8% of the overall life insurance industry).

ABHFL: ABHFL is a wholly-owned subsidiary of ABCL. Its portfolio stood at Rs. 11,327 crore as on September 30, 2021 (Rs. 12,117 crore as of September 30, 2020), with prime home loans, affordable home loans, LAP and construction finance forming 40%, 27%, 28% and 5% of the portfolio, respectively.

**Capitalisation supported by demonstrated ability to raise equity –** ABCL's capitalisation improved following a capital infusion of Rs. 2,100 crore in FY2020 from the promoters/promoter group and external investors. The leverage has moderated with an adjusted gearing (borrowings divided by adjusted net worth) of 3.9 times as on September 30, 2021 (4.3 times as on March 31, 2021 and 4.9 times as on March 31, 2020), given the reduction in borrowings (in line with the decline in the portfolio). ICRA takes note of the historical support through equity infusions by the parent.

ABHFL: ABHFL is adequately capitalised with a capital adequacy ratio of 23.8% as of September 30, 2021 (19.33% as on September 30, 2020) against the regulatory minimum of 14%. The gearing improved to 6.3 times as on September 30, 2021, from 8.4 times in March 2020 with the reduction in the loan book and increase in networth.

**Diversified funding profile with access to market-based instruments** – As a part of the Aditya Birla Group, ABCL enjoys good financial flexibility in raising funds at competitive rates. ABCL's (lending businesses) borrowing profile remains diversified with bank term loans, debentures, commercial paper, and external commercial borrowings forming 51%, 34%, 6% and 6%, respectively, of the total borrowings as on September 30, 2021. The ABCL Group maintains adequate unutilised bank lines and has a board-approved inter-corporate deposit (ICD) line from Grasim, which can be utilised in case of a liquidity crunch.

ABHFL: ABHFL's borrowing profile comprised bank borrowings, commercial paper, non-convertible debentures, external commercial borrowings (ECBs) and National Housing Bank (NHB) financing with a share of 70%, 1%, 18%, 4% and 7%, respectively, as on September 30, 2021.

## Credit challenges

**Asset quality remains moderate** – ABCL's reported consolidated gross and net stage 3 assets for the lending businesses stood at 3.3% and 1.9%, respectively, as on September 30, 2021 (2.5% and 1.4%, respectively, as on March 31, 2021 and 3.1% and 2.1%, respectively, as on March 31, 2020). With the second wave of the pandemic, the company witnessed an increase in delinquencies across the corporate, SME and retail segments. The ABCL Group has restructured 4.6% of its loan book under the one-time restructuring allowed by the RBI (2.6% as on March 31, 2021). The performance of the restructured book and the ABCL Group's ability to control slippages across segments in the current environment remain key monitorables. ICRA notes the reduction in the concentration of the top group exposures and in ticket sizes across segments. However, with the significant ramp-up in its retail loan book over the last few years, the company has sizeable unseasoned long-term loan assets like housing finance and retail mortgage loans. Its ability to maintain the asset quality in these segments through business cycles is to be seen.

ABHFL: ABHFL's gross and net stage 3 asset levels increased to 2.1% and 1.4%, respectively, as on September 30, 2021 (1.8% and 1.2%, respectively, as on March 31, 2021) with the impact of the second wave of the pandemic. Net stage 3 assets/net worth stood at 9.9% as on September 30, 2021 (9.1% as on March 31, 2021). The company's restructured loans increased to 7.5% as on September 30, 2021 (4.0% as on March 31, 2021) under the one-time restructuring announced by the RBI.

**High share of non-retail lending in portfolio –** While the mix of retail loans continues to improve, the share of corporate lending {large & mid-corporate (33%) and SME lending (24%)} remained high at 56% as on September 30, 2021 (57% as on September 30, 2020). Higher growth in retail and SME lending and cautious lending to large and mid-corporates are expected to further improve the granularity of the portfolio in the long term.

ABHFL: The loan book of ABHFL remains granular with retail loans constituting 95 % of the overall book as on September 30, 2021.

**Moderate profitability indicators with insurance in initial stage of operations** – ABCL reported profit after tax (PAT; excluding minority interest)/average net worth of 8.56% in FY2021 (8.33% in FY2020), which is relatively lower compared to peers of a similar size. The muted profits from the life insurance subsidiary and losses from the health insurance subsidiary impacted the

overall profitability. For H1 FY2022, the company reported a PAT of Rs. 627 crore (return on equity (RoE) of 9.64%) compared to Rs. 439 crore in H1 FY2021 (RoE of 7.22%) supported by the improvement in profitability in the lending and asset management businesses, partially offset by the impact of the second wave on the insurance business. ICRA notes the ABCL Group's diverse revenue stream with income from the lending companies, asset management business, life insurance business, etc. This will help the company tide over weak economic cycles in a better way in the long term.

ABHFL: ABHFL's net interest margins (NIMs) improved to 3.0% in FY2021 (2.6% in FY2020) due to the change in the mix towards the affordable home loan segment and lower borrowing costs. Operating expenses largely remained stable at 1.3% in FY2021. Credit costs were higher in FY2020 and FY2021 (0.6-0.7%) due to the impact of the pandemic. Overall, the profitability for FY2021 (PAT/average total assets (ATA) of 1.1% in FY2021 compared to 0.8% in FY2020) was supported by higher NIMs. The NIMs improved further in H1 FY2022. With credit costs being similar to FY2021, the profitability improved with PAT/ATA of 1.5%.

## Liquidity position: Strong

The ABCL Group had cash and liquid investments of Rs. 1,505 crore and unutilised bank lines of Rs. 7,877 crore as on December 31, 2021 against debt repayments of Rs. 9,163 crore due in the next six months. The liquidity profile is also supported by a board-approved ICD line from Grasim.

At the standalone level, ABHFL had debt amounting to Rs. 942 crore, as on December 31, 2021, maturing by June 2022, against which it had cash and liquid investments worth Rs. 140 crore and undrawn lines of Rs. 2,300 crore. The collections from the existing loan book provides further comfort.

### Rating sensitivities

**Positive factors –** Not applicable

**Negative factors –** A material change in the expected level of support or a material deterioration in the credit risk profile of ABCL's parent (i.e. Grasim) could warrant a rating downgrade. Pressure on the ratings could also arise if there is a deterioration in the ABCL Group's solvency levels (net stage 3 assets divided by net worth adjusted for net worth of insurance companies) to more than 20% on a sustained basis or if the adjusted gearing remains above 7.5 times on a sustained basis.

### Analytical approach

| Analytical Approach | Comments |
|---|---|
| **Applicable Rating Methodologies** | ICRA's Credit Rating Methodology for Non-Banking Finance Companies<br>Implicit Support from Parent or Group<br>Policy on Withdrawal of Credit Ratings |
| **Parent/Group Support** | Ultimate Parent/Investor: Grasim Industries Limited (Grasim; rated [ICRA]AAA (Stable)/[ICRA]A1+)<br>ICRA factors in the strategic fit and importance of ABCL to the Aditya Birla Group, which is demonstrated in the strong capital, operational and managerial support from the parent. |
| **Consolidation/Standalone** | While arriving at the ratings for ABHFL, ICRA has considered the consolidated performance of ABCL. *Details mentioned in Annexure-2.* |

## About the company

Aditya Birla Housing Finance Limited (ABHFL) is a wholly-owned subsidiary of ABCL (rated [ICRA]AAA/[ICRA]A1+) and a step-down subsidiary of Grasim. It is registered with NHB as an HFC with its head office in Mumbai. The company was incorporated in 2009 and commenced disbursements in October 2014 as a strategic extension to the bouquet of financial services and

products offered by the Aditya Birla Group. Its portfolio stood at Rs. 11,327 crore as on September 30, 2021 (Rs. 12,117 crore as of September 30, 2020), with home loans, LAP and construction finance forming 67%, 28% and 5% of the portfolio, respectively.

**Aditya Birla Capital Limited**

Aditya Birla Capital Limited (ABCL) is a non-deposit taking systemically important core investment company (CIC-ND-SI) registered with the RBI. It is the holding company of the financial services businesses of the Aditya Birla Group. Pursuant to the merger of Aditya Birla Nuvo Limited (ABNL) and Grasim, ABCL got listed on the Bombay Stock Exchange and the National Stock Exchange in September 2017. As on December 31, 2021, the promoter group held a stake of 71.03% (of which Grasim holds 54.19%) in ABCL.

On a consolidated basis, the company posted a net profit of Rs. 1,106 crore in FY2021 on an asset base of Rs. 1,24,733 crore against a net profit of Rs. 866 crore in FY2019 on an asset base of Rs. 1,13,769 crore. For H1 FY2022, it reported a net profit of Rs. 627 crore.

**Grasim Industries Limited**

Incorporated in 1947, Grasim, the flagship company of the Aditya Birla Group, is a ~$16.6-billion business conglomerate. On a standalone basis, its core businesses include chemical and textile manufacturing, apart from insulators. It is a leading global player in viscose staple fibre (with an installed production capacity of ~800 KTPA) and largest chlor-alkali producer in India (installed production capacity of 1,147 KTPA). In January 2021, Grasim announced its foray into the decorative paints business, with an initial capital expenditure of Rs. 5,000 crore to be spent over the next three years. On a consolidated basis, Grasim also has a strong presence in cement, financial services, fashion retail, telecommunications, and renewable power generation industries. Its 57.28% subsidiary, UTCL, is the largest cement producer in India. In financial services, Grasim has presence through its subsidiary, ABCL, which is among the top five financial companies in India.

## Key financial indicators (audited)

| Aditya Birla Housing Finance Limited (Rs. crore) | FY2020 | FY2021 | H1 FY2021 | H1 FY2022 |
|---|---|---|---|---|
| Total income | 1,301 | 1,285 | 652 | 607 |
| Profit after tax | 103 | 137 | 63 | 90 |
| Net worth | 1,383 | 1,519 | 1,442 | 1,610 |
| Total portfolio | 12,102 | 11,869 | 12,117 | 11,327 |
| Total assets | 13,161 | 12,376 | 12,697 | 11,816 |
| Return on average assets | 0.83% | 1.10% | 0.99% | 1.49% |
| Return on average equity | 7.98% | 9.50% | 9.45% | 11.52% |
| Gearing (times) | 8.4 | 7.0 | 7.7 | 6.3 |
| Gross stage 3 / Gross advances | 1.21% | 1.83% | 1.24% | 2.13% |
| Net stage 3 / Net advances | 0.83% | 1.16% | 0.79% | 1.40% |
| Net stage 3 / Net worth | 7.20% | 9.1% | 6.59% | 9.9% |
| Tier I capital ratio | 14.74% | 17.09% | NA | 19.23% |
| Capital adequacy ratio | 18.05% | 21.73% | 19.33% | 23.81% |

*Source: Company, ICRA Research; All ratios as per ICRA calculations*

| Aditya Birla Capital Limited (consolidated; Rs. crore) | FY2020 | FY2021 | H1 FY2021 | H1 FY2022 |
|---|---|---|---|---|
| Total income | 16,810 | 19,274 | 8,632 | 9,906 |
| Profit after tax | 866 | 1,106 | 439 | 627 |
| Net worth (excluding minority interest) | 12,576 | 13,743 | 13,057 | 14,442 |
| Total portfolio | 58,073 | 60,557 | 57,592 | 59,060 |
| Total assets | 1,13,769 | 1,24,733 | 1,15,516 | 1,29,265 |
| Return on average assets | 0.78% | 0.93% | 0.77% | 0.99% |
| Return on average equity | 8.33% | 8.56% | 7.22% | 9.64% |
| Adjusted gearing (times) | 4.9 | 4.3 | 4.3 | 3.9 |
| Gross stage 3/ Gross advances | 3.12% | 2.51% | 3.00% | 3.35% |
| Net stage 3 / Net advances | 2.10% | 1.43% | 1.70% | 1.94% |
| Net stage 3/ Adjusted net worth | 10.9% | 6.9% | 8.3% | 8.7% |

***Source:*** *Company, ICRA research; All ratios as per ICRA calculations*

## Status of non-cooperation with previous CRA: Not applicable

## Any other information: None

## Rating history for past three years

| | Instrument | | Current Rating (FY2022) | | | Chronology of Rating History for the Past 3 Years | | |
|---|---|---|---|---|---|---|---|---|
| | | Type | Amount Rated (Rs. crore) | Amount Outstanding as of Dec-31-21 (Rs. crore) | Date & Rating in FY2022 | Date & Rating in FY2021 | Date & Rating in FY2020 | Date & Rating in FY2019 |
| | | | | | Feb-07-22 | Feb-23-21 | Mar-17-20<br>Nov-22-19 | Mar-27-19<br>Sep-07-18<br>Aug-28-18 |
| 1 | Commercial Paper Programme | Short Term | 1,500.00 | 350.00 | [ICRA]A1+ | [ICRA]A1+ | [ICRA]A1+ | [ICRA]A1+ |
| 2 | Bank Lines | Long Term / Short Term | 15,000.00 | 8,072.67 | [ICRA]AAA (stable)/ [ICRA]A1+ | [ICRA]AAA (stable)/ [ICRA]A1+ | [ICRA]AAA (stable)/ [ICRA]A1+ | [ICRA]AAA (stable)/ [ICRA]A1+ |
| 3 | Subordinated Debt Programme | Long Term | 1,000.00 | 325.00 | [ICRA]AAA (stable) | [ICRA]AAA (stable) | [ICRA]AAA (stable) | [ICRA]AAA (stable) |
| 4 | Non-convertible Debenture | Long Term | 750.00 | - | [ICRA]AAA (stable) | - | - | - |
| 5 | Non-convertible Debenture | Long Term | 2,701.70 | 1,455.60 | [ICRA]AAA (stable) | [ICRA]AAA (stable) | [ICRA]AAA (stable) | [ICRA]AAA (stable) |
| 6 | Non-convertible Debenture | Long Term | 298.30 | - | [ICRA]AAA (stable);reaffirmed and withdrawn | [ICRA]AAA (stable) | [ICRA]AAA (stable) | [ICRA]AAA (stable) |

## Complexity level of the rated instruments

| Instrument | Complexity Indicator |
|---|---|
| Non-convertible Debenture | Very Simple/Simple |
| Subordinated Debt Programme | Simple |
| Commercial Paper Programme | Very Simple |
| Bank Lines | Simple |

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: www.icra.in

## Annexure-1: Instrument details

| ISIN | Instrument Name | Date of Issuance / Sanction | Coupon Rate | Maturity Date | Amount Rated (Rs. crore) | Current Rating and Outlook |
|---|---|---|---|---|---|---|
| INE831R07128 | Non-convertible Debenture | Mar-10-17 | 8.0000% p.a. | Mar-10-22 | 50.00 | [ICRA]AAA (stable) |
| INE831R07136 | Non-convertible Debenture | Mar-20-17 | 8.0000% p.a. | Mar-18-22 | 50.00 | [ICRA]AAA (stable) |
| INE831R07151 | Non-convertible Debenture | Apr-03-17 | 8.0000% p.a. | Apr-01-22 | 45.00 | [ICRA]AAA (stable) |
| INE831R07235 | Non-convertible Debenture | Dec-11-18 | 9.3000 % (On XIRR) | Apr-13-22 | 54.00 | [ICRA]AAA (stable) |
| INE831R07235 | Non-convertible Debenture | Dec-24-18 | 9.1700 % (On XIRR) | Apr-13-22 | 86.00 | [ICRA]AAA (stable) |
| INE831R07235 | Non-convertible Debenture | Jan-25-19 | 8.9000 % (On XIRR) | Apr-13-22 | 40.60 | [ICRA]AAA (stable) |
| INE831R07169 | Non-convertible Debenture | Jun-07-17 | 8.0000% p.a. | Jun-07-22 | 100.00 | [ICRA]AAA (stable) |
| INE831R07185 | Non-convertible Debenture | Sep-08-17 | 7.6000% p.a. | Sep-08-22 | 20.00 | [ICRA]AAA (stable) |
| INE831R07250 | Non-convertible Debenture | Oct-01-19 | If Price Greater that 50% Digital Level 7.9573% p.a. (7.95% XIRR (Annualized yield)) else 0% | Sep-30-22 | 15.00 | [ICRA]AAA (stable) |
| INE831R07268 | Non-convertible Debenture | Feb-17-20 | 2nd coupon 3.72 + 250 bps 6.22 % (1st Coupon: 5.26% + 250 bps = 7.76% Benchmark 12 Month T-Bill + 250 bps spread Reset on yearly basis) | Feb-17-23 | 25.00 | [ICRA]AAA (stable) |
| INE831R07276 | Non-convertible Debenture | Apr-17-20 | 8.0000 % p.a. | May-17-23 | 400.00 | [ICRA]AAA (stable) |
| INE831R07284 | Non-convertible Debenture | Sep-11-20 | 6.0500% p.a. | Sep-08-23 | 50.00 | [ICRA]AAA (stable) |
| INE831R07292 | Non-convertible Debenture | Mar-18-21 | 3Month T-bill | Mar-15-24 | 250.00 | [ICRA]AAA (stable) |
| INE831R07300 | Non-convertible Debenture | Jul-16-21 | 3 Month T-bill | Jul-16-24 | 250.00 | [ICRA]AAA (stable) |
| INE831R07011 | Non-convertible Debenture | Mar-22-16 | 8.9500% p.a. | Mar-20-26 | 20.00 | [ICRA]AAA (stable) |
| NA | Non-convertible Debenture* | - | - | - | 1,246.10 | [ICRA]AAA (stable) |
| INE831R07177 | Non-convertible Debenture | Aug-01-17 | 7.60% | Jul-30-21 | 85.00 | [ICRA]AAA (stable); reaffirmed and withdrawn |
| INE831R07243 | Non-convertible Debenture | Sep-25-19 | 8.18% (XIRR basis) | Sep-24-21 | 20.00 | [ICRA]AAA (stable); reaffirmed and withdrawn |

| ISIN | Instrument Name | Date of Issuance / Sanction | Coupon Rate | Maturity Date | Amount Rated (Rs. crore) | Current Rating and Outlook |
|---|---|---|---|---|---|---|
| INE831R07029 | Non-convertible Debenture | Mar-22-16 | 8.95% | Mar-22-21 | 5.00 | [ICRA]AAA (stable); reaffirmed and withdrawn |
| INE831R07037 | Non-convertible Debenture | Apr-20-16 | 8.75% | Apr-20-21 | 15.00 | [ICRA]AAA (stable); reaffirmed and withdrawn |
| INE831R07193 | Non-convertible Debenture | Jun-22-18 | 8.85% (XIRR basis) | Jun-07-21 | 45.00 | [ICRA]AAA (stable); reaffirmed and withdrawn |
| INE831R07201 | Non-convertible Debenture | Jul-27-18 | 8.82% (XIRR basis) | Jul-26-21 | 66.30 | [ICRA]AAA (stable); reaffirmed and withdrawn |
| INE831R07219 | Non-convertible Debenture | Aug-01-18 | 8.82% | Oct-28-21 | 20.00 | [ICRA]AAA (stable); reaffirmed and withdrawn |
| INE831R07227 | Non-convertible Debenture | Oct-29-18 | 9.40% (XIRR basis) | Oct-26-21 | 24.00 | [ICRA]AAA (stable); reaffirmed and withdrawn |
| INE831R07201 | Non-convertible Debenture | Nov-01-18 | 9.40% (XIRR basis) | Jul-26-21 | 18.00 | [ICRA]AAA (stable); reaffirmed and withdrawn |
| INE831R08019 | Subordinated Debt Programme | Jul-04-16 | 9.1000% p.a. | Jul-03-26 | 15.00 | [ICRA]AAA (stable) |
| INE831R08027 | Subordinated Debt Programme | Jul-07-16 | 9.1000% p.a. | Jul-07-26 | 10.00 | [ICRA]AAA (stable) |
| INE831R08035 | Subordinated Debt Programme | Jul-13-16 | 9.1000% p.a. | Jul-13-26 | 15.00 | [ICRA]AAA (stable) |
| INE831R08043 | Subordinated Debt Programme | Jul-26-16 | 8.9900% p.a. | Jul-24-26 | 25.00 | [ICRA]AAA (stable) |
| INE831R08050 | Subordinated Debt Programme | May-17-17 | 8.5000% p.a. | May-14-27 | 60.00 | [ICRA]AAA (stable) |
| INE831R08068 | Subordinated Debt Programme | Jun-01-17 | 8.5000% p.a. | Jun-01-27 | 75.00 | [ICRA]AAA (stable) |
| INE831R08076 | Subordinated Debt Programme | Jun-10-19 | 8.9400% p.a. | Jun-08-29 | 50.00 | [ICRA]AAA (stable) |
| INE831R08084 | Subordinated Debt Programme | Jan-15-21 | 7.4300% p.a. | Jan-15-31 | 75.00 | [ICRA]AAA (stable) |
| NA | Subordinated debt Programme* | - | - | - | 675.00 | [ICRA]AAA (stable) |
| INE831R14BY5 | Commercial Paper Programme | Nov-11-21 | 3.6500% p.a. | Feb-10-22 | 100.00 | [ICRA]A1+ |
| INE831R14BZ2 | Commercial Paper Programme | Dec-27-21 | 4.0300% p.a. | Mar-25-22 | 250.00 | [ICRA]A1+ |
| NA | Commercial Paper^ | - | - | 7-365 days | 1,150.00 | [ICRA]A1+ |
| NA | Long-term/Short-term Bank Lines – Fund Based/CC | NA | NA | NA | 1,200.00 | [ICRA]AAA (stable)/ [ICRA]A1+ |
| NA | Long-term/Short-term Bank Lines – Fund Based/Term Loans | NA | NA | NA | 6,872.67 | [ICRA]AAA (stable)/ [ICRA]A1+ |

| ISIN | Instrument Name | Date of Issuance / Sanction | Coupon Rate | Maturity Date | Amount Rated (Rs. crore) | Current Rating and Outlook |
|---|---|---|---|---|---|---|
| NA | Long-term/Short-term Bank Lines – Fund Based/Unallocated | NA | NA | NA | 6,927.33 | [ICRA]AAA (stable)/ [ICRA]A1+ |
| NA | Non-convertible Debenture* | NA | NA | NA | 750.00 | [ICRA]AAA (stable) |

***Source:*** *Company; *Yet to be placed ^Unutilised*

## Annexure-2: List of entities considered for consolidated analysis

| Company Name | Ownership | Consolidation Approach |
|---|---|---|
| Aditya Birla PE Advisors Private Limited | 100% | Full consolidation |
| Aditya Birla Capital Technology Services Limited | 100% | Full consolidation |
| Aditya Birla Trustee Company Private Limited | 100% | Full consolidation |
| ABCAP Trustee Company Private Limited | 100% | Full consolidation |
| Aditya Birla Money Limited | 73.70% | Full consolidation |
| Aditya Birla Financial Shared Services Limited | 100% | Full consolidation |
| Aditya Birla Finance Limited | 100% | Full consolidation |
| Aditya Birla Housing Finance Limited | 100% | Full consolidation |
| Aditya Birla Health Insurance Company Limited | 51% | Full consolidation |
| Aditya Birla Sun Life Insurance Company Limited | 51% | Full consolidation |
| Aditya Birla Sun Life Pension Management Limited | 51% | Full consolidation |
| Aditya Birla Insurance Brokers Limited | 50.002% | Full consolidation |
| Aditya Birla Money Mart Limited | 100% | Full consolidation |
| Aditya Birla Money Insurance Advisory Services Limited | 100% | Full consolidation |
| Aditya Birla ARC Limited | 100% | Full consolidation |
| Aditya Birla Stressed Asset AMC Private Limited | 100% | Full consolidation |
| Aditya Birla Special Situation Fund 01 | 100% | Full consolidation |
| ABARC-ARC-001-Trust | 100% | Full consolidation |
| ABARC-ARC-008-Trust | 100% | Full consolidation |
| Aditya Birla Sun Life Trustee Private Limited | 50.85% | Equity method |
| Aditya Birla Wellness Private Limited | 51% | Equity method |
| Aditya Birla Sun Life AMC Company Limited | 50.01% | Equity method |
| Aditya Birla Sun Life AMC (Mauritius) Ltd. | 50.01% | Equity method |
| Aditya Birla Sun Life Asset Management Company Ltd., Dubai | 50.01% | Equity method |
| Aditya Birla Sun Life Asset Management Company Pte. Ltd., Singapore | 50.01% | Equity method |

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ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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## Ishwari Vaidya

**From:** Vihang Chavan <Vihang.Chavan@vistra.com>
**Sent:** 13 October 2022 14:30
**To:** Ishwari Vaidya
**Cc:** ABHFL DM; ABHFL Treasury; Sandesh Vaidya
**Subject:** RE: ABHFL_"ABHFL NCD Series G1 2022-23"_INR 500 Crs + GSO INR100 Crs_Confirmation of Validity of Attached Consent Letter
**Attachments:** 4. DT Consent Letter.pdf

**Importance:** High

CAUTION: This email originated from outside of Aditya Birla Capital. Do not click links or open attachments unless you recognize the sender and know the content is safe

Hi All,

As per the transaction documents and terms of the DTD, we confirm that attached consent letter dated 12/07/2021 is still valid.

Vihang Chavan
SENIOR OFFICER - DEBENTURE TRUSTEE OPERATIONS

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Mobile: +918767257640
Vihang.Chavan@vistra.com

**"WINNER OF DEBENTURE TRUSTEE OF THE YEAR AWARD" - by ASSOCHAM**

---

**From:** Ishwari Vaidya <Ishwari.Vaidya@adityabirlacapital.com>
**Sent:** 13 October 2022 13:35
**To:** Sandesh Vaidya <Sandesh.Vaidya@vistra.com>; Vihang Chavan <Vihang.Chavan@vistra.com>
**Cc:** ABHFL DM <ABHFL.DM@adityabirlacapital.com>; ABHFL Treasury <ABHFL.Treasury@adityabirlacapital.com>
**Subject:** [EXTERNAL] ABHFL_"ABHFL NCD Series G1 2022-23"_INR 500 Crs + GSO INR100 Crs_Confirmation of Validity of Attached Consent Letter

**CAUTION: This email originated from outside of the organization.**

Hi,

Request you to provide the Confirmation that attached DT Consent Letter is valid for captioned Series "ABHFL NCD Series G1 2022-23".

Draft IM sent for your reference.

**Thanks & Regards,**

**Ishwari Vaidya | Treasury | Aditya Birla Housing Finance Limited**
**Cell: + 91 9773623946**




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Replies to this e-mail may be monitored.

Before you print think about the **ENVIRONMENT**

July 12, 2021

**Aditya Birla Housing Finance Limited (Company)**
One World Centre, Tower 1,
18th floor, Jupiter Mill, Compound,
841 Senapati Bapat Marg, Elphistone Road,
Mumbai- 400013.

Sub : Consent to act as Debenture Trustee for the issue of Secured, Rated, Listed, non convertible debentures of the nominal value of INR 10,00,000/-(Rupees Ten Lakhs only) each up to Rs. 2000,00,00,000 (Rupees Two Thousand Crores) (hereinafter referred to as the "Debentures"), by Aditya Birla Housing Finance Limited (Company) on private placement

Dear Sir,

This is with reference to our discussion regarding appointment of Vistra ITCL (India) Limited for the issue of Secured, Listed, Redeemable NCDs of face value of Rs. 10,00,000 each up to Rs. 2000,00,00,000 (Rupees Two Thousand Crores Only) to be issued by the Company. In this regards, we do hereby give our consent to act as the Debenture Trustee subject to the Company agreeing to the following conditions.

1. The Company shall create security to secure the aforesaid NCDs on such terms and conditions as disclosed in the Debenture Trust Deed (DTD) dated June 25, 2021 and execute requisite documents as agreed upon by the Company under the DTD

2. The Company shall pay Debenture Trustee so long as they hold the office of the Debenture Trustee, remuneration as stated in appointment letter dated May 4, 2020 for the services as Debenture Trustee in addition to all legal, travelling and other costs, charges and expenses which the Debenture Trustee or their officers, employees or agents may incur in relation to execution of the Debenture Trust Deed and all other documents affecting the Security till the monies in respect of the Debentures have been fully paid-off and the requisite formalities for satisfaction of charge in all respects, have been complied with

3. The Company shall comply with the provisions of SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and other applicable provisions as amended from time to time and agrees to furnish to Trustee such information in terms of the same on regular basis

Yours faithfully,
For **Vistra ITCL (India) Limited**






**Authorised Signatory**

Registered Officec:
The IL&FS Financial Centre,
Plot C- 22, G Block, 7th Floor
Bandra Kurla Complex, Bandra (East),
Mumbai 400051

Tel +91 22 2659 3535
Fax: +912226533297
Email: mumbai@vistra.com
www.vistraitcl.com

**Vistra ITCL (India) Limited**
Corporate Identity Number (CIN):U66020MH1995PLC095507

To,

**National Stock Exchange of India Ltd.**
Exchange Plaza, Plot no. C/1, G Block,
Bandra Kurla Complex
Bandra (E) Mumbai - 400 051

**BSE Limited**
14th Floor, BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

Dear Sir / Madam,

**Sub.: Issue by Aditya Birla Housing Finance Limited ("Company" or "Issuer") of 5000 Secured, Rated, Listed, Taxable, Redeemable, Non- Convertible Debentures (the "NCDs") of face value of Rs. 10,00,000 each up to Rs. 500 crores (Rs. Five Hundred Crore only) (Base issue) with a green shoe option of Rs. 100 crores (Rs. One Hundred Crore only) aggregating to Rs. 600 crores (Rs. Six Hundred Crore Only) to be issued on a private placement basis (the "Issue") to be listed on the Wholesale Debt Market segment of the National Stock Exchange of India Limited and BSE Limited ("Stock exchanges").**

We, Vistra ITCL (India) Limited (herein after referred to as "**Debenture Trustee**"), the Debenture Trustee to the above-mentioned forthcoming issue, state as follows as on date:

1) We have examined documents pertaining to the said Issue and other such relevant documents, reports and certifications as provided to us.

2) On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports and certifications as provided to us, WE CONFIRM that as on date:

   a) The Issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued.

   b) The Issuer has obtained the permissions / consents necessary for creating security on the said property(ies).

   c) The Issuer has made all the relevant disclosures about the security and also its continued obligations towards the holders of debt securities to the best of our knowledge basis the information provided to us.

   d) Issuer has adequately disclosed all consents/ permissions required for creation of charge on assets in ~~offer document or~~ private placement memorandum/ information memorandum and all disclosures made in the ~~offer document or~~ private placement memorandum/ information memorandum with respect to creation of security are in confirmation with the clauses of debenture trustee agreement.

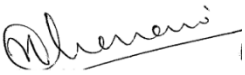
   e) Issuer has disclosed all covenants which are included in debenture trust deed (including any side letter, accelerated payment clause etc.)~~ offer document or~~ private placement memorandum/ information memorandum and has given an undertaking that debenture trust deed is executed before filing of listing application.

   f) Issuer has given an undertaking that the charge is created in favour of Debenture Trustee as per terms of issue before the issuance.

g) All disclosures made in the draft ~~offer document or~~ private placement memorandum/ information memorandum with respect to the debt securities are true, fair and adequate to enable the investors to make a well-informed decision as to the investment in the proposed issue.

We have satisfied ourselves about the ability of the Issuer to service the debt securities as on date, basis the information/documents shared with us as on date.

**For Vistra ITCL (India) Limited**






**Jatin Chonani**
**Compliance Officer**

**Place: Mumbai**
**Date: October 18, 2022**

To,

**National Stock Exchange of India Ltd.**
The listing compliance department,
Exchange Plaza, Plot no. C/1, G Block,
Bandra Kurla Complex
Bandra (E) Mumbai - 400 051

**BSE Limited**
14th Floor, BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

Dear Sir / Madam,

**Sub.: Issue by Aditya Birla Housing Finance Limited ("Company" or "Issuer") of 5000 Secured, Rated, Listed, Taxable, Redeemable, Non- Convertible Debentures (the "NCDs") of face value of Rs. 10,00,000 each up to Rs. 500 crores (Rs. Five Hundred Crore only) (Base issue) with a green shoe option of Rs. 100 crores (Rs. One Hundred Crore only) aggregating to Rs. 600 crores (Rs. Six Hundred Crore Only) to be issued on a private placement basis (the "Issue") to be listed on the Wholesale Debt Market segment of the National Stock Exchange of India Limited and BSE Limited ("Stock exchanges").**

We, Vistra ITCL (India) Limited (herein after referred to as "Debenture Trustee"), the debenture trustee to the above-mentioned forthcoming issue state the following as on date:

1) We have examined documents provided to us as on date pertaining to the creation of charge over assets of Issuer.

2) On the basis of such examination of the information provided to us and of the discussions with the Issuer, its directors and other officers, other agencies and of independent verification of the various relevant documents, WE CONFIRM that as on date:

   a) The Issuer has created charge over its assets in favour of debenture trustee as per terms of ~~offer document~~ or private placement memorandum/ information memorandum and debenture trustee agreement.

   b) Issuer has executed the debenture trust deed as per terms of ~~offer document~~ or private placement memorandum/ information memorandum and debenture trustee agreement.

   c) The Issuer has given an undertaking that the charge is registered with Sub-registrar, Registrar of Companies, Central Registry of Securitization Asset Reconstruction and Security Interest (CERSAI) as applicable within 30 days of creation of charge.

We have satisfied ourselves about the ability of the Issuer to service the debt securities basis the review of the `document provided to us as on date.

**For Vistra ITCL (India) Limited**

Vistra ITCL (India) Limited

**Jatin Chonani**
**Compliance Officer**

**Place: Mumbai**
**Date: October 25, 2022**

*(PART B: (PRIVATE AND CONFIDENTIAL - FOR ADDRESSEE ONLY))*

**ADITYA BIRLA HOUSING FINANCE LIMITED**

***Registered Office:*** India Rayon Compound, Veraval, Gujarat – 362266

***Corporate Office:*** 18th Floor, Tower 1, One World Center, Jupiter Mill Compound, 841, Senapati Bapat Marg, Elphinstone Road, Mumbai 400 013

**Phone:** (022) 43567100 **Fax:** (022) 43567265

**Corporate Identity Number (CIN)** U65922GJ2009PLC083779

**Application Form for Private Placement of Secured, Rated, Listed, Redeemable, Non-Convertible Debentures (Secured NCDs) under the Disclosure Document dated October 19, 2022**

**Application No: ABHFL/NCD G1/22-23/Oct_001** **Date: October 19, 2022**

To,
Board of Directors

Dear Sirs / Ma'am

**Sub: Issue of 5,000 Secured Rated Listed Redeemable Non-Convertible Debentures (Secured NCDs) of the face value of Rs. 10,00,000 each, for cash, aggregating Rs. 500 crore with a green shoe option of Rs. 100 crore only on a private placement basis under the Disclosure Document dated October 19, 2022.**

Having read and understood the contents of the Disclosure Document dated **October 19, 2022** attached, we apply for allotment to me/us of the NCDs. The amount payable on application as shown below is remitted herewith. On allotment, please place my/ our name(s) on the Register of Debenture holder(s). We bind ourselves to the terms and conditions as mentioned in the Disclosure Document dated **October 19, 2022.**

***(Please read carefully the instructions on the next page before filling up this form)***

| **Debenture Series** | **ABHFL NCD G1 FY2022-23** | |
|---|---|---|
| Number of debentures applied for | No. in figures | No. in words |
| **Series G1:**<br>Days to Maturity<br>3,653 days **(October 25, 2032**) | | |
| | | |
| **Total** | | |
| Amount (Rs.) in figures | | |
| Amount (Rs.) in words | | |
| Cheque / Demand Draft No. / RTGS UTR No. | Date | Cheque / Draft drawn on |
| | | |

**First / Sole Applicant's Name**

| |
|---|
| |
| |

**Second Applicant's Name and**

| |
|---|
| |
| |

**First / Sole Applicant's Address in full (in capital letters):**

| | | |
|---|---|---|
| | | |
| | | |
| | | Pin Code |
| Tel: | Fax: | Email: |

**Status:**

[ ] Company [ ] Mutual Fund [ ] Financial Institution

[ ] Insurance Company [ ] Bank [ ] Co-operative Bank

[ ] Provident / Pension / Gratuity / Superannuation [ ] Others_____ (please specify)

**Details of Bank Account**

| | |
|---|---|
| Bank Name and Branch | |
| Nature of Account | Account No. |
| Branch RTGS code (IFSC) | |

**Depository Details**

| | |
|---|---|
| DP Name | |
| DP ID | Client ID |

We understand that in case of allotment of debentures to us/our Beneficiary Account as mentioned above would be credited to the extent of debentures allotted.

We confirm that we have not been debarred from accessing the capital market or have not been restrained by any regulatory authority from directly or indirectly acquiring the said securities.

**Tax Details**

PAN / GIR No.

Circle / Ward / District

| | | | |
|---|---|---|---|
| **Tax Deduction Status** | [ ] Fully Exempt (Please furnish Exemption Certificate) | [ ] Tax to be deducted at source | |
| | | [ ] Yes | [ ] NO |

Copies of tax exemption certificate / PAN Card / Declarations attached

| Name of authorized signatory | Designation | Signature |
|---|---|---|
| | | |
| | | |
| | | |
| | | |

---------- (Tear here) ----------

**ADITYA BIRLA HOUSING FINANCE LIMITED**

**Registered Office:** India Rayon Compound, Veraval, Gujarat – 362266
***Corporate Office:*** 18th Floor, Tower 1, One World Center, Jupiter Mill Compound, 841, Senapati Bapat Marg, Elphinstone Road, Mumbai 400 013
**Phone:** (022) 43567100 **Fax:** (022) 43567265

**ACKNOWLEDGEMENT SLIP**

**Application No: ABHFL/NCD G1/22-23/Oct_001** **Date: October 19, 2022**

Received
from_____
Rs._____ /- by Cheque / Demand Draft No._____
drawn on _____ towards application for _____
Debentures.
(Cheques / Demand Drafts are subject to realization)

**INSTRUCTIONS**

1. Application Form must be completed in full in **BLOCK LETTERS IN ENGLISH**. A blank space must be left between two or more parts of the name. Signatures should be made in English or in any of the Indian languages. Signature in a language other than English must be attested by an authorized official of a Bank or by a magistrate / notary public under his / her official seal.

2. The full amount of Debenture has to be paid along with the application form.

3. Application form duly completed in all respects together with KYC documents mentioned elsewhere in this disclosure documents provided and must be submitted to the Corporate Office of the Company at **Aditya Birla Housing Finance Ltd, One World Center, Tower 1, 18th Floor, Jupiter Mill Compound, 841 Senapati Bapat Marg, Elphinstone Road, Mumbai 400 013**

4. The participants must ensure to do the funds pay-in from their same bank account which is updated by them in the BSE BOND (EBP) platform while placing the bids.
   The Designated Bank Accounts of ICCL are as under:

| **Beneficiary Name** | **INDIAN CLEARING CORPORATION LTD** | | |
|---|---|---|---|
| **Name of Bank** | **ICICI Bank** | **Yes Bank** | **HDFC Bank** |
| Account No | ICCLEB | ICCLEB | ICCLEB |
| IFSC Code | ICIC0000106 | YESB0CMSNOC | HDFC0000060 |
| Mode | NEFT / RTGS | NEFT / RTGS | NEFT / RTGS |

5. Applications made by categories of investors other than individuals must be accompanied by certified copies of Memorandum and Articles of Association, Board Resolution / Power of Attorney for investment, authority to authorized signatories in case of limited companies or corporate bodies.

6. Please mention your Permanent Account Number or the GIR number allotted under Income Tax Act, 1961 and the Income Tax Circle/Ward/District. In case where neither the PAN nor GIR number has been allotted, the fact of non-allotment should be mentioned in the application form in space provided.

7. Receipt of application will be acknowledged in the “Acknowledgement Slip” appearing below the Application Form. No separate receipt will be issued.

8. The application would be accepted as per the terms of the issue outlined in the Disclosure Document dated **March 15, 2022.**

BSE Limited Registered Office: Floor 25, P J Towers, Dalal Street, Mumbai – 400 001, India
T : +91 22 2272 8045 / 8055 F : +91 22 2272 3457 www.bseindia.com
Corporate Identity Number: L67120MH2005PLC155188

DCS/COMP/PG/IP-PPDI/379/22-23 October 18, 2022

**ADITYA BIRLA HOUSING FINANCE LIMITED**
Indian Rayon Compound, Veraval,
Gujarat 362266

Dear Sir,

**Re: PRIVATE PLACEMENT OF UP TO 5000 SECURED, RATED, LISTED, TAXABLE, REDEEMABLE, NON-CONVERTIBLE DEBENTURES ("NCDs") OF FACE VALUE OF RS. 10,00,000 EACH AGGREGATING TO RS. FIVE HUNDRED CRORE ONLY WITH A GREEN SHOE UPTO RS. ONE HUNDRED CRORE ONLY ("the ISSUE").**

We acknowledge receipt of your application on the online portal on October 18, 2022 seeking In-principle approval for issue of captioned security. In this regard, the Exchange is pleased to grant in-principle approval for listing of captioned security subject to fulfilling the following conditions at the time of seeking listing:

1. Filing of listing application.

2. Payment of fees as may be prescribed from time to time.

3. Compliance with SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and circulars issued thereunder and also Compliance with provisions of Companies Act 2013.

4. Receipt of Statutory & other approvals & compliance of guidelines issued by the statutory authorities including SEBI, RBI, DCA etc. as may be applicable.

5. Compliance with change in the guidelines, regulations, directions, circulars of the Exchange, SEBI or any other statutory authorities, documentary requirements from time to time

6. Compliance with below mentioned circular dated June 10, 2020 issued by BSE before opening of the issue to the investors.:

https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20200610-31

7. Issuers, for whom use of EBP is not mandatory, specific attention is drawn towards compliance with Chapter XV of SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and BSE Circular No 20210519-29 dated May 19, 2021. Accordingly, Issuers of privately placed debt securities in terms of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 or ILDM Regulations for whom accessing the electronic book platform (EBP) is not mandatory shall upload details of the issue with any one of the EBPs within one working day of such issuance. The details can be uploaded using the following links Electronic Issuance - Bombay Stock Exchange Limited (bseindia.com)

8. It is advised that Face Value of NCDs issue through private placement basis should be kept as per Chapter V of SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021.

BSE - CONFIDENTIAL

9. ***Issuers are hereby advised to comply with signing of agreements with both the depositories as per Regulation 7 of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021.***

This In-Principle Approval is valid for a period of 1 year from the date of issue of this letter or period of 1 year from the date of opening of the first offer of debt securities under the shelf placement memorandum, which ever applicable. The Exchange reserves its right to withdraw its in-principle approval at any later stage if the information submitted to the Exchange is found to be incomplete/ incorrect/misleading/false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and circulars issued thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Guidelines/Regulations issued by the statutory authorities etc. Further, it is subject to payment of all applicable charges levied by the Exchange for usage of any system, software or similar such facilities provided by BSE which the Company shall avail to process the application of securities for which approval is given vide this letter.

Yours faithfully,

**For BSE Limited**

**Sd/-**
**Rupal Khandelwal**
**Assistant General Manager**

**Sd/-**
**Raghavendra Bhat**
**Deputy Manager**

National Stock Exchange Of India Limited

Ref. No.: NSE/LIST/5422 October 18, 2022

The Company Secretary
Aditya Birla Housing Finance Limited
Indian Rayon Compound, Veraval,
Gujarat 362266

**Kind Attn.: Ms. Swati Singh**

Dear Madam,

**Sub.: In-principle approval for listing of Non-Convertible Debentures on private placement basis**

This is with reference to your application dated October 18, 2022 requesting for in-principle approval for the proposed listing of secured, rated, redeemable, non-cumulative, taxable, non-convertible debentures of face value of Rs. 1000000/- each (under Series G1), for base issue size of Rs. 50000 lakhs each with a green shoe option of Rs. 10000 lakhs, aggregating to total issue size of Rs 60000 lakhs, to be issued by Aditya Birla Housing Finance Limited on private placement basis. In this regard, the Exchange is pleased to grant in-principle approval for the said issue, subject to adequate disclosures to be made in the Offer Document in terms of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, applicable SEBI Circulars and other applicable laws in this regard and provided the Company includes the following Disclaimer Clause as given below in the Offer Document after the SEBI disclaimer clause:

**"As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). It is to be distinctly understood that the aforesaid submission or in-principle approval given by NSE vide its letter Ref.: NSE/LIST/5422 dated October 18, 2022 or hosting the same on the website of NSE in terms of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.**

**Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever"**

This Document is Digitally Signed



Signer: Jiten Bharat Patel
Date: Tue, Oct 18, 2022 18:36:07 IST
Location: NSE

Please note that the approval given by the Exchange should not in any way be deemed or construed that the draft Offer Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this draft offer document; nor does it warrant that the securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project.

Kindly also note that these debt instruments may be listed on the Exchange after the allotment process has been completed, provided the securities of the issuer are eligible for listing on the Exchange as per our listing criteria and the issuer fulfills the listing requirements of the Exchange. The issuer is responsible to ensure compliance with all the applicable guidelines issued by appropriate authorities from time to time including Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, applicable SEBI Circulars and other applicable laws in this regard.

Specific attention is drawn towards Para 1 of Chapter XV of SEBI Operational Circular No. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021. Accordingly, Issuers of privately placed debt securities in terms of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and for whom accessing the electronic book platform (EBP) is not mandatory shall upload details of the issue with any one of the EBPs within one working day of allotment of securities. The details can be uploaded using the following links:

https://www.nse-ebp.com
https://www.nseebp.com/ebp/rest/reportingentity?new=true

Kindly note, this Exchange letter should not be construed as approval under any other Act /Regulation/Rule/Bye laws (except as referred above) for which the Company may be required to obtain approval from other department(s) of the Exchange. The Company is requested to separately take up matter with the concerned departments for approval, if any.

Yours faithfully,
For National Stock Exchange of India Limited

Jiten Patel
Manager

This Document is Digitally Signed

Signer: Jiten Bharat Patel
Date: Tue, Oct 18, 2022 18:36:07 IST
Location: NSE

**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF ADITYA BIRLA HOUSING FINANCE LIMITED AT THE BOARD MEETING HELD ON JULY 27, 2022 AT 11:30 AM AT BOARD ROOM, 18TH FLOOR, ONE INDIABULLS CENTRE, TOWER 1, JUPITER MILLS COMPOUND, SENAPATI BAPAT MARG, ELPHINSTONE ROAD, MUMBAI - 400013**

**Issuance of Secured Non-Convertible and Unsecured Non-Convertible Debentures**

**"RESOLVED THAT** pursuant to the provisions of section 42, 71 and applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for time being in force) and the Rules made thereunder and subject to the approval of the members and SEBI Regulations/Guidelines and Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 as may be applicable from time to time, the Company borrow funds by issuance of fully/partly paid; listed / unlisted

a) Secured Redeemable Non-Convertible Debentures including Principal Protected – Market Linked Non-Convertible Debentures (NCDs) for an amount not exceeding Rs. 4,000 Crore (Rupees Four Thousand Crore only)

b) Subordinated Debt qualifying as Tier- II Capital in form of Unsecured, Redeemable, Non-Convertible Bonds in the nature of Debentures for an amount not exceeding Rs.1000 Crore (Unsecured NCDs)

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

| | | |
|---|---|---|
| Issue Size | **NCD's** | **Unsecured NCD's** |
| | Not exceeding Rs.4000 cr | Not exceeding Rs.1000 cr |
| Offer Document | Disclosure Document. | |
| Face value of each instrument | Standard denomination of Rs. 10 Lacs | Standard denomination of Rs. 1 Cr |
| Market and Trading Lot | The trading lot shall be equal to Face Value | |
| Type of Issue | Private placement basis only | |
| Rate of Interest / Coupon rate | As may be decided | |
| Tenor | As may be decided | |
| Group of persons to whom offer (s) shall be made | 1. Qualified Institutional Buyer as defined under the SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2009;<br>2. Company as defined under Companies Act, 2013; | |

| | |
|---|---|
| | 3. Provident fund(s), pension fund(s) and gratuity fund(s) (with no restriction on their corpus amount);<br>4. Individual, HUF, Partnership firm, Limited Liability Partnership (LLP) with a minimum subscription for NCDs of Rs. 1 Crore;<br>5. Any registered Non-Banking Finance Company, including Housing Finance Company(s)<br>6. International / multilateral / bilateral agencies<br>7. Sovereign wealth funds and<br>8. Foreign portfolio investor as defined under Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 |
| Security for Secured NCD's only | The Debentures to be issued by the Company in any Series together with interest, costs, charges, remuneration of the Debenture Trustee and all other moneys payable in respect thereof shall be secured by way of creation of:<br>1) exclusive / pari-passu first charge on specific immovable property of the Company<br>and / or<br>2) pari-passu first charge on receivables arising from unsecured loans given by the Company; Such other assets which the Company may add from time to time and first pari-passu charge on the other Current Assets of the Company. |
| Purpose of issue | The fund raised through this Issue, after meeting the expenditure of and related to the Issue, will be used for our various financing activities, to repay our existing loans and our business operations including for our capital expenditure and working capital requirements |
| Mode of holding by the investors | Compulsorily in demat form with either CDSL or NSDL |
| Status of Listing of the NCD's and Unsecured NCD's | Both the NCD's and Unsecured NCD's maybe:<br>- listed on the Debt Market segment of National Stock Exchange and / or BSE Limited OR<br>- unlisted |

**RESOLVED FURTHER THAT** any two of the following are authorised to decide on rate of interest, tenor of the Debenture or any other terms and conditions including any modifications relating thereto

| | |
|---|---|
| Mr. Rakesh Singh | Director |
| Mr. Netrapal Singh | Chief Executive Officer |
| Mr. Ashish Damani | Chief Financial Officer |
| Mr. Subhajeet Roy Choudhury | Chief Risk Officer |
| Mr. Anindya Karmakar | Head Operations |
| Ms. Swati Singh | Company Secretary |
| Mr. Anubhav Katare | Lead – Treasury |
| Mr. Kaushal Dubey | Finance Controller |
| Ms. Shraddha Wade | Team Lead – Debt Market Borrowings |

**RESOLVED FURTHER THAT** upon the NCD terms being finalised, as above, any two of the following persons, such that at least one person is from Group I, be and are hereby authorised to

**Group I**

| | |
|---|---|
| Mr. Rakesh Singh | Director |
| Mr. Netrapal Singh | Chief Executive Officer |
| Mr. Ashish Damani | Chief Financial Officer |
| Mr. Subhajeet Roy Choudhury | Chief Risk Officer |
| Mr. Anindya Karmakar | Head Operations |
| Ms. Swati Singh | Company Secretary |
| Mr. Anubhav Katare | Lead – Treasury |
| Mr. Kaushal Dubey | Financial Controller |

**Group II**

| | |
|---|---|
| Mr. Puneet Bhasin | Area Head |
| Ms. Sharddha Wade | Team Lead – Debt Market Borrowings |

appoint **Vistra ITCL (India) Limited (formerly IL&FS Trust Company Limited)** or any other as Debenture Trustees, Registrar and Transfer Agents, Depositories, Distributors, Legal Counsel, Merchant Bankers and such other intermediaries as may be required and to negotiate with the Intermediaries and fix such remuneration and finalise the terms of their appointment, as may be deemed fit."

"**RESOLVED FURTHER THAT** any two of the following signatories, such that at least one signatory is from Group I, be and are hereby jointly authorized to:

- Register on Issuer Services Portal of NSDL and avail all/any of the services provided by NSDL through Issuer Services Portal.
- Avail on behalf of the Company, any / all the services offered by NSDL through the issuer services portal and do all such acts and deeds necessary, so as to bind the company in relation to such facilities and to accept, sign, execute, deliver and complete all documentation or agreements or forms as are necessary for availing such services.
- Designate/ authorise/ appoint person(s) as authorised users to access the Issuer Services Portal of NSDL and to provide any details, information, document, and submit any request / instructions on Issuer Services Portal on behalf of the company.

**RESOLVED FURTHER THAT** that the Company acknowledges and agrees that the users as designated/ authorized/ appointed by authorized signatories has been authorized to access the Issuer Services Portal of NSDL and provide any details, information, document, and submit any request / instructions on Issuer Services Portal on behalf of the company, keeping in view the risks involved and consequences of usage of such rights and that the Company shall keep the NSDL absolved, indemnified, harmless and protected from any liabilities whatsoever and howsoever that may arise out of any misuse or compromise of these rights/passwords by the authorized user.

**RESOLVED FURTHER THAT** that the Company undertakes to be bound by the Terms & Conditions of Issuer Services Portal, Bye Laws and Business Rules of NSDL as amended from time to time.

**RESOLVED FURTHER THAT** that this resolution shall remain in force till the date the Company submits a fresh resolution in writing superseding this Resolution to the NSDL and the same is accepted by the NSDL and that all actions and transactions done by the Authorized Signatories mentioned herein shall continue to be valid till the date the revised Resolution is submitted by the Company and is accepted by the NSDL after completing all formalities, as the NSDL may require from time to time.

**RESOLVED FURTHER THAT** Ms. Swati Singh, Company Secretary, be and is hereby appointed as the Compliance Officer of the Company for the purpose of the issue of the aforesaid NCDs.

**RESOLVED FURTHER THAT** a Disclosure Document be filed with either or both of the Stock Exchange(s) ("SE") and application be made to the SE for listing of the said NCDs (if required) and that aforesaid signatories be and are hereby authorized (any two acting jointly) to sign the Disclosure Document on behalf of the Company, file the same with SE for the purpose of listing and make such changes therein, as required from time to time.

**RESOLVED FURTHER THAT** the aforesaid persons be and are hereby authorized jointly to allot secured non-convertible privately placed redeemable debentures / any other similar financial instrument and authorize execution / issuance of Debenture Trust Deed, such other deeds, instruments, letters of allotment, certificates, documents, declarations, undertakings and writings, as may be required to be executed in connection with the issue / subscription to the said Debentures / any other financial instrument.

**RESOLVED FURTHER THAT** Declaration as required to be given under the Companies Act 2013 and the rules made thereunder be given by any one of the Directors and the Common Seal of the Company be affixed on any of the documents, if required, in presence of anyone of the Directors or the Manager or Company Secretary or any one of the aforesaid signatories of the Company.

**RESOLVED FURTHER THAT** the following be and are hereby authorized severally:

| | |
|---|---|
| Mr. Pankaj Khandelwal | Zonal Credit Manager |
| Mr. Jinu Varghese | Head - Sales Governance, Housing Finance |
| Mr. Siddharth Berry | Head – Credit Operations & Customer Service |
| Mr. Puneet Bhasin | Area Head |
| Mr. Shivansh Khanna | Circle Head |

to sign / execute necessary documents including but not restricted Information Memorandum, Debenture Trustee Deed, Debenture Trustee Agreement, and do any such acts, deeds and things as may be necessary and incidental for the aforesaid purpose.

**RESOLVED FURTHER** that the common seal of the company will not be affixed on the document to be executed.

**RESOLVED FURTHER** that any of the aforementioned persons in Group I and II be and are hereby severally authorized to certify any document as true for the purpose of submission of necessary documents to the Lenders and they be requested to act upon the same.

**RESOLVED FURTHER THAT** a copy of the resolution certified to be true by any one of the Directors or Chief Executive Officer or Chief Financial Officer or Company Secretary of the Company be and is hereby given to the stock exchanges, authorities, bodies corporate and they be requested to act upon the same."

For **Aditya Birla Housing Finance Limited**

Swati Singh

Digitally signed by Swati Singh
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Date: 2022.07.29 17:18:06 +05'30'

**Swati Singh**
**Company Secretary**
**Membership No.: 20388**
**Address: 18th floor, One Indiabulls Centre, Elphinstone Rd., Mumbai 400 013**
**Dated: July 29, 2022**

**NOTICE** is hereby given that Extraordinary General Meeting (EGM) of the Members of **ADITYA BIRLA HOUSING FINANCE LIMITED** will be held on **Tuesday, the 17th Day of May, 2022 at 03:00 P.M. (IST)** at shorter notice through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact, with or without modification, as may be permissible, the following businesses:

**SPECIAL BUSINESS:**

1. To consider and if thought fit to pass with or without modification(s) the following resolution **as Special Resolution.**

   **"RESOLVED THAT** in supersession of all the earlier resolution(s) passed by the Members at the Annual/Extraordinary General Meeting(s) and pursuant to Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and subject to the provisions of the Housing Finance Companies (NHB) Directions, 2010 (including any modification, amendment, re-enactment thereof for the time being in force) and such other laws, rules as may be applicable from time to time, the Company do borrow such sum or sums of money in any manner from time to time with or without security and upon such terms and conditions as the Board may deem fit and expedient for the purpose of the business of the Company, not withstanding, that the monies to be borrowed, together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate, for the time being, the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided however, that the total amount borrowed / to be borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) and outstanding at any time shall not exceed Rs.20,000 Crore (Rupees Twenty Thousand Crore Only).

   **RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all the acts, deeds, things as may be necessary, usual expedient to give effect to the aforesaid resolution."

2. To consider and if thought fit, to pass, with or without modification(s), the following resolution, **as Special Resolution:**

   "**RESOLVED THAT** in supersession of all the earlier resolution(s) passed by the Members at the Annual/Extraordinary General Meeting(s) and pursuant to Section 180 (1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and the provisions of the Housing Finance Companies (NHB) Directions, 2010 (including any modification, amendment, re-enactment thereof for the time being in force) and such other laws, rules, the consent of the Company be granted to the Board of Directors to create such mortgages, charges and hypothecation as may be necessary on such of the assets of the Company, both present and future, in such manner as the Board may direct, to or in favour of the financial institutions, investment

institutions and their subsidiaries, banks, mutual funds, trusts and other bodies corporate (hereinafter referred to as the "Lending Agencies") and Trustees for the holders of debentures / bonds and / or other instruments which may be issued on private placement basis or otherwise, to secure rupee term loans / foreign currency loans, debentures, bonds and other instruments together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company to the Trustees under the Trust Deed and to the Lending Agencies under their respective Agreements / Loan Agreements / Debenture Trust Deeds entered into/to be entered into by the Company in respect of the borrowings such that the outstanding amount of debt at any point of time does not exceed Rs.20,000 Crore (Rupees Twenty Thousand Crore Only).

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all the acts, deeds, things as may be necessary, usual expedient to give effect to the aforesaid resolution."

**3.** To consider and if thought fit to pass with or without modification(s) the following resolution as **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 42, 71 and applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for time being in force) and the rules made there under and the regulations/directions of Securities Exchange Board of India, National Housing Bank Regulations/Guidelines as may be applicable from time to time and such other consents as may be required from various Bodies Corporate, the Company do borrow funds by issuance of debt securities viz:

- Secured Redeemable Non-Convertible Debentures for amount not exceeding Rs. 4,000 Crore.

- Subordinated Debt qualifying as Tier-II Capital in the form of Unsecured, Redeemable, Non-Convertible Bonds in the nature of Debentures for an amount not exceeding Rs.1,000 Crore,

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

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all the acts, deeds, things as may be necessary, usual expedient to give effect to the aforesaid resolution."

**NOTES:**

1. **In view of the continuing pandemic, the Ministry of Corporate Affairs ("MCA") had vide its various circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021 and May 05, 2022 (collectively referred to as "MCA Circulars") read with the Companies Act, 2013 ("Act") and applicable Securities Exchange Board of India (SEBI) Regulations, prescribed the procedures and manner of conducting Annual General Meeting through VC/ OAVM. Accordingly, the EGM of the Company is being held through VC / OAVM at Corporate Officer Mumbai being deemed venue for the meeting.**

2. **Pursuant to the provisions of the Act, a Member entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. As the EGM maybe held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the EGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**

3. Explanatory Statement, pursuant to Section 102 of Companies Act, 2013 relating to Special Business as aforesaid to be transacted at this EGM, is annexed.

4. Members can raise questions during the meeting or in advance by sending email to swati.singh7@adityabirlacapital.com. However, it is requested to raise the queries precisely and in short at the time of meeting to enable the answer the same. The same will be replied by the Company suitably.

5. The Notice of the EGM is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice will also be available on the Company's website at https://homefinance.adityabirlacapital.com/.

6. A Corporate member intending to depute its authorized representatives to attend the Meeting is requested to send to the Company at swati.singh7@adityabirlacapital.com a duly certified true copy of the Board Resolution - Power of Attorney authorizing their representatives to attend and vote on their behalf at the Meeting.

7. Members attending the EGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

8. Since the EGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

9. Instructions for joining the EGM through VC/ OAVM are as follows:
   - Members/ participants will receive an e-mail for joining the meeting through Microsoft Teams with date and time of the meeting.
   - At the bottom of the email, there will be an option to **Join Microsoft Teams Meeting**. Click on the said link
   - Download the Microsoft team app on your PC/tablet/Phone (if not done earlier) and keep it ready.
   - In case, **you have Microsoft team app** on your system/device, it will **direct you to Microsoft team app** to connect the meeting. Thereafter, click **Join now** tab to join the meeting.
   - In case, you do not have/fail to configure Microsoft team app on your system/device by any chance, then you can join through web page instead. Kindly click on **Join on the web.** Thereafter, a new web page will open, wherein you need to write your name and click on **Join now** tab and wait therein, the Organiser will accept and allow you to join the meeting.

10. Instructions for members/participants for attending the EGM through VC/ OAVM are as under:
   - Facility of joining the EGM through VC / OAVM shall be open 15 (fifteen) minutes prior to the scheduled time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time and will be available for Members on first come first served basis.
   - Participants/ members are requested to join the meeting at least **15 minutes in advance** to complete all testing and logistic issues.
   - Please ensure the WIFI/Dongle/hotspot/Router etc is up and **running with good speed** during the whole duration of the meeting for enable you to participate efficiently.
   - In case of any loss of signal/drop out due to any technical glitch **please re-join and confirm your presence** at the earliest. (For e.g. Amber joined)
   - The meeting will be **recorded.**
   - The organiser shall keep all the participants on **mute by default at the start of the meeting** and the respective participants/members **can unmute themselves at the time of presentation / speaking.**
   - Every participant/ member shall identify himself at the time of making

presenting/speaking on any item of agenda.

- To ensure smooth and orderly flow of the meeting, it is recommended that **all questions/comments** may be raised **after the completion of** particular agenda item.
- Please ensure that **no person other than the invited participants** should have access to this e-meeting.
- Please do not forward this e-invite to any other person.
- We encourage you to download the Microsoft team app and test the link in advance before the start of the meeting. We recommend do not use / join through web-version because it may have voice and video quality issue.
- If you need any assistance before or during the meeting you can reach out to Ms. Swati Singh, Company Secretary (9820061933).

**By order of the Board**
**For Aditya Birla Housing Finance Limited**

Swati Singh

Digitally signed by Swati Singh
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Date: 2022.05.12 14:11:15 +05'30'

**Mumbai**
**May 12, 2022**

**Swati Singh**
**Company Secretary**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:**

**Item No. 1 & 2:**

In terms of the Section 180(1)(c) of the Companies Act, 2013, the Board of Directors shall not borrow money in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of the business, except with the consent of the Members at the general meeting by way of a special resolution.

It is therefore, necessary that the Members pass special resolution as set out in the Item no. 1 of the Notice to enable the Board of Directors to borrow money subject to the directions issued by National Housing Bank and in excess of the limit as specified under Companies Act 2013.

Pursuant to the borrowings made/to be made, the Company may have to mortgage and/or create charge on all or any one or more of the moveable/immovable properties or such other assets of the Company. Accordingly, approval of the Members is being sought to borrow money for an amount not exceeding Rs. 20,000 Crore (Twenty Thousand Crore Only) and to create charge on assets of the Company in accordance with section 180(1)(a) of the Companies Act, 2013.

None of the Directors, Key Managerial Persons (KMP's) or the relatives of the Directors or KMP's, are concerned or deemed to be interested in the aforesaid resolutions.

**Item No. 3**

Section 42 of the Companies Act, 2013 read with Rule 14 (2) of the Companies (Prospectus and Allotment of Securities) Rules 2014 mandates companies issuing Non-Convertible Debentures (NCD) through private placement to pass special resolution once in a year for all the offers or invitation for debt securities viz debentures, bonds etc. during the year. NCDs issued on private placement basis are a significant source of borrowings for the Company. The Company intends to raise both secured redeemable NCD and unsecured NCDs for an amount not exceeding Rs. 4000 Crore and Rs. 1000 Crore respectively. Your Directors request the Members to pass special resolution.

None of the Directors, Key Managerial Persons (KMP's) or the relatives of the Directors or KMP's, are concerned or deemed to be interested in the aforesaid resolutions.

**By order of the Board**
**For Aditya Birla Housing Finance Limited**

Swati Singh

Digitally signed by Swati Singh
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Date: 2022.05.12 14:11:43 +05'30'

**Mumbai**
**May 12, 2022**

**Swati Singh**
**Company Secretary**

**CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED BY THE MEMBERS OF ADITYA BIRLA HOUSING FINANCE LIMITED AT THE EXTRA ORDINARY GENERAL MEETING HELD ON MAY 17, 2022 AT 3.00 PM THROUGH AUDIO - VISUAL MODE ON MICROSOFT TEAMS IN MUMBAI**

"**RESOLVED THAT** pursuant to the provisions of Section 42, 71 and applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for time being in force) and the rules made there under and the regulations/directions of Securities Exchange Board of India, Reserve Bank of India/ National Housing Bank as may be applicable from time to time and such other consents as may be required from various Bodies Corporate, the Company do borrow funds by issuance of debt securities viz:

- Secured Redeemable Non-Convertible Debentures for amount not exceeding Rs. 4,000 Crore.

- Subordinated Debt qualifying as Tier-II Capital in the form of Unsecured, Redeemable, Non-Convertible Bonds in the nature of Debentures for an amount not exceeding Rs.1,000 Crore,

in one or more tranches and may list on the Debt Market Segment of National Stock Exchange of India Limited (NSE) and/or BSE Limited (BSE) on a private placement basis."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all the acts, deeds, things as may be necessary, usual expedient to give effect to the aforesaid resolution."

For **Aditya Birla Housing Finance Limited**

Swati Singh
Digitally signed by Swati Singh
Date: 2022.05.18 13:45:48 +05'30'

**Swati Singh**
**Company Secretary**
**Membership No. A20388**

**Dated: May 18, 2022**

**CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED BY THE MEMBERS OF ADITYA BIRLA HOUSING FINANCE LIMITED AT THE EXTRA ORDINARY GENERAL MEETING HELD ON MAY 17, 2022 AT 3.00 PM THROUGH AUDIO - VISUAL MODE ON MICROSOFT TEAMS IN MUMBAI**

**"RESOLVED THAT** in supersession of all the earlier resolution(s) passed by the Members at the Annual/Extraordinary General Meeting(s) and pursuant to Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and subject to the provisions of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (including any modification, amendment, re-enactment thereof for the time being in force) and such other laws, rules as may be applicable from time to time, the Company do borrow such sum or sums of money in any manner from time to time with or without security and upon such terms and conditions as the Board may deem fit and expedient for the purpose of the business of the Company, not withstanding, that the monies to be borrowed, together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate, for the time being, the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided however, that the total amount borrowed / to be borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) and outstanding at any time shall not exceed Rs.20,000 Crore (Rupees Twenty Thousand Crore Only).

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all the acts, deeds, things as may be necessary, usual expedient to give effect to the aforesaid resolution."

For **Aditya Birla Housing Finance Limited**

Swati Singh
Digitally signed by Swati Singh
Date: 2022.05.18 13:47:11 +05'30'

**Swati Singh**
**Company Secretary**
**Membership No. A20388**

**Dated: May 18, 2022**