APTUS™

Ref No: APTUS/12-JUL/2023-24 **July 27, 2023**

To, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 Scrip Code: 543335	To, National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051 Scrip Symbol: APTUS

Dear Sir/Madam,

Sub: Annual Report for FY 2022-23 and Notice of the 14th AGM

Pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the financial year 2022-23 along with the Notice convening the 14th Annual General Meeting of shareholders of the Company, which is being circulated to the shareholders through electronic mode. The Annual Report and the Notice of AGM is also uploaded on the Company's website at www.aptusindia.com.

We request you to kindly take the same on records.

Thanking you,

For Aptus Value Housing Finance India Limited

SANIN PANICKER Digitally signed by SANIN PANICKER Date: 2023.07.27 20:02:02 +05'30'

Sanin Panicker
Company Secretary & Compliance Officer
Membership No: A32834

EXPANDING HORIZONS
EMPOWERING DREAMS

APTUS VALUE HOUSING FINANCE INDIA LIMITED
ANNUAL REPORT 2022-23

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Corporate Information

EXECUTIVE CHAIRMAN
Mr. M. Anandan

BOARD OF DIRECTORS
Mr. S. Krishnamurthy
Mr. K.M. Mohandass
Mr. Krishnamurthy Vijayan
Ms. Mona Kachhwaha
Mr. V.G. Kannan
Mr. Shailesh Mehta
Mr. Sumir Chadha
Mr. K.P. Balaraj
Mr. P. Balaji

MANAGEMENT TEAM
Mr. C.T. Manoharan,
Chief Business Officer

Mr. John Vijayan Rayapppa,
Chief Financial Officer

Mr. Krishnaswami V,
Sr. VP - Information Technology

Mr. Sundara Kumar V,
Sr. VP - Legal & Receivable

Mr. Srikanth N,
VP - Human Resource

Mr. Srinivasan K,
Associate VP - Credit

Mr. Naveen Kumar,
Associate VP - Operations & Compliance

COMPANY SECRETARY & COMPLIANCE OFFICER
Mr. Sanin Panicker

SECRETARIAL AUDITORS
S. Sandeep & Associates
Flat No. 10, Second Floor,
Sucons Padmalaya,
No.5, Venkatnarayana Road,
T. Nagar, Chennai - 600 017.

INTERNAL AUDITORS
R.G.N. Price & Co.
Chartered Accountants
Simpsons Buildings,
861, Anna Salai,
Chennai - 600 002.

STATUTORY AUDITORS
T R Chadha & Co LLP
Door No. 5D, Vth floor, Mount Chambers, 758, Anna Salai
Chennai - 600002.
Tamil Nadu
Tel: +91 44 426 945 71

DEBENTURE TRUSTEES
Axis Trustee Services Limited
Axis House,
Bombay Dyeing Mills Compound,
Pandurang Budhkar Marg,
Worli, Mumbai - 400 025.

BANKERS & FINANCIAL INSTITUTIONS
National Housing Bank
International Finance Corporation

HDFC Bank
Axis Bank
State Bank of India
Federal Bank
IndusInd Bank
Indian Bank
Yes Bank
Bank of Baroda
Bank of Maharashtra
DCB Bank
Bank of India
ICICI Bank
Kotak Mahindra Bank
Karur Vysya Bank
AU Small Finance Bank
South Indian Bank
CSB Bank

REGISTRAR AND SHARE TRANSFER AGENT
KFin Technologies Limited
Selenium Tower B,
Plot No. 31 & 32 Gachibowli,
Financial District Nanakramguda,
Serilingampally,
Hyderabad - 500 032.
Telangana
Tel: +91 40 6716 2222
Website: www.kfintech.com

REGISTERED & CORPORATE OFFICE
No. 8B, Doshi Towers, 8th Floor,
No: 205, Poonamallee High Road,
Kilpauk, Chennai - 600 010.
Tamil Nadu
CIN: L65922TN2009PLC073881
Email: corporateaffairs@aptusindia.com
Website: www.aptusindia.com

Chairman's Message

I am delighted to present to you an overview of Aptus Value Housing Finance's performance for the fiscal year 2022-2023. Amidst the dynamic tapestry of the affordable housing finance sector, we have emerged as trailblazers, igniting the dreams of countless individuals and families by redefining the paradigm of accessible home finance. Our relentless pursuit of excellence has propelled us to the forefront of the affordable housing finance market, empowering aspiring homeowners to turn their dreams into concrete reality. I am pleased to report that FY23 has been a remarkable year for Aptus, marked by significant achievements and robust growth.

At Aptus, we strongly believe in the significance of housing as a fundamental right. This report emphasises our business model and the value we create by prioritising affordable housing finance. Our robust governance policies ensure effective leadership and risk management. We take pride in having our ESG initiatives featured in SEBI's newly introduced Business Responsibility and Sustainability Report (BRSR), which showcases our commitment to transparently disclosing our sustainability efforts and demonstrating the positive impact we strive to achieve.

How We Performed: Aptus delivered impressive results in various key areas. Disbursements during the year under review was INR 2,394 crores as against Rs.1,640 crores in the previous year, reflecting the company's expansion plans in its loan portfolio delivering significant results. The Asset Under Management (AUM) reached INR 6,738 crores, exhibiting a substantial year-on-year growth rate of over 30%. We also achieved a collection efficiency of over 100%, resulting in reduced overdues and NPAs. Despite interest rate challenges, the company maintained healthy spreads at 14.3%. Additionally, we showcased exceptional capital utilisation acumen, exemplified by a consistent ROA of 8.44% and a remarkable increase in ROE to 16.34% from 14.45% last fiscal - the highest among all affordable housing finance companies. These stellar financial achievements underscore our unwavering commitment to maximizing shareholder returns and solidify our position as a force to be reckoned with in the industry.

Going Forward: Aptus Value Housing Finance continues to thrive in the affordable home loan segment, thanks to its precision focus on serving low- and middle-income self-employed individuals in the states where we operate. With an impressive market share, Aptus has successfully carved out a niche for itself while maintaining a remarkable growth trajectory. In FY23, the company achieved a growth of 46 percent in loan disbursements, a testament to its robust business model and effective execution. Aptus is actively pursuing geographic expansion, targeting new states and bolstering its presence in existing markets to solidify its position as a leading player in the industry. With an unwavering commitment to providing accessible and affordable housing finance solutions, Aptus is confident that its unique focus and proactive growth strategy will enable it to capture a larger market share and consistently deliver value to its stakeholders.

Looking ahead, we remain dedicated to our mission of providing affordable housing finance to individuals who aspire to own a home. We are confident in our ability to leverage our strong performance and continue growing our market presence. As we move forward, we will remain focused on expanding our loan portfolio, enhancing customer experience, and further strengthening our position as a leading affordable housing finance company in India.

Leadership: With great pleasure, I announce the well-deserved promotions within our leadership team. Mr. P. Balaji has been elevated to the position of Managing Director, Likewise, Mr. Manoharan's elevation as Chief Business Officer showcases his remarkable contributions to our business development. Additionally, Mr. John's promotion to Chief Financial Officer recognises his invaluable expertise in finance and risk management. These inspiring individuals embody the spirit of Aptus and their elevated roles further solidify our confidence in their ability to steer our company towards greater success.

Concluding Remarks: I extend my heartfelt gratitude to our shareholders, including our esteemed financial partners, for their unwavering support and trust in Aptus Value Housing Finance. Your investment and confidence in our vision have been instrumental in our success and growth. I would also like to express my sincere appreciation to our dedicated employees, whose hard work and commitment have been vital to our achievements. Additionally, I would like to thank our valued customers for choosing Aptus as their financial partner and entrusting us with their dreams of owning a home. It is through their belief in us that we are able to create a positive impact and transform the lives of individuals by providing accessible and affordable housing finance. Together, with the support of our shareholders, employees, customers, and esteemed financial partners, we will continue to forge ahead, making a meaningful difference in the lives of people across the nation.

Regards

M. ANANDAN
Executive Chairman

Review by the **Managing Director**

Dear Shareholders,

With immense delight, I take this opportunity to update all of you about the journey of the Company in the fiscal year 2023.

Financial Performance:

In terms of financial highlights, our total disbursements for the year reached INR 2,394 crores, a 46% increase compared to the previous year. This growth demonstrates our ability to expand our loan portfolio and meet evolving customer needs.

Our Asset Under Management (AUM) experienced notable year-on-year growth of over 30%, reaching INR 6,738 crores in March '23. This success signifies our ability to attract and manage a larger customer base effectively.

Through focused collection efforts, we achieved a collection efficiency of over 100%, resulting in a reduction in soft bucket outstanding, overdues, and non-performing assets (NPAs). This accomplishment highlights our effective credit risk management.

Despite significant interest rate headwinds, we maintained robust spreads at 14.3%, representing a 65 basis points increase from the previous financial year. This demonstrates our ability to navigate challenging market conditions successfully.

Our Return on Assets (ROA) remained consistent at 8.44%, while our Return on Equity (ROE) increased from 14.45% to 16.34% year-on-year. These figures demonstrate our adeptness in optimising our resources and dedication to generating favourable returns, establishing us as industry leaders in terms of financial performance.

Operational Highlights:

One of the key highlights of our performance is the notable growth in live customers, which exceeded 107,000, representing 28% year-on-year increase. This demonstrates our ability to attract and retain customers by offering compelling value propositions and delivering good experiences. We have established trust and loyalty among our clientele, enabling us to thrive in a competitive landscape.

In line with our commitment to expanding our market presence, we have expanded our branch network by adding 23 branches during FY '23, bringing the total count to 231 branches. This strategic expansion enhances our accessibility and ensures that our customers can easily access our products and services. By being closer to our customers, we aim to cater to their varied needs and provide localised services that meet their expectations.

Furthermore, our dedication to building a strong workforce is evident through the employment of 2,405 individuals. Our skilled and motivated workforce enables us to deliver exceptional service, maintain operational efficiency, and drive innovation. By investing in our employees' development and engagement, we enhance our ability to meet customer needs and sustain long-term success. In a significant stride towards fostering employee ownership and participation, we allocated ten million shares to the employees through our Employee Stock Option Plan (ESOP). By extending the benefits of ESOP, we strive to empower our dedicated workforce and align their interests with the growth and success of our organization.

These outcomes reflect our customer-centric approach, market expansion strategies, and focus on talent development. We are committed to continuously improving and adapting to the evolving needs of our customers and the dynamic housing finance landscape. With your support and the dedication of our team, we are well-positioned for continued growth.

Tech-enabled Underwriting:

Our robust underwriting practices are crucial for the sustainable growth of our company. We prioritise responsible lending by considering the instalment-to-income ratio (IIR) of our borrowers and assessing their ability to repay the loan without overburdening them with debt. We emphasise on the cash flow assessment both pre and post-disbursement to ensure borrowers have the means to meet their loan obligations. We employ centralised underwriting capabilities, collecting over 50 key data points for customer profile analysis. Our underwriting process involves, multiple touchpoints for verification, and tech-enabled evaluation of customers. By integrating credit scorecards with lending applications, we streamline credit evaluation. Additionally, we continuously improve our underwriting parameters through machine learning for better and faster credit decisions. We maintain consistency in underwriting through state-wise analysis and linguistic skills. Adaptability and agility are integral to our operations, enabling us to rapidly evolve lending landscape. These robust underwriting practices underscore responsible lending and risk management.

Asset Quality

Enhanced Asset Quality serves as a testament to our underwriting skills and dedication to preserving the excellent quality of our asset portfolio. Our commitment to upholding these stringent standards not only underscores our resilience but also ensures sustainable performance. Our focused collection efforts resulted in a notable decrease in delinquency rates, with the 30+ days past due (DPD) rate declining to 5.9% in March '23 from 9.91% in March '22. This showcases our success in managing our loan portfolio.

Furthermore, we have witnessed a decline in Gross Non-Performing Assets (GNPA) with the rate decreasing from 1.44% in December '22 to 1.15% in March '23. Additionally, we have maintained a healthy net Non-Performing Assets (NPA) rate of 0.86%, indicating our ability to effectively minimise credit losses.

Review by the
Managing Director

We have also strengthened our provision coverage ratio, which rose to 1.06% as of March '23 from 0.80% in March '22. This reflects our prudence in maintaining adequate provisions for potential loan losses.

Going Forward

Aptus Value Housing Finance is well-positioned for sustained growth and shareholder value. Our robust FY23 performance, driven by focus, market penetration, and customer-centricity showcases our ability to navigate challenges and capitalise on opportunities.

We prioritise responsible lending and risk management, ensuring sustainable growth and asset quality. Attracting and retaining customers, expanding our branch network, and building a strong workforce further strengthen our position.

In addition to our focus on enhanced asset quality, Aptus Value Housing Finance leverages cutting-edge technology to enhance the customer experience. By embracing digital advancements, we have streamlined processes, amplified operational efficiency, and elevated the overall level of customer service. Looking ahead, we commit to innovation, adaptability, and seizing growth opportunities. With skilled management, dedicated employees, and shareholder trust, Aptus Value Housing Finance is well-equipped for the future, delivering sustainable long-term value.

To conclude, with the unwavering support of our management and dedicated team, we will continue to achieve remarkable milestones, deliver value to our stakeholders, and make a positive impact in the housing finance industry.

Thank you once again for your trust and support.

Best,

P. BALAJI
Managing Director

Financial Highlights

ASSETS UNDER MANAGEMENT

(₹ in crore)

FY 22-23	6,738
FY 21-22	5,180
FY 20-21	4,068
FY 19-20	3,183
FY 18-19	2,247

DISBURSEMENT

(₹ in crore)

FY 22-23	2,394
FY 21-22	1,641
FY 20-21	1,298
FY 19-20	1,280
FY 18-19	1,180

GROSS INCOME

(₹ in crore)

FY 22-23	1,129
FY 21-22	840
FY 20-21	655
FY 19-20	523
FY 18-19	337

PROFIT AFTER TAX

(₹ in crore)

FY 22-23	503
FY 21-22	370
FY 20-21	267
FY 19-20	211
FY 18-19	112

RETURN ON ASSETS

(%)

FY 22-23	8.44
FY 21-22	8.00
FY 20-21	7.40
FY 19-20	7.01
FY 18-19	6.12

SHAREHOLDER'S FUND

(₹ in crore)

FY 22-23	3,339
FY 21-22	2,916
FY 20-21	1,979
FY 19-20	1,709
FY 18-19	699

RETURN ON NET WORTH

(%)

FY 22-23	16.34
FY 21-22	14.45
FY 20-21	14.47
FY 19-20	15.80
FY 18-19	17.41

GROSS NPA

(%)

FY 22-23	1.15
FY 21-22	1.19
FY 20-21	0.70
FY 19-20	0.70
FY 18-19	0.40

NET NPA

(%)

FY 22-23	0.86
FY 21-22	0.88
FY 20-21	0.38
FY 19-20	0.56
FY 18-19	0.32

Strategic Milestones Achieved

CUSTOMERS

2012
1200

2020
50,000+

2021
60,000+

2022
83,000+

2023
100,000+

LOCATIONS/ BRANCHES

2012
20 Branches

2015
4 States

2018
100 Branches

2019
143 Branches

2020
175 Branches

2021
190 Branches

2022
208 Branches

2023
231 Branches

LOAN BOOK

2013
₹**90** crores

2014
₹**250** crores

2017
₹**846** crores

2018
₹**1,414** crores

2019
₹**2,247** crores

2020
₹**3,183** crores

2021
₹**4,068** crores

2022
₹**5,180** crores

2023
₹**6,738** crores

About Aptus:

Founded in 2009 and based in Chennai, Aptus is a premier housing finance company committed to delivering accessible and affordable housing loans. Our core focus lies in empowering individuals from low and middle-income segments residing in rural and semi-urban areas to realise their aspirations of owning a home. We provide a comprehensive range of financial solutions tailored to meet their unique needs.

Our offerings include home loans designed for property purchase and self-construction, as well as home improvement and extension loans. Additionally, we extend support through loans against property and business loans, ensuring a holistic approach to fulfilling the diverse requirements of our valued customers. At Aptus, we are dedicated to empowering individuals and families by enabling them to secure their dream homes and build a foundation for a brighter future.

At Aptus, we specifically target first-time homebuyers who have self-occupied residential property as their primary collateral. Since our inception, we have had the privilege of helping approximately 100,000 customers achieve their goal of owning a home. Our unwavering commitment to our customers and their aspirations has propelled us to operate through 231 branches across Tamil Nadu, Andhra Pradesh, Telegana, Karnataka and Odisha.

Despite facing some of the most challenging macroeconomic cycles of the last decade, including the impact of the Covid-19 pandemic, our company has demonstrated impressive and consistent growth. We take immense pride in maintaining a high-quality portfolio and achieving the best financial outcomes. Our success can be attributed to the cornerstones of our resilient business model, which include a sharp focus on our core business, disciplined underwriting practices, a customer-centric approach, enhanced productivity, the application of appropriate technology, and prudent treasury management.

One of our notable achievements is the development of a highly granular retail portfolio, comprising loans backed by self-occupied residential properties as security. This diversified portfolio mitigates concentration risk and ensures stability. Recognising the immense potential in India's retail mortgage lending sector, we continue to make strategic investments in our key pillars of strength: our exceptional team of professionals and advanced technology infrastructure.

At Aptus, we are driven by a shared vision of transforming lives through affordable housing finance. We believe in homeownership's power to positively impact individuals, families, and communities. By combining our expertise, dedication, and innovative solutions, we strive to make homeownership a reality for even more individuals nationwide.

As we forge ahead, we remain committed to our customers, values, and mission. Together, we will continue to build a brighter future, one home at a time.

100,000+

Customers achieve their goal of owning a home

231

Branches across Tamil Nadu, Andhra Pradesh, Telegana, Karnataka and Odisha

VISION

To be an efficient, innovative, and admired housing finance company focused on making a positive impact on the standard of living of our customers through appropriate housing finance solutions at an affordable cost and personalised service.

MISSION

To be a leader in the affordable housing finance segment and impact 2.5 million people's lives by 2030.

CORE VALUES

Our Core Values guide the decisions we make and the actions we take.

Accountability:
We take responsibility for the financial, social, environmental, and economic impacts of our decisions and actions and disclose our performance transparently. We honour the trust placed in us by the customers by taking care of their financial needs.

Professionalism:
We consistently produce the highest quality results and exhibit professional conduct and sound judgment in standards and service. We ensure to do the right thing by being transparent, honest, and ethical in all we do. We deepen our relationship with the customers by providing remarkable service.

Teamwork:
We are a highly skilled, dedicated, and diverse workforce empowered to achieve outstanding results. We operate with honesty, integrity, and the highest of ethical standards, without exception.

Unity:
We believe that unity inspires more substantial personal commitment and greater collective achievement.

Success:
We believe achieving complete customer satisfaction through service excellence is the key to our success. We focus on achieving results that add the best possible value for all our stakeholders.

Key Business Strategies

FOCUS ON HOUSING FINANCE FOR LOWER AND MIDDLE-INCOME CUSTOMERS:

We are dedicated to serving the housing finance needs of lower and middle-income customers. By understanding their specific requirements and challenges, we tailor our loan offerings and services to provide accessible and affordable financing options. Our commitment to this customer segment sets us apart from other players in the market.

PRESENCE IN UNDER-PENETRATED MARKETS:

We have strategically positioned ourselves in under-penetrated rural and semi-urban markets, as well as India's informal economies and SME sector. These segments represent substantial opportunities for growth and have significant untapped potential. By catering to these markets, we can reach a broader customer base and address the unique housing finance needs in these areas.

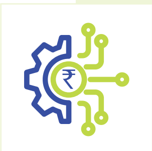
CALIBRATED EXPANSION FOR GEOGRAPHIC REACH:

Our expansion strategy is focused on spreading our geographic presence strategically. By extending our footprint across regions, we aim to become one of India's largest housing finance companies. This calibrated expansion approach allows us to effectively capture market share while maintaining financial sustainability and operational efficiency.

PROFITABLE BUSINESS MODEL AND FINANCIAL MATRIX:

Aptus operates on a profitable business model, consistently delivering strong financial performance and value creation. We prioritise sustainable growth, prudent risk management, and a robust credit portfolio. Our commitment to maintaining a healthy financial matrix enables us to provide long-term value to our stakeholders, including customers, investors, and partners.

CONTINUOUS PROCESS IMPROVEMENT THROUGH TECHNOLOGY AND PEOPLE:



We recognise the importance of continuous process improvement to enhance productivity, product/service experience, and risk management. We invest in advanced technology solutions and empower our talented workforce to drive efficiency and innovation across all aspects of our operations. By leveraging technology and nurturing our people, we strive to deliver exceptional services and maintain high-quality loan portfolios.

DIVERSIFIED LENDER BASE AND TRANSPARENT PRACTICES:

We maintain a diversified lender base, which enhances our funding capabilities and reduces dependency on any single source. This approach strengthens our financial resilience and enables us to meet the diverse needs of our customers. Additionally, we uphold transparency in our operations, ensuring clear communication with all stakeholders and articulating our strategies and goals to build scale and foster trust.

Governance Initiatives at Aptus

Aptus exhibits strong governance initiatives that contribute to its overall performance and credibility. The company's regulatory compliance, professional management team, involvement of a strong Founder Promoter and marquee investors, diverse board composition, and absence of material civil litigation all point towards a commitment to transparent, accountable, and responsible governance practices. These initiatives enhance the company's ability to maintain a strong position in the market and build trust among its stakeholders.

REGULATORY COMPLIANCE:

Aptus demonstrates a strong commitment to governance through its regulatory compliance measures. The company operates under the oversight of the Reserve Bank of India (RBI) and is supervised by the National Housing Bank (NHB). This regulatory framework ensures that Aptus adheres to industry standards and guidelines, promoting transparency and accountability in its operations.

PROFESSIONAL MANAGEMENT TEAM:

Aptus is led by a professional management team, indicating a commitment to efficient and effective corporate governance. The presence of a skilled management team enhances the company's ability to make informed decisions and navigate challenges successfully. The professional expertise of the management team is crucial in driving the company's growth and safeguarding the interests of stakeholders.

STRONG FOUNDER PROMOTER AND MARQUEE INVESTORS:

The presence of a strong Founder Promoter and marquee investors is indicative of Aptus's governance initiatives. A Founder Promoter with a robust track record and established reputation demonstrates a commitment to the long-term success and stability of the company. Additionally, marquee investors bring valuable experience, resources, and oversight to the company, contributing to improved governance practices.

BOARD COMPOSITION:

Aptus emphasises diverse perspectives and expertise in its board composition. By including members from banking, financial services industry and professional domains, the company ensures a well-rounded representation of knowledge and experience in decision-making processes. This diverse board composition enhances the effectiveness of governance mechanisms and encourages a comprehensive approach to strategic planning and risk management.

NO MATERIAL CIVIL LITIGATION:

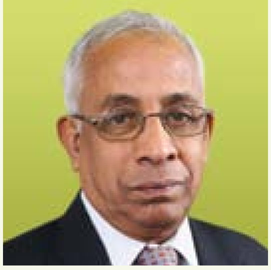
The absence of material civil litigation is a positive indicator of Aptus's governance initiatives. This suggests that the company has successfully managed its legal and compliance obligations, minimising potential legal risks and disputes. A low incidence of litigation promotes stability, investor confidence, and trust in the company's operations.

Board of Directors

M. Anandan
Executive Chairman

NRC CSR ITC RMC RBC

M. Anandan is a Member of the ICAI. He has an illustrious career of over 4 decades in the financial services industry during which he has held positions as ED and MD of Cholamandalam Investments and Finance, MD of Cholamandalam MS General Insurance Co. and CEO/Director of the Financial Services Businesses in Murugappa Group. Between 2008 – 2015 he was Non-whole time Director in Equitas Micro Finance Ltd, Independent Director in Manappuram Finance Ltd and Chairman of Five Star Business Credits Ltd. He is the founder promoter of the Company and has served as the Chairman and Managing Director on the Board since inception.



S. Krishnamurthy
Independent Director

AC NRC RBC

S. Krishnamurthy holds a bachelor's degree in science from the University of Madras. He is a certified associate of the Indian Institute of Bankers. He was the former Dy. MD of SBI, where he served for more than 38 years. He was also the MD & CEO of SBI Life Insurance Company Ltd. He is also on the board of our subsidiary, Aptus Finance India Private Ltd.

K.M. Mohandass
Independent Director

AC NRC CSR RBC

K.M. Mohandass holds a bachelor's degree in science from the University of Madras. He is a fellow member of the ICAI and a partner in KM Mohandass & Co., Chartered Accountants. He has over three decades of experience in the financial services sector. He is also on the board of our subsidiary, Aptus Finance India Private Ltd.

Krishnamurthy Vijayan
Independent Director

AC NRC CSR ITC

Krishnamurthy Vijayan holds a bachelor's degree in commerce from C.M. Dubey Post- Graduate College, Bilaspur and MA from Guru Ghasidas University, Bilaspur. He previously served as the MD & CEO of IDBI Asset Management Limited, MD of J P Morgan Asset Management India Private Limited, and CEO of JM Financial Asset Management Private Ltd.

Mona Kachhwaha
Independent Director

AC NRC ITC RMC

Mona Kachhwaha holds a post graduate diploma in business management from XLRI, Jamshedpur. She has completed the FICCI CCG Women on Corporate Boards Mentorship Program offered by FICCI Centre for Corporate Governance. She has multiple years of experience in the finance sector including her stint with Citibank N.A. and Caspian Advisors Private Ltd. She is also on the Board of Ujjivan Financial Services Limited and Impact Investors Council.

V.G. Kannan
Independent Director

ITC RMC SRC

V.G. Kannan holds a bachelor's degree in business administration from Madurai Kamaraj University and has a Master's degree in Business Administration from University of Madras. He has over 38 years of experience in the BFSI sector. A credit, treasury, risk management expert in the banking sector, he has handled leadership positions with SBI, its subsidiaries & group companies as Managing Director of SBI. He is on the boards of AU Small Finance Bank Ltd, Ageas Federal Life Insurance Company Limited and OCM India Opportunities Arc Management Private Ltd.

Shailesh Mehta
Non-Executive Director

SRC

Shailesh Mehta holds a bachelor's degree in mechanical engineering from IIT, Bombay, Master of science degree in operations research and a PhD in philosophy from Case Western Reserve University. He is also trustee emeritus at the California State University and has also been conferred with an honorary degree of Doctor of Humane Letters by the California State University. He serves as a partner at Granite Hill Capital Partners and is operating advisor at WestBridge Capital US Advisors, LLC. He serves on the boards of inter alia, Safari Industries (India) Limited, Manappuram Finance Limited, India Shelter Finance Corporation Limited and Vistaar Financial Services Private Ltd.

Sumir Chadha
Nominee Director

NRC

Sumir Chadha holds a bachelor's degree in computer science from Princeton University and a Master's degree in business administration from Harvard Business School. He is the co-founder of WestBridge Capital. He has several years of experience in the investment industry. He was also a director of Sequoia Capital India Advisors Pvt Ltd. He serves on the Board of India Shelter Financial Corporation Ltd, Star Health and Allied Insurance Company Limited, Mountain Managers Private Limited, Kuhoo Technology Services Private Limited and Kuhoo Finance Private Limited.

K.P. Balaraj
Nominee Director

ITC SRC

K.P. Balaraj holds a bachelor 's degree in business management from Brigham Young University, Hawaii where he was a valedictorian and a Master's degree in business administration from Harvard Business School. He was the co-founder and MD at WestBridge Capital India Advisors Private Ltd and has several years of experience in the investment industry. He is currently a partner at Waimea Bay Advisors LLP.

P Balaji
Managing Director

RMC

P Balaji is the Managing Director of our Company. He joined Aptus as the CFO in August,2010. Prior to joining Aptus, he was associated with the Bombay Dyeing and Manufacturing Company Limited, Hutchison Max Telecom Limited, Cholamandalam MS General Insurance Company Limited and SKS Microfinance Limited. He holds a bachelor's degree in commerce from the University of Madras. He is also a member of the Institute of Chartered Accountants of India. He has various years of experience in the textiles, telecom and finance sectors.

Committee Indications

- AC Audit Committee
- NRC Nomination & Remuneration Committee
- CSR CSR Committee
- ITC IT Strategy Committee
- RMC Risk Management Committee
- RBC Resourcing and Business Committee
- SRC Stakeholder's Relationship Committee

Senior Management

Balaji P
Managing Director

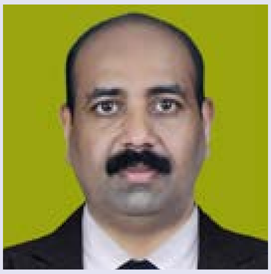
Manoharan C T
Chief Business Officer

John Vijayan Rayappa
Chief Financial Officer

Krishnaswami V
Senior Vice President - IT

Sundara Kumar V
Senior Vice President -
Legal & Receivable

Srikanth N
Vice President -
Human Resource



Srinivasan K
Associate Vice President - Credit

Naveen Kumar R
Associate Vice President –
Operations & Compliance

Sanin P
Company Secretary &
Compliance Officer

Robust Business Model for Creating Value

Customer Acquisition: We employ marketing and advertising campaigns to create awareness and attract potential customers. Our sales teams engage with customers, providing information and addressing their queries.

Loan Origination: Our loan origination process involves thorough document verification, credit assessment, and underwriting. We carefully manage risk and evaluate the creditworthiness of borrowers. Moreover, we offer customised loan offerings tailored to meet the needs of affordable housing and SME loans.

Loan Disbursement: We ensure a smooth and efficient digital loan disbursal process, guaranteeing timely fund transfers to our customers.

Loan Servicing: Our focus is effective loan servicing, including collecting loan instalments and interest payments from customers. We prioritise customer relationship management and promptly address any queries or concerns. Leveraging technology-driven solutions, we provide convenient payment options and enable customers to track their loans.

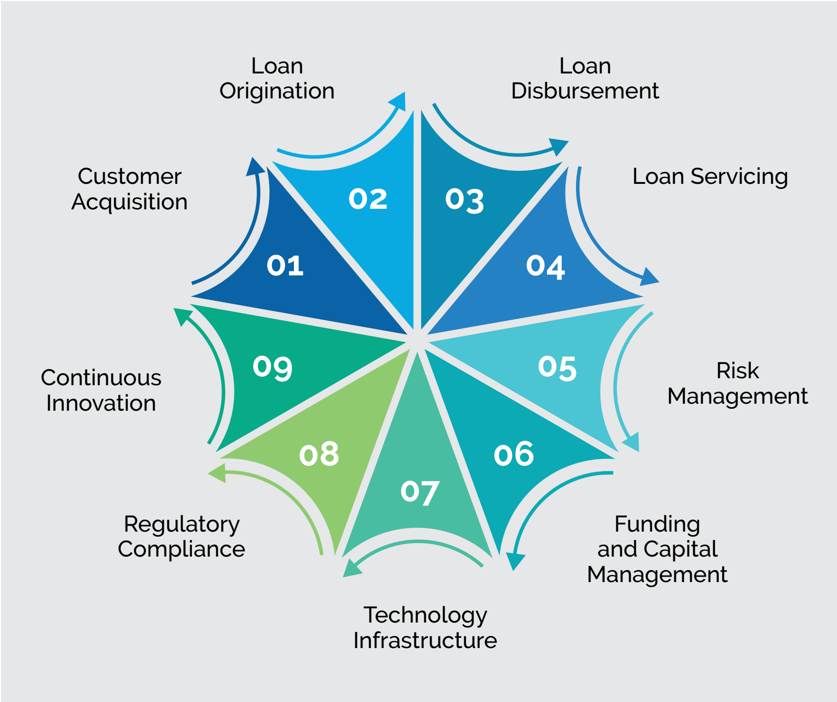
Risk Management: We strongly emphasise robust risk assessment and mitigation strategies. Continuous monitoring of loan portfolios allows us to identify potential risks and take appropriate actions. We ensure compliance with regulatory requirements and adhere to prudential norms.

Funding and Capital Management: We maintain a diversified funding mix, including borrowings from banks, financial institutions, and capital market sources. We focus on managing capital adequacy and optimising funding costs to support our operations. Building strong relationships with investors and stakeholders is also a priority for securing funding for business expansion.

Technology Infrastructure: We invest in robust IT systems and digital platforms to ensure efficient loan processing and servicing. We gain insights for better business decision-making and risk management by prioritising data management and analytics. Data security and privacy are paramount to maintaining customer trust.

Regulatory Compliance: We are committed to adhering to regulatory guidelines and compliance requirements. We ensure regular reporting and conduct audits to maintain transparency and accountability. Engagement with industry associations and regulators helps us stay updated on industry developments and best practices.

Continuous Innovation: We continuously monitor market trends, and customer needs to develop innovative loan products and services. Embracing technological advancements allows us to enhance operational efficiency and improve the overall customer experience. Collaboration with industry stakeholders and experts enables us to explore new opportunities and market segments.



How We Create Value

FINANCIAL CAPITAL:

Aptus acquires funds from investors, banks, and financial institutions to support its operations. The company focuses on efficient capital allocation and utilisation to maximise returns and profitability. By effectively managing its financial capital, Aptus aims to maintain a sustainable and profitable loan portfolio, leading to increased shareholder value and returns on investment.

AUM: Rs. 6,738 crores

Gross Income: Rs. 1,129 crores

PAT: Rs. 503 crores

ROA: 8.44%

MANUFACTURED CAPITAL:

Aptus invests in robust technology infrastructure and IT systems to ensure efficient loan processing and servicing. The company develops and maintains advanced loan processing and servicing platforms to enhance operational efficiency and deliver a seamless customer experience. Additionally, Aptus maintains physical assets such as offices, branches, and equipment to support its operations and provide a reliable and accessible network for its customers.

231 branches with increase of 23 branches from FY 22

Loan Disbursement FY23: Rs. 2,394 crores benefiting more than 32,300 families.

HUMAN CAPITAL:

Aptus recognises the importance of its skilled and knowledgeable workforce. The company employs loan officers, underwriters, customer service representatives, and other professionals who contribute to its success. Aptus invests in continuous training and development programs to enhance the expertise of its employees. By fostering employee engagement and retention, Aptus ensures a motivated and productive workforce, enabling efficient loan origination, servicing, and risk management processes.

2,405 On-roll employees

Reward Structure linked with performance and value drivers.

11,12,156 equity shares allotted to various employees under the Aptus ESOP Scheme.

SOCIAL & RELATIONSHIP CAPITAL:

Aptus values strong relationships with customers, investors, service providers, regulators, bankers, and intermediaries. Trust and credibility create lasting connections. Aptus collaborates with experts and stakeholders for new opportunities. Positive reputation, loyalty, and effective management create value for all stakeholders.

76% LIG Customers

Amongst top 300 companies based on market captilisation as on March 31, 2023.

Dividend payout: 200%

ROE: 16.34% - Highest in the affordable housing finance industry.

Taxes paid: Rs. 110 crores

Total CSR Funds Rs. 7.16 crores

INTELLECTUAL CAPITAL:

Aptus excels in loan origination, credit assessment, risk management, and compliance. It has valuable intellectual property like loan products, underwriting models, and data analytics tools. Aptus promotes knowledge sharing and continuous learning. Through innovation and new loan products, it stays competitive and meets customer needs.

Enhanced features introduced in Customer Service Application (Customer App) download sanction letters, make EMI payments etc.

Digital marketing through social media platforms to make customers more aware about our loan products and its features.

Video tutorials to help customers to track their loan application status and also make payments through UPI

NATURAL CAPITAL:

Aptus values environmental sustainability. Aptus practices energy efficiency and waste reduction. Responsible lending considers environmental impacts and promotes affordable, sustainable housing for positive environmental impact.

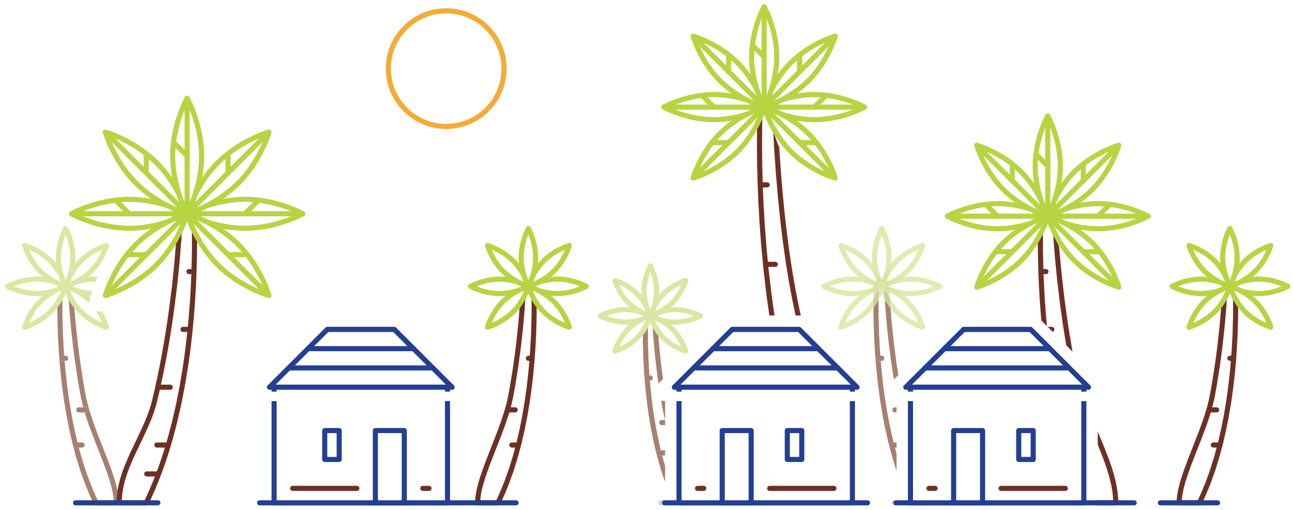
Digital documentation and e-signatures for reducing manual work and paper waste.

Implemented an environment friendly system to manage e-waste and paper waste effectively.

Trained our employees to segregate recyclable and non-recyclable waste, aiming to minimise non-recyclable waste and promote a more sustainable approach to waste management.

Manufactured Capital
Our Products

At Aptus, we offer a diverse range of loan products to cater to the unique needs of our customers. Our loan portfolio management is designed to provide flexible financing solutions and comprehensive support throughout the borrowing journey. Here are the key loan offerings in our portfolio:



HOUSING LOANS:

Our housing loans are tailored to help individuals realise their dreams of owning a home. Whether it's constructing an independent house or an apartment on the customer's owned land, we provide financing options to make homeownership accessible. Additionally, we offer expanded housing loan options for purchasing new or second-hand houses and for house renovations.

BUSINESS LOANS:

We understand the importance of business enhancement and growth. That's why we provide business loans to individuals who require financial support to elevate their enterprises. Customers can provide self-occupied property as collateral for these loans, enabling them to access the necessary funds for their business ventures. The loan amount is determined based on the credit eligibility and technical valuation of the property, with a maximum limit of 60% of the property value.

QUASI HOME LOAN:

Our Quasi Home Loan option is designed for customers who require funds to refinance their investments in construction or the purchase of a house. Eligible customers can avail themselves of loans up to Rs. 25 lakhs at affordable interest rates. With flexible repayment tenures ranging from 5 to 15 years, customers can choose a repayment plan that suits their financial capabilities.

INSURANCE SUPPORT:

At Aptus, we prioritise the financial security of our customers. As part of our commitment to their well-being, we have collaborated with insurance companies to offer Credit Shield Insurance and Property Insurance. Credit Shield Insurance provides protection to customers, relieving them from the burden of repayment in the event of any untoward happenings. Additionally, our Property Insurance ensures the safeguarding of customers' valuable assets.

Branches serve as a vital component of Aptus Value Housing Finance's manufactured capital. With a total of 231 branches, Aptus has strategically established a strong physical presence across multiple states, including Tamil Nadu, Andhra Pradesh, Telangana, Karnataka and Odisha. These branches act as key touchpoints, allowing Aptus to engage directly with customers and provide tailored housing finance solutions. The branch network serves as a manufacturing capital by facilitating the origination of new business and enabling efficient customer service. Aptus' focused approach of clustering branches in close proximity, across states, ensures comprehensive carpet coverage, enhancing customer accessibility. By leveraging this extensive branch network, Aptus strengthens its manufactured capital, positioning itself as a leading player in the affordable housing finance industry.

Branch Expansion Strategy: Aptus' branch network expansion strategy in alignment with its deep market presence, market leadership approach, geographical diversification, and branch productivity analysis positions the company for sustained growth in the affordable housing finance sector, focusing on home loans and SME segments while aiming for deeper penetration geographically.

DEEP MARKET PRESENCE IN THE SOUTHERN STATES:

Aptus Value Housing Finance has strategically expanded its branch network to establish a deep market presence in the southern states of Tamil Nadu, Andhra Pradesh, Telegana, Karnataka and Odisha. With a total of 231 branches as of 31st March, Aptus has successfully added 23 branches in FY '23. We plan to expand our carpet coverage, where a branch is available every 70 to 80 kilometers in the states where we operate. This proximity to customers allows Aptus to originate new business efficiently and provide prompt services to existing customers, further facilitating customer referrals and sustained growth.

Manufactured Capital
How we create value

Aptus Value Housing Finance creates significant social value through its extensive branch network. By strategically locating branches in areas with a high concentration of low- and middle-income individuals, Aptus ensures greater access to affordable housing finance. This approach enables Aptus to fulfil its mission of providing housing as a fundamental right, positively impacting the lives of countless individuals. The branch network acts as a platform for Aptus to engage directly with customers, understand their needs, and deliver personalised solutions. Through its branch network, Aptus not only facilitates home ownership but also fosters economic growth, job creation, and community development, thereby creating lasting social value.

MARKET LEADERSHIP APPROACH:

Instead of thinly spreading branches across the country, Aptus has strategically focused on achieving market leadership in the states where it operates. This targeted approach aligns with the company's macro-level strategy of deeper presence and market leadership, emphasising the importance of concentrated operations over a pan-India presence. The commitment to operate with intensity and closeness to customers in each state has positioned Aptus as a potential market leader in affordable housing finance in these regions.

GEOGRAPHICAL DIVERSIFICATION AND EXPANSION:

To support its growth objectives, Aptus has embarked on a geographical diversification plan. The company has already initiated operations in Odisha and planning to add new branches in Maharashtra as well. This strategic expansion allows Aptus to explore untapped markets and seize growth opportunities beyond its current operating states.

BRANCH PRODUCTIVITY ANALYSIS:

Aptus has assessed the productivity of its branches based on the Asset Under Management (AUM). The analysis reveals the following:

27

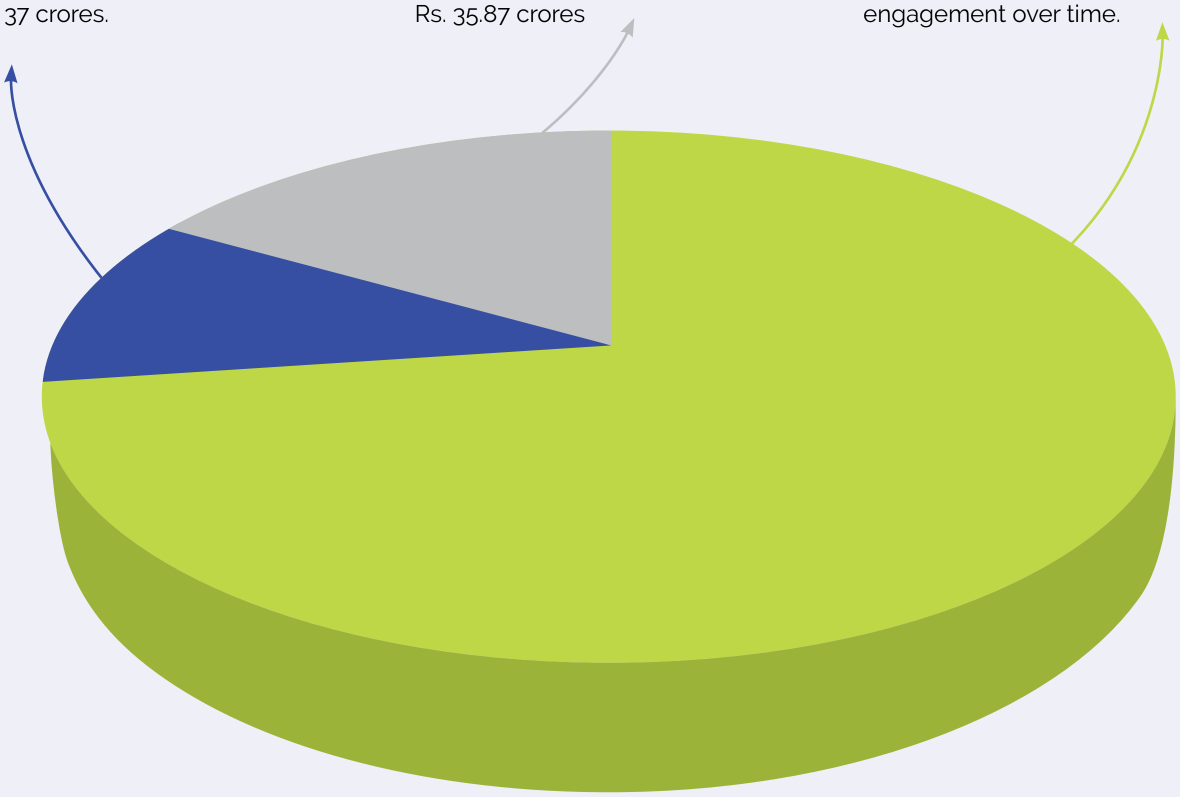
Less than one year old branches: With 27 branches in this category, the average AUM per branch stands at Rs. 1.64 crores, indicating a steady initial growth phase. These branches have the capacity to grow from Rs. 1.64 crores to Rs. 37 crores.

34

1-3 years old branches: Aptus has 34 branches falling into this category, showing an average AUM per branch of Rs. 17.52 crores, reflecting a significant increase in productivity compared to the newer branches. These branches has the capacity to grow from Rs. 17.52 crores to Rs. 35.87 crores

170

3+ years old branches: The majority of Aptus' branches, amounting to 170, fall into this category, showcasing an impressive average AUM per branch of Rs. 35.87 crores. This indicates a strong growth trajectory and increased customer trust and engagement over time.



Financial Capital
Review of Performance in FY 23

Aptus demonstrated a robust and commendable performance in the financial year 2023. The company experienced significant growth, reflecting its sharp business focus, deep market penetration, and customer-centric approach. The adoption of digital technologies across various operational aspects, such as customer sourcing, underwriting, collection, and risk management, also contributed to the company's success.

FINANCIAL HIGHLIGHTS:

Disbursements: The total disbursements for the year reached INR 2,394 crores, marking a substantial increase of 46% compared to the previous year. This growth indicates the company's ability to expand its loan portfolio.

Asset Under Management (AUM): Aptus achieved a healthy AUM of INR 6,738 crores in March '23, experiencing a notable year-on-year growth rate of over 30%. This growth signifies the company's success in attracting and managing a larger customer base.

Collection Efficiency: Through focused collection efforts, Aptus achieved a collection efficiency of over 100%, leading to a reduction in soft bucket outstanding, overdues, and non-performing assets (NPAs). This accomplishment demonstrates the company's effective management of credit risks.

Spreads: Despite facing significant interest rate headwinds, Aptus managed to maintain good spreads at 14.3%. This represents a 65 basis points increase over the previous financial year, highlighting the company's ability to navigate challenging market conditions.

Return on Assets (ROA) and Return on Equity (ROE): Aptus registered a consistent ROA of 8.44% and saw its ROE rise to 16.34%, an increase of 189 basis points year-on-year. These figures demonstrate the company's efficient utilization of assets and its ability to generate returns for its shareholders, positioning it among the industry's best performers.

OPERATIONAL HIGHLIGHTS:

Growth in Live Customers: The total number of live customers exceeded 107,000, reflecting a notable growth rate of 28% year-on-year. This expansion highlights Aptus's ability to attract and retain customers in a competitive market.

Branch Network: Aptus expanded its branch network by adding 23 branches during FY '23, bringing the total count to 231 branches. This growth signifies the company's efforts to enhance its market presence and accessibility to customers.

Employee Count: The company employed 2,405 individuals, indicating its commitment to building a strong workforce to support its operations and growth objectives.

ASSET QUALITY:

Delinquency Improvement: Aptus focused on collection efforts, leading to a significant improvement in delinquency rates. The 30+ days past due (DPD) rate decreased to 5.9% in March '23 compared to 9.91% in March '22, showcasing the company's success in managing its loan portfolio.

Gross Non-Performing Assets (GNPA): The company witnessed a decline in GNPA, with the rate decreasing from 1.44% in December '22 to 1.15% in March '23. This improvement signifies Aptus's effective risk management strategies.

Net Non-Performing Assets (NPA): Aptus maintained a healthy net NPA rate of 0.86%, indicating the company's ability to effectively recover loans and minimize credit losses.

Provision Coverage: The provision coverage ratio increased to 1.06% as of March '23 from 0.80% in

March '22, reflecting Aptus's prudence in maintaining adequate provisions for potential loan losses. The coverage ratio of 90% indicates a strong level of protection against credit risks.

BORROWINGS AND LIQUIDITY:

Diversified Borrowings: Aptus enjoys well-diversified borrowing sources, with 60% of borrowings from banks, 26% from the National Housing Bank (NHB), 10% from development financial institutions (DFIs) like IFC and large financial institutions, and the remaining portion in the form of securitization. This diverse borrowing structure enhances the company's financial stability.

Credit Ratings: Aptus holds a rating of AA- from both ICRA and CARE, indicating a strong creditworthiness and reliability in the market.

Liquidity Position: As of March '23, the company had a robust liquidity of INR 1,136 crores, including an undrawn sanction of INR 625 crores from NHB and banks. This liquidity position provides Aptus with the flexibility to meet its funding requirements efficiently.

EXPECTED PEAK OF THE BLENDED COST OF BORROWING?

Aptus has a strong liability position due to low leverage and a sizable net worth, with most of their borrowings consisting of long-term fixed interest rates from institutions like NHB. In December '21, the company received a credit rating upgrade that helped to secure funds at a slightly lower cost. Due to the controlled cost of funds, Aptus has been able to implement a modest interest rate hike of 50 basis points effective from November '22, despite a 250 basis point hike in interest rates. The company has been able to maintain its margins and ROA despite these challenges.

SANCTIONS AVAILABLE TO DRAW FROM NHB

Aptus received a sanction of Rs. 500 crores in December 2022, of that Rs. 300 crores were drawn as of March 2023. Company has around Rs. 625 crores of undrawn funds, out of which Rs. 200 crores is yet to be drawn from NHB.

46%
Disbursements Growth

30%
AUM growth

28%
Growth in Live Customers

100%
Collection Efficiency

14.3%
Spreads

8.44%
ROA

16.34%
ROE

*Aptus holds a Credit Rating of **AA-** from both **ICRA** and **CARE***

5.9%
30+ DPD improved

1.15%
GNPA improved

Greater Control Better Outcomes

Aptus' advantage of having its own operational team is reflected in the fact that 100% of its operations are handled by its own team. This includes business origination, credit, legal and technical, collection, and HO/operations. By having a fully integrated team, Aptus is able to exercise greater control over its operations, leading to reduced turnaround times (TAT) and low takeover rates. Additionally, having its own team allows the company to exercise greater pricing power and reduce operational risk. Overall, Aptus' focus on having its own operational team is a key differentiator that helps the company maintain its competitive edge in the market.

TECH-ENABLED UNDERWRITING

- Responsible lending: considers IIR of borrowers
- Critical cash flow assessment for loan repayment
- Centralized underwriting: 50 data points collected
- Tech-enabled evaluation, multiple touchpoints for verification
- Credit scorecards integrated for easier credit evaluation, machine learning for improvement
- Invests in training and monitoring for latest practices, agility to process change.

Aptus' robust underwriting practices are a key factor in ensuring the company's sustainable growth. One of the ways Aptus ensures responsible lending is by being conscious of the instalment-to-income ratio (IIR) of its borrowers. This allows the company to assess the borrower's ability to repay the loan and avoid overburdening them with debt. Cash flow assessment is also a critical part of the underwriting process, both pre and post-disbursement, to ensure that borrowers have the means to repay their loans.

Aptus also employs centralised underwriting capabilities, which involve collecting over 50 key data points for customer profile analysis. The underwriting process includes stage-wise disbursement through technical visits, multiple touchpoints for thorough verification, and tech-enabled evaluation of customers. The company also integrates credit scorecards with lending applications for easier credit evaluation. Additionally, Aptus analyses profiles and behaviour for continuous improvement of underwriting parameters through machine learning for better and faster credit decisions.

Aptus also maintains consistency in underwriting with expertise in state-wise analysis and linguistic skills. The company invests in effective training, knowledge sharing, and monitoring processes to ensure its team is equipped with the latest underwriting practices and regulatory requirements. Aptus has also demonstrated its agility and adaptability to process change, which is essential in today's rapidly evolving lending landscape. Overall, Aptus's robust underwriting practices are a testament to its commitment to responsible lending and risk management.

Inclusive Empowerment
Aptus' Impact

Aptus has made a notable social impact. The company's focus on serving the LIG segment, self-employed individuals, and those new to credit contributes to financial inclusion and empowers underserved communities. The company's rural focus and support for small businesses in tier 2, 3, and 4 locations further demonstrate its commitment to social development and economic empowerment. Through its efforts, Aptus helps bridge the gap in access to housing finance, supports entrepreneurship, and contributes to the overall well-being and progress of the communities it serves.

Aptus has a strong focus on inclusive finance for social upliftment. This is reflected in the lending portfolio, which is largely comprised of loans to low-income groups, self-employed individuals most of them rural borrowers. 78% of their loans were disbursed to low and middle income groups, indicating a clear commitment to reaching out to the financially excluded and empowering them with access to credit. Additionally, 71% of their loans were made to self-employed individuals, who are often underserved by traditional lenders due to their unconventional income streams.

The company's rural lending portfolio is also impressive, with 74% of its loans being extended to borrowers in rural areas. This shows a clear focus on inclusive finance in underserved geographies and a recognition of the vital role that rural populations play in the economy. By providing these borrowers with affordable and accessible housing finance, Aptus Value Housing Finance Ltd is enabling them to improve their living standards and contribute to the overall growth of the economy.

Despite their inclusive focus, Aptus has managed to maintain a healthy average ticket size of 10 lacs, indicating a focus on responsible lending practices and risk management. This means that Aptus is able to serve a large number of borrowers while ensuring that the loan book remains sustainable and profitable.

Loan Exposure: With 78% of the loan exposure targeting Low and Middle Income (LMI) borrowers, Aptus addresses the housing finance needs of individuals with limited income. This emphasises the company's commitment to serving the economically disadvantaged segments of society and providing access to affordable housing finance options.

Self-Employed Focus: By extending loans to 71% of self-employed individuals, Aptus supports entrepreneurs and small business owners who often face challenges in accessing traditional financing. This facilitates economic empowerment and enables self-employment opportunities, leading to job creation and income generation.

New to Credit: Aptus providing loans to 38% of borrowers who are new to credit indicates the company's willingness to serve individuals who lack a credit history. By providing them with an opportunity to access credit, Aptus helps them establish a credit profile and contribute to their financial inclusion.

Rural Focus: With a focus on rural areas, accounting for 74% of their operations, Aptus plays a crucial role in bridging the urban-rural divide. By providing housing finance solutions to rural communities, the company facilitates the development of rural infrastructure and contributes to the overall economic growth of these areas.

Small Business Loans: Aptus' provision of small business loans (21%) further supports entrepreneurship and contributes to local economic development. Small businesses play a significant role in job creation and fostering local economies, and Aptus' financing helps enable the growth and sustainability of these enterprises.

Financial Inclusion: Aptus' support to borrowers in tier 2, 3, and 4 locations demonstrates the company's commitment to financial inclusion. These locations often have limited access to formal financial services, and by extending housing finance in these areas, Aptus facilitates financial inclusion, empowering individuals and families to improve their quality of life.

78%

Loan Exposure targeting Low and Middle Income (LMI) Group

74%

Loans being extended to borrowers in rural areas

10 lacs

Healthy average ticket size

38%

New to Credit

71%

Self-Employed Focus

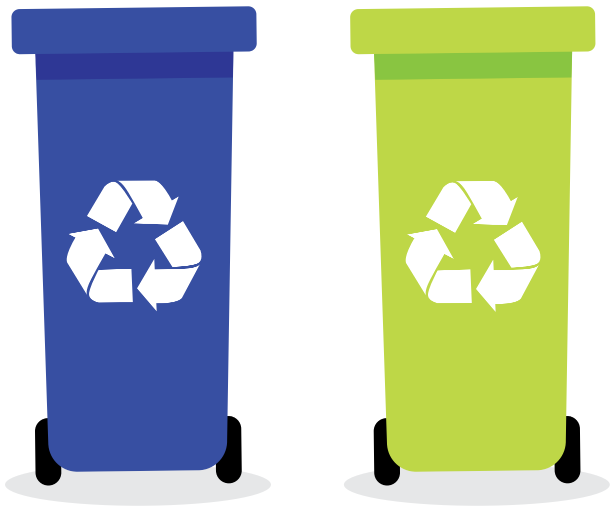
Natural Capital
Contributing to a Better Environment

Striving for a Paperless Environment: Transition to digital documentation and reduce paper usage by implementing electronic filing systems, e-signatures, and online collaboration tools. Encourage employees to use digital communication channels and opt for electronic communication instead of printing hard copies. Implementing paperless internal communications, reusing paper where possible, and reducing paper flow with vendors, customers, and banks. Striving for a paperless environment, APTUS leverages digital initiatives to encourage customers to embrace digital transactions, e-statements, and online document submissions. With streamlined processes, including digital onboarding and verification through mobile apps, the company minimizes paperwork and enhances the customer experience. APTUS's lending software further reduces manual paperwork, while ISO 27001:2013 certification ensures data security. By embracing technology and certifications, APTUS promotes sustainability and operational efficiency while prioritizing a secure and seamless customer journey.

Energy Efficiency Initiatives: Aptus is dedicated to energy efficiency and has implemented several initiatives to reduce energy consumption. The company utilizes LED lighting throughout its premises, which not only provides better illumination but also consumes less energy compared to traditional lighting systems.

Aptus actively promotes energy-saving habits among its employees. Staff members are encouraged to turn off lights and electrical appliances when not in use, contributing to reduced energy wastage. Natural lighting is also maximized by utilizing natural daylight whenever possible, further reducing the need for artificial lighting during the daytime. By implementing these energy-efficient practices and fostering a culture of energy conservation, Aptus demonstrates its commitment to sustainability and reducing its environmental impact.

Waste Management: To promote waste reduction and recycling, the office is equipped with recycling stations, encouraging employees to separate recyclable materials from general waste. Clear instructions are provided on proper waste disposal and recycling practices, ensuring everyone is aware of the process. The company actively works to reduce single-use items by encouraging the use of reusable products such as coffee cups, water bottles, and lunch containers. As a housing finance company, the key waste products primarily consist of paper and e-waste. Aptus has implemented an environment-friendly system to manage e-waste and paper waste effectively. Employees are trained to segregate recyclable and non-recyclable waste, aiming to minimise non-recyclable waste and promote a more sustainable approach to waste management.



Relationship Capital
Customers

Aptus demonstrates a strong customer focus through its approach to understanding and serving its target customer base. With over 1,07,000 live customers as of March 31, 2023, representing a 28% year-on-year growth, Aptus has successfully tapped into the housing needs of self-employed individuals and low/ middle-income families in rural and semi-urban areas of India. By primarily catering to this underserved segment, Aptus addresses the unmet demand for affordable housing in the country.

Aptus recognises the unique characteristics and requirements of its customer profile. The majority of its customers belong to the self-employed category, engaged in diverse small businesses such as provision shops, pharmacies, bakeries, vegetable vendors, and more. Aptus takes a customer-centric approach by actively engaging with its customers and understanding their business ventures, income generation, aspirations, dreams, and lifestyle. The company goes beyond traditional income documents, instead emphasising personal discussions to assess suitability and eligibility for housing loans. This customer-centric approach ensures that even customers without all the required documents can avail housing loans, focusing on financing people rather than paper.

By fostering a close relationship with its customers, Aptus benefits from strong customer referrals and word-of-mouth marketing. The company's deep commitment to understanding its customers' needs and aspirations allows it to provide appropriate support and facilitate homeownership. This proximity to customers enables Aptus to offer excellent service, originating new business and efficiently serving existing customers. The customer-centric approach has led to substantial growth, with disbursements increasing by 46% in FY '23, indicating the company's strength and ability to thrive in a competitive market.

46%
Disbursements Increasing

28%
Live Customers Growth

Digital Transformation
Enhancing Customer Relationship

Digital technology is an integral part of customer relationship management at Aptus. From automated CRM and customer service systems to mobile applications for onboarding, credit verification, and property evaluation, Aptus leverages technology to enhance the customer experience. Additionally, the integration of credit scorecards, data analytics, and machine learning enables Aptus to continuously improve its credit evaluation processes. By embracing digital technology, Aptus strives to provide better and faster service, ensuring customer satisfaction and fostering long-term relationships.

At Aptus, digital technology plays a crucial role in enhancing customer relationship management and delivering efficient customer service. One of the key aspects of this is the implementation of automated CRM systems that streamline customer service requests. By leveraging technology, Aptus is able to automate various processes, ensuring prompt and accurate responses to customer inquiries and concerns.

In addition to customer service, digital technology is extensively used in customer onboarding processes. Aptus has developed various mobile applications such as the sales app, referral app, credit verification app, and property app to facilitate a seamless onboarding experience for customers. These apps enable quick and convenient completion of tasks such as sales, referrals, credit verification, and property evaluation.

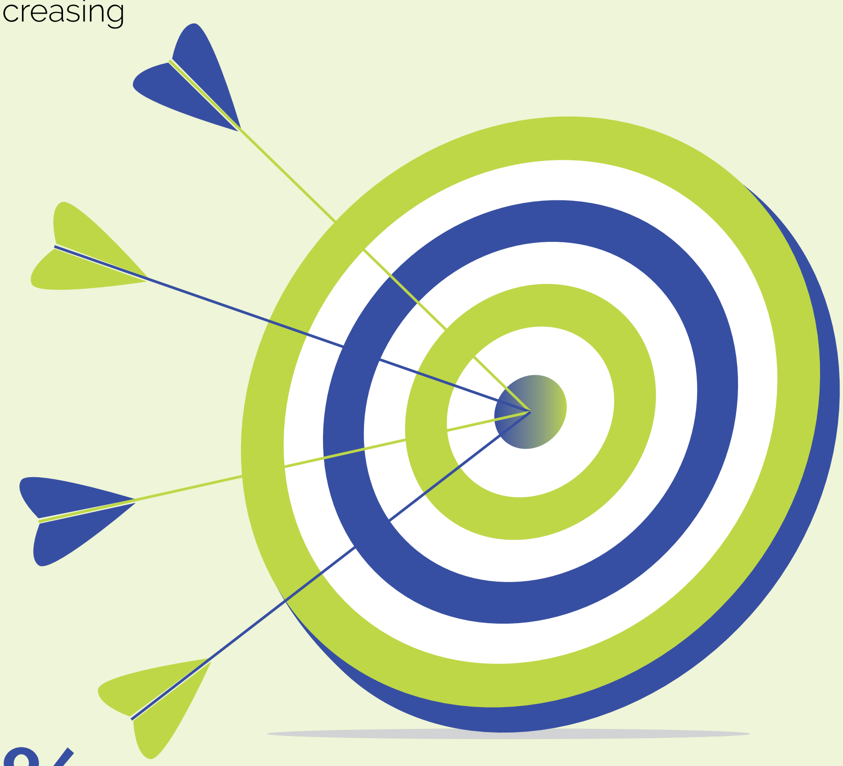
Furthermore, digital technology plays a significant role in the Know Your Customer (KYC) process at Aptus. Through e-KYC and e-Nach (National Automated Clearing House), the company leverages digital platforms to efficiently and securely verify customer identities and set up electronic payment mandates. This not only saves time but also enhances the overall customer experience by reducing paperwork and manual processes.

Aptus also integrates credit scorecards with its lending applications, utilizing technology to simplify and streamline the credit evaluation process. By automating the integration, Aptus can efficiently assess the creditworthiness of customers, making the credit evaluation process faster and more accurate. Further 90% of the collections are done through digital mode.

Moreover, Aptus utilizes advanced analytics and machine learning techniques to continuously analyze customer profiles and behavior. Aptus have developed a machine learning model which predicts the probability of customer default, probability of loan foreclosure, bounces etc. By leveraging these technologies, the company can identify patterns, trends, and customer preferences to improve its parameters and decision-making processes. This data-driven approach allows Aptus to make better and faster credit decisions, ensuring optimal outcomes for both the company and its customers.

46%
Disbursements Increasing

71%
Self Employed Borrowers



74%
Rural Focus

>93%
Avg Ticket Size < Rs.10 lacs

Relationship Capital
Lenders

Aptus, has built strong relationship capital with regulators and financial partners, contributing to its success and growth in the industry. The company has established over 20 lender relationships, including partnerships with key players such as the National Housing Bank, HDFC Bank, Axis Bank, Federal Bank, Kotak Bank, SBI, Indian Bank, Bank of Baroda, and Bank of Maharashtra. This enhances Aptus' ability to provide affordable housing finance to a wide range of customers across the country. The average tenure of borrowings for FY23 was 86.9 months, indicating a stable and long-term relationship with financial partners.

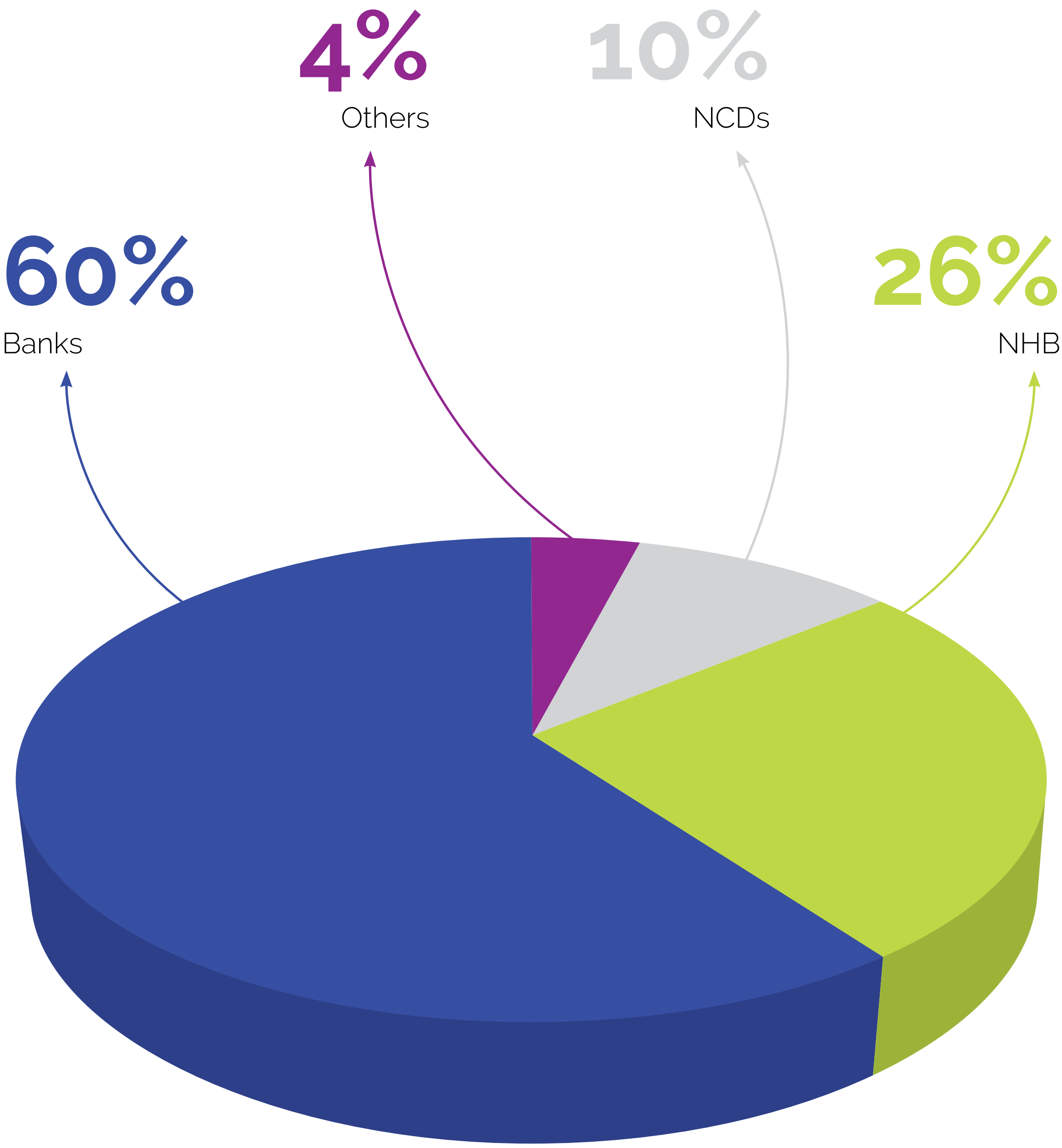
Aptus values its relationships with regulators, recognising the importance of compliance and adherence to regulatory framework. Its association with the Development Financial Institution (DFI) and the National Housing Bank demonstrates its commitment to working closely with regulatory bodies to ensure sound practices and compliance with industry guidelines. These relationships foster trust and facilitate smooth operations within the regulatory framework.

Moreover, Aptus has established a valuable relationship with the International Finance Corporation (IFC), which is part of the World Bank Group. This partnership highlights Aptus' global recognition and alignment with international standards in the affordable housing finance sector. The association with IFC strengthens Aptus' credibility and opens doors to international opportunities and collaborations.

By nurturing strong relationships with regulators and financial partners, Aptus gains access to diverse funding options, market insights, and expertise. These relationships provide a solid foundation for the company's growth and expansion, enabling it to meet the housing finance needs of a larger customer base.

Diversified and Balanced Funding Mix

Sources of funds mix(%)



Human Capital
Empowering Growth and Excellence

At Aptus, we recognise that our most valuable asset is our people. Our Human Capital initiatives are strategically designed to cultivate a high-performing and engaged workforce, fostering a culture of continuous learning, skill development, and personal growth. Through various leadership initiatives, talent acquisition strategies, and HR programs, we aim to empower our employees and drive organisational success

KEY LEADERSHIP INITIATIVES DURING THE YEAR:

Our leadership initiatives encompass a range of programs and activities aimed at nurturing and developing our leaders:

LEADERSHIP TRAINING:

We invest in comprehensive leadership training to enhance the capabilities of our managers and executives. These programs provide valuable insights, tools, and strategies to drive effective leadership practices within the organisation.

MENTORING:

Our mentoring programs create opportunities for knowledge-sharing, guidance, and professional growth. Through mentorship, experienced leaders impart their expertise and support the development of emerging talents.

SKILL & PERSONALITY DEVELOPMENT INITIATIVES:

We believe in the continuous development of our employees' skills and personal attributes. Our initiatives focus on fostering a growth mindset, enhancing communication skills, and nurturing leadership qualities.

ONGOING INITIATIVES:

We maintain a continuous focus on human capital development, ensuring that our initiatives remain dynamic and responsive to the evolving needs of our workforce.

KEY OUTCOMES:

Through our leadership initiatives, we have witnessed tangible outcomes, including improved decision-making, increased employee engagement, and enhanced organisational performance.

AVERAGE AGE:

At Aptus, we value diversity and inclusivity. Our workforce comprises individuals from different age groups, bringing a rich range of experiences and perspectives.

Senior Management – 36 Staff – 31

KEY INITIATIVES FOR RETAINING AND ACQUIRING TALENT:

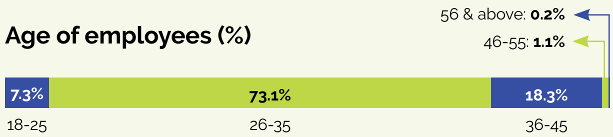
Employee Engagement Programs: We prioritise employee engagement to foster a positive work environment and strengthen the bond between employees and the organisation. Our programs include team-building activities, recognition initiatives, and opportunities for collaborative problem-solving.

Appraisal Systems: We have embraced digitalisation to modernise and streamline our appraisal process. By leveraging technology, we have enhanced the effectiveness, efficiency, and fairness of performance management. This has resulted in improved employee engagement, performance, and organisational outcomes.

Salaries & Benefits: We offer competitive salaries and a comprehensive benefits package to attract and retain top talent. Our compensation structure reflects our commitment to rewarding performance and creating a motivating work environment.

Grievance Process Handling: We ensure a fair and transparent grievance process to address employee concerns promptly. By providing a supportive platform, we aim to maintain a harmonious and respectful workplace.

Age of employees (%)



Talent Acquisition: Acquiring exceptional talent is a key focus for us. We employ comprehensive talent acquisition strategies, including targeted recruitment efforts, talent pipelines, and partnerships with educational institutions, to ensure a diverse and skilled workforce.

ESOP:

During the year the company allocated ten million shares to the employees through our Employee Stock Option Plan (ESOP). By extending the benefits of ESOP, we strive to empower our dedicated workforce and align their interests with the growth and success of our organization.

KEY HR INITIATIVES DURING THE YEAR:

HRMS E-exit Module: We have introduced the HRMS E-exit Module, a digital solution that streamlines and enhances the offboarding process for our employees. This module simplifies tasks and procedures associated with employee exits, ensuring a smooth transition and positive experience for both departing employees and the organisation as a whole. It centralises and digitises communication and documentation, saving time and ensuring compliance.

EQ Training Program: As part of our commitment to personal and professional growth, we have organised Emotional Intelligence (EQ) training programs. These initiatives aim to enhance employees' ability to understand, manage, and express emotions effectively, fostering a positive work environment and promoting strong relationships.

Business Orientation Session with Business Leaders: We organised a Business Orientation Session exclusively for our Head Office employees. This session provided a unique opportunity for our talented staff to gain valuable insights and perspectives directly from our esteemed business leaders. The session aimed to strengthen the alignment between corporate strategy and daily work carried out at our headquarters, enhancing employees' understanding of our vision, strategic goals, and industry landscape.

Corporate Social Responsibility
Education

APTUS is dedicated to empowering education through various impactful initiatives. From enhancing educational facilities in schools to providing essential equipment and supporting underprivileged students, the company's commitment shines through. With a focus on holistic development and creating conducive learning environments, APTUS is transforming education for a brighter future.

ENHANCING EDUCATIONAL FACILITIES

APTUS undertook a significant project for the construction of classrooms and other facilities at Mahila Vidyalaya Nursery Primary School in Mylapore, Chennai. The project aimed to enhance the learning environment by renovating the auditorium, purchasing furniture, and providing play area equipment. The implementation of this project was carried out directly by the company, reflecting the company's commitment to supporting educational initiatives. A total of Rs. 35.53 lakhs was spent on this project, contributing to the improvement of educational infrastructure and resources for the students.

EDUCATIONAL INFRASTRUCTURE ENRICHMENT

APTUS demonstrated its commitment to education by allocating funds for the construction of classrooms and a compound wall at Vijnana Bharathi School of Bharateeya Vidya Kendram in Arakuvalley, Vizag. By implementing this project directly, the company ensured efficient utilisation of resources and effective progress in the construction work. A total amount of Rs. 23.50 lakhs has been spent, contributing to the development of the infrastructure.

EMPOWERING SCHOOL TECHNOLOGY

APTUS provided financial assistance for the purchase of essential equipment at Govt Boys Higher Secondary School and Govt Girls Higher Secondary School in Ayyapakkam, Chennai. The company allocated funds directly to procure 13 desktops with UPS systems for the boys' school, along with 12 desktops, UPS systems, 25 armchairs, and computer tables for the girls' school. The total amount spent was Rs. 10.16 lakhs.

NURTURING STUDENTS: HOLISTIC SUPPORT

APTUS has undertaken a project to provide basic necessities to students in need. Through the collaboration with AIMS, Mulvoy, and AIMS, Sriperambadur, the company has extended financial assistance for the maintenance of 49 students. This support covers various aspects, including accommodation, food, clothes, books, special coaching, transportation, healthcare, and administrative expenses. The implementation of this project is carried out through AIM for Seva Organization, which is a registered non-profit charitable trust operating under the Indian Trusts Act of 1882. APTUS allocated a total of Rs. 17.64 lakhs for this initiative, aiming to uplift the lives of these students and provide them with a conducive learning environment. Through this endeavour, the company demonstrates its commitment to the well-being and educational development of underprivileged students.

EMPOWERING EDUCATION: AYYAPAKKAM AUDITORIUM

APTUS undertook a project to support the construction of a new auditorium in Government Girls High School, located in Ayyapakkam, Tiruvallur. The company has generously provided financial assistance for the construction of this new facility. With a direct mode of implementation, APTUS has allocated and spent Rs. 10.00 lakhs for this project. The aim of this initiative is to enhance the educational environment and provide a dedicated space for various activities and events in the Government Girls High School.

TRANSFORMING VILLAGE ANGANWADI: SMART++ UPGRADE

The company provided financial assistance for the upgrading and renovation of an existing Anganwadi in Pandur Village. The objective is to transform it into a smart++ Anganwadi by implementing various improvements. These include the installation of CCTV cameras, the establishment of a play area, the procurement of learning tables, and the application of interior educational paints based on the Anganwadi syllabus. To implement this project, APTUS collaborated with Sanitation First, an NGO dedicated to promoting hygiene and sanitation. The company has spent Rs. 5.09 lakhs to facilitate this transformation, emphasizing its commitment to enhancing the educational environment and holistic development of children attending the Anganwadi in Pandur Village.

EDUCATION: APTUS IMPACT

4
Number of Schools

2500+
Number of Students

74 lakhs
Total CSR Spend on Education

Corporate Social Responsibility
Healthcare & Social Development

EARLY DETECTION FOR CHILD DEVELOPMENT

APTUS's CSR initiative focuses on healthcare, specifically the early detection of developmental deficiencies in children aged between 1 month to 3 years. The company has procured a van equipped with therapy equipment for this program, targeting low-income colonies and slum areas in Chennai, Tiruvallur, and Kanchipuram districts. Through collaboration with Varshini Illam Trust (VIT), a registered public charitable trust, APTUS demonstrates its commitment to supporting vulnerable segments of society, particularly children. A total of Rs. 28.45 lakhs has been allocated for this important cause.

EMPOWERING QUADRIPLEGICS WITH MOBILITY

In a noble endeavor of social development, the company has taken the initiative to provide motorized wheelchairs for quadriplegics, individuals paralyzed below the neck. Through collaboration with Soulfree Inspire Centre in Thiruvannamalai, a registered non-profit charitable trust established in 2013, the company has sponsored 25 motorized cycles to empower those living with permanent paralysis caused by spinal cord injuries. The aim is to enhance their independence and quality of life as much as possible. With a total expenditure of Rs. 6.72 lakhs, this initiative reflects the company's commitment to improving the lives of quadriplegics and promoting social inclusion.

Relationship Capital
APTUS Impact

Fruitful Partnership - Nurturing Success.

“I would like to extend my heartfelt gratitude to Aptus for their invaluable support in granting me a SME loan of Rs. 10 Lacs. As a fruit vendor in Shikaripura, this financial assistance has had a tremendous impact on my business. With the funds received, I have been able to diversify my inventory, enhance my stall infrastructure, and implement effective marketing strategies, all of which have contributed to attracting a larger customer base and driving the growth of my business. Aptus' commitment to supporting small and medium enterprises like mine has provided me with renewed hope and determination to achieve my entrepreneurial goals. I am immensely grateful for this opportunity and look forward to a continued successful partnership”

Akbar Ali
Shikaripura, Karnataka

Dreams Realized

“I'm Singaraju Venkata Ramaiah, grateful for Aptus' role in fulfilling my family's dream of a Rs.20 lakh home loan for constructing our own house in Ongole. Their unwavering support and seamless loan process made it possible. Today, as I stand in front of our completed home, I'm overwhelmed with gratitude. Aptus' empathy, professionalism, and timely disbursements exceeded my expectations. They transformed our lives, providing stability and comfort. I extend heartfelt thanks for their dedication, making our dream a reality. This home represents their belief in us, and I'm forever grateful for their support in achieving homeownership”

Singaraju Venkata Ramaiah
Ongole, Andhra Pradesh

Relationship Capital
APTUS Impact

Success Amplified

"My name is D Narendra, and I am the owner of a Fancy Shop located in Chirala. The financial support extended by Aptus has been instrumental in transforming my business and opening doors to new opportunities. I am immensely thankful for their trust and belief in my venture. This loan has empowered me to expand my inventory, enhance the overall shopping experience for my customers, and drive the growth of my business. Aptus' commitment to supporting small and medium enterprises like mine is truly commendable. I am grateful for their assistance, and I am confident that with their support, my business will continue to flourish. Thank you, Aptus for being a valuable partner in my journey towards success"

D Narendra
Chirala, Andhra Pradesh

Fulfilled Home Dreams

I am Challa Mallikarjuna from Atmakur, and I am filled with gratitude as I express my heartfelt thanks to Aptus for making my dream of owning a house a reality. With their support and a home loan of Rs. 18 lakhs, I was able to construct my dream house, a place where my family and I can create lifelong memories. Aptus played a pivotal role in this journey, providing a seamless loan process, timely disbursements, and exceptional customer service. I am forever indebted to Aptus for their belief in me and their commitment to making dreams come true. Thank you, Aptus, from the bottom of my heart.

Challa Mallikarjuna
Atmakur, Andhra Pradesh

DIRECTORS' REPORT & ANNEXURES

Directors' Report

Your directors have pleasure in presenting the Fourteenth Annual Report together with the audited financial statements of the company for the financial year ended March 31, 2023.

1. Financial Results

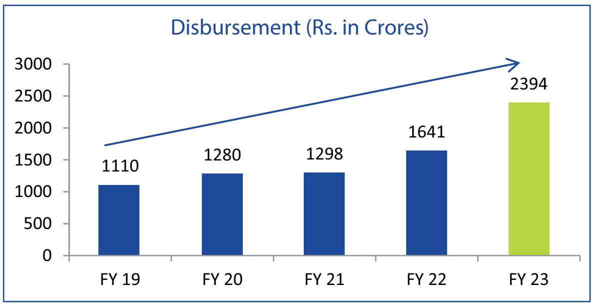
(₹ in crores)

Particulars	Consolidated Financial Results	
	For the financial year ended Mar 31, 2023	For the financial year ended Mar 31, 2022
Operating income	1093	815
Other Income	36	25
Less: Expenditure including Depreciation	475	360
Profit before tax	654	480
Profit after tax	503	370
Assets under Management	6,738	5,180

2. Operations:

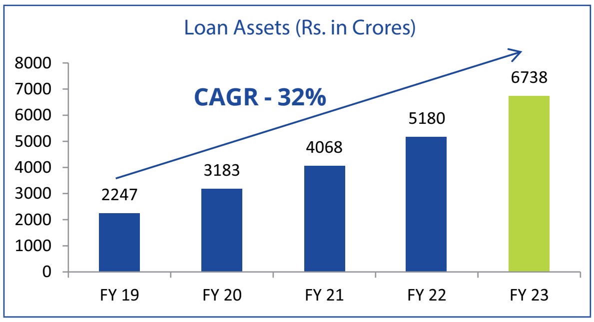
2.1 Sanctions and Disbursements

During the year under review, your Company sanctioned loans worth ₹ 2,580 crores as compared with the sanctions of ₹ 1,799 crores during the previous year. Your Company disbursed loans worth ₹ 2,394 crores during the year under review with an increase of 46% as compared to the disbursements of ₹ 1,641 crores made during the previous year. Aptus continued its focus on Low and Middle-Income families in Tier II and III cities and the disbursement of ₹ 2,394 crores benefited more than 32,300 families.



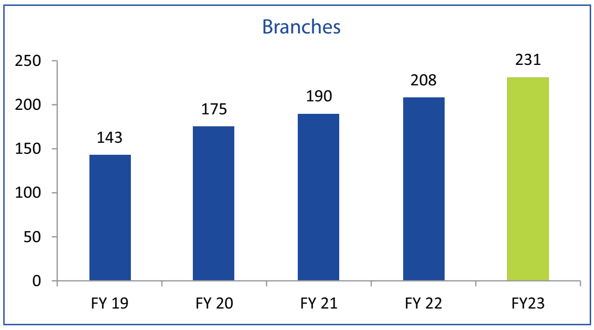
2.2 Loan Assets

The total Assets under Management of Aptus stood at ₹ 6,738 crores as at March 31, 2023 as against ₹ 5,180 crores as at March 31, 2022, thereby registering a growth of 30%.



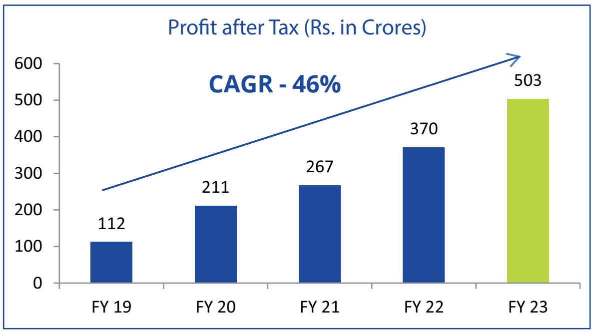
2.3 Branch Expansion

Aptus has a strong network of 231 branches across 5 Indian states. During the year under review, your Company expanded its distribution network in the states of Tamil Nadu, Andhra Pradesh, Telangana, Karnataka and Odisha. The distribution network stood at 231 branches as at the end of March 31, 2023 as compared to 208 branches in the previous year.



2.4 Income, Profits and Net Worth

During the year under review, your Company's Gross Income grew by 34% to ₹ 1,129 crores as at March 31, 2023 as against ₹ 840 crores as at March 31, 2022. The Profit before tax for the year ended March 31, 2023 stood at ₹ 654 crores with an increase of 36% over ₹ 480 crores in the correspon ding period of the previous year. The Profit after Tax (PAT) stood at ₹503 crores for the year ended March 31, 2023 which was 36% higher over the PAT of ₹ 370 crores in the previous financial year. Net worth stood at ₹ 3,339 crores as at March 31, 2023.

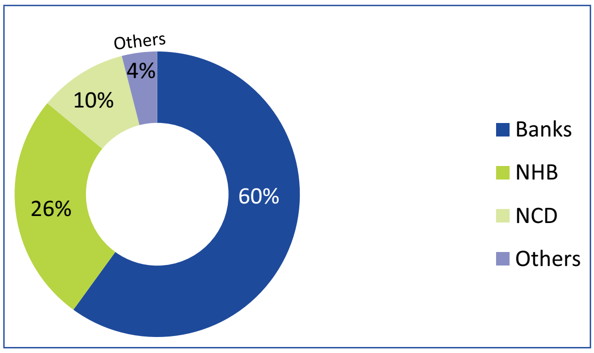


2.5 Asset Quality

Your Company closed the financial year 2022 - 23 with a Gross NPA of 1.15% as compared to 1.19% in the financial year 2021-22. Aptus has maintained a healthy net NPA rate of 0.86%, indicating the company's ability to effectively recover loans and minimize credit losses. Company has increased provision coverage ratio to 1.06% as of March '23 from 0.80% in March '22 as a prudent measure for maintaining adequate provisions for potential loan losses.

2.6 Resource Mobilisation

Company has well-diversified borrowing sources, with 60% of borrowings from banks, 26% from the National Housing Bank (NHB), 10% from development financial institutions (DFIs) like IFC and large financial institutions, and the remaining portion in the form of securitization. This diverse borrowing structure enhances the company's financial stability. Most of our borrowings consist of long-term fixed interest rates from institutions like NHB. Aptus does not have any short term borrowings and other borrowings are mostly linked to1-year MCLR of banks. In December '21, the company received a credit rating upgrade that helped us secure funding at a slightly lower cost. As of March '23, the company had a robust liquidity of Rs. 1,136 crores, including an undrawn sanction of Rs. 625 crores from NHB and banks. This liquidity position provides Aptus with the flexibility to meet its funding requirements efficiently.



2.7 Capital Adequacy Ratio

Capital Adequacy Ratio of Aptus stood at 77.38% as on March 31, 2023 as against the minimum requirement of 15% stipulated by Regulators.

3. Credit Rating

The credit rating details of the Company as at March 31, 2023 are as follows:

Instrument	Rating Agency	Rating	Outlook
Bank Facilities	ICRA	[ICRA]AA-	Stable
Non-convertible Debentures	ICRA	[ICRA]AA-	Stable
Bank Facilities	CARE	CARE AA-	Stable
Non-convertible Debentures	CARE	CARE AA-	Stable

4. Deposits

Your Company is registered as a non-deposit taking Housing Finance Company with National Housing Bank and hence does not accept any deposits. The Company has not accepted any deposits from the public within the meaning of the provisions of Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the financial year ended 31st March 2023. No amount on account of principal or interest on deposits from the public was outstanding as on March 31, 2023.

5. Transfer to Special Reserves

As per Section 29C (i) of National Housing Bank Act, 1987, your Company is required to transfer at least 20% of its net profit every year to a reserve before any dividend is declared. Accordingly, your Company has transferred Rs. 84.89 crores to special reserve in accordance with Section 29C(i) of National Housing Bank Act, 1987 read along with Section 36(1)(viii) of the Income Tax Act, 1961.

6. Dividend

The Board declared two interim dividends at the rate of ₹ 2/- per equity share for the financial year 2022-23 on November 28, 2022 and May 04, 2023. This translates to a dividend payout ratio of 40% of the profits of the Company for the financial year ended March 31, 2023.

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors have adopted a dividend distribution policy. The policy is available on the website of the Company. (weblink: Dividend Distribution policy).

During the year, an unclaimed dividend of ₹ 2,26,695 was transferred to the unpaid dividend account of the Company.

Those Members who have not so far claimed their dividend for the financial year are requested to correspond with the RTA or with the Company Secretary through the e-mail id of company at cs@aptusindia.com. Further, the Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years shall be transferred to IEPF as per Section 124 of the Act, read with applicable IEPF rules.

7. Employee Stock Options Scheme

ESOP 2021

The Company has adopted the Aptus Employee Stock Option Plan, 2021 (ESOP 2021), which was approved by the Board of Directors at their meeting held on November 12, 2020 and by the Shareholders of the Company by way of a special resolution at their Extra Ordinary General Meeting held on May 6, 2021.

ESOP 2021 is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. In terms of Regulation 12(1) of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the shareholders of the Company have ratified the scheme by way of a special resolution through postal ballot on December 10, 2021.

The Shareholders had authorized the Board/ Nomination and Remuneration Committee (NRC) to issue to the employees, such number of Options under the ESOP 2021, as would be exercisable but not exceeding 1,00,00,000 fully paid-up equity shares of ₹ 2/ - each in the Company. NRC is empowered to formulate the detailed terms and conditions of the ESOP 2021, administer and supervise the same. The specific employees of the Company and its subsidiary to whom the options are granted and their eligibility criteria is determined by the NRC.

In terms of Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the disclosures with respect to ESOP 2021 and ESOP 2015 have been provided on the website of the Company at www.aptusindia.com.

8. Share Capital

There has been no change in the authorized share capital of the Company during the financial year ended March 31, 2023.

During the year under review, 11,12,156 equity shares of ₹ 2/- were allotted on exercise of stock options granted to the employees of the Company under ESOP 2021. Consequent to this, the paid-up share capital of the Company has increased to ₹ 99,60,60,502 comprising of 49,80,30,251 equity shares of ₹ 2/- each as on March 31, 2023 as against ₹ 99,38,36,190 comprising of 49,69,18,095 equity shares of ₹ 2/- each as on March 31, 2022.

9. Directors

The composition of the Board is in accordance with Section 149 of the Act and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with an optimum combination of Executive, Non-executive and Independent Directors.

As of March'23, the Board of Directors of your Company comprised of 10 Directors; viz. five Independent Directors including one women Independent Director, two Nominee Directors, two Non-executive Non-Independent Directors and one Executive Director.

There were no changes that took place in the composition of the Board of Directors during the financial year 2022-23.

However, the following changes took place in composition of Board of Directors between the financial year ended March 31, 2023 and the date of this report.

(a) Mr. M. Anandan (DIN: 00033633) who was earlier appointed as the Chairman & Managing Director of the Company for a period of 5 years commencing from December 24, 2019 was re-designated as the Executive Chairman of the Company w.e.f. May 04, 2023 by the Board subject to the approval of the shareholders at the ensuing Annual General Meeting.

(b) Mr. P. Balaji (DIN: 07904681) was appointed as an additional Director on the Board of the Company and designated as Managing Director for a period of 5 years commencing from May 04,2023 subject to the approval of the shareholders at the ensuing Annual General Meeting.

(c) Mr. Suman Bollina (DIN: 07136443), Non-executive Non-Independent Director resigned from Board on May 04,2023.

Further, in accordance with the provisions of the Companies Act, 2013, Mr. K P Balaraj, Nominee Director of the Company is liable to retire by rotation at the ensuing 14th Annual General Meeting of the Company and being eligible has offered himself for reappointment.

10. Declaration from Independent Directors

The Independent Directors have submitted the Declaration of Independence, stating that they continue to fulfil the criteria of independence as required pursuant to section 149 of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of your Board of Directors, the Independent Directors fulfil the conditions specified in the Act and the rules made there under for appointment as Independent Directors including the integrity, expertise and experience and confirm that they are independent of the management.

11. Board Evaluation

The annual evaluation process of the Board, its committees and Individual Directors were conducted as per the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A structured exercise was carried out based on the criteria for evaluation forming part of the Policy on appointment, remuneration and evaluation of the Directors, Key Managerial Personnel and Senior Management and the inputs received from the Directors on the functioning and overall level of engagement of the Board and its committees on parameters such as composition of Board and committees, execution of specific duties, quality, quantity and timeliness of flow of information, deliberations at the meeting, independence of judgement, decision-making, management actions etc. The policy on appointment, remuneration and evaluation of the Directors, Key Managerial Personnel and Senior Management is available on the website of the Company. (weblink: Appointment, Remuneration and Evaluation policy).

12. Board meetings held during the year

During the financial year ended March 31, 2023, the Board met five times on May 05, 2022, August 05, 2022, November 08, 2022, November 28, 2022 and February 02, 2023. The maximum time gap between any two Board meetings did not exceed 120 days during the financial year under review.

13. Committees

Details on composition of various Committees of the Board and number of meetings of the Board and Committees are given in the Corporate Governance Report enclosed as Annexure D to this Annual Report.

14. Compliance with Secretarial Standards on Board and General Meetings

Your company has complied with all the provisions of secretarial standards issued by the Institute of Company Secretaries of India in respect of meetings of the Board of Directors and general meetings held during the year.

15. Key Managerial Personnel

There were no changes in the office of Key Managerial Personnel (KMP) during the financial year 2022 - 23. However, the following changes have happened in the office of the Key Managerial Personnel after the closure of the Financial Year 2022-23.

1. Mr. P. Balaji was appointed as the Additional Director of the Company and designated as Managing Director by the Board of Directors for a period of five years with effect from May 04, 2023 subject to the approval of the shareholders.
2. Mr. John Vijayan Rayappa was appointed as the Chief Financial Officer of the Company with effect from May 04, 2023.

16. Corporate Governance Report

A report on corporate governance as per the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 is enclosed and is forming part of this Annual Report as Annexure D.

A certificate from M/s. S. Sandeep & Associates, Practicing Company Secretaries, confirming compliance with corporate governance norms, as stipulated under the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, is enclosed and is forming part of this Annual Report as Annexure J.

17. Management Discussion and Analysis

The Management Discussion and Analysis report as required in term of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, is enclosed and is forming part of this Annual Report as Annexure C.

18. Auditors & Auditor's Report

Statutory Auditors

M/s T.R. Chadha & Co. LLP has been appointed as the Statutory Auditors by the shareholders of the Company for a period of three consecutive financial years viz. 2021-22, 2022-23 and 2023-24 to hold office until the conclusion of the 15th Annual General Meeting, subject to the satisfaction of the eligibility criteria every year.

The Statutory Auditor's Report for the financial year ended March 31, 2023 is annexed to and forms part of the financial statements and the same does not contain any qualification, reservation or adverse remark on the financial statements prepared as per Section 133 of Companies Act, 2013 and notes on accounts annexed thereto. There were no frauds detected or reported by the Auditors under sub-section (12) of section 143 of the Companies Act, 2013 during the year.

The Statutory Auditors have also furnished a declaration confirming their independence. The Audit Committee reviews the independence of the Statutory Auditors and the effectiveness of the Audit process.

Secretarial Auditor

M/s. S. Sandeep & Associates, Company Secretaries were appointed to conduct the secretarial audit of the Company for the financial year 2022 - 23, as required under Section 204 of the Companies Act, 2013 and rules made thereunder.

The secretarial audit report for the financial year ended March 31, 2023 is enclosed and forms part of this Annual report as Annexure F and does not contain any qualifications, reservations or adverse remark.

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries Of India on Board Meetings and Annual General Meetings.

19. Maintenance of cost records and cost audit

Maintenance of cost records and requirements of cost audit as prescribed under the provisions of section 148(1) of the Act is not applicable for the business activities carried out by the company.

20. Internal Financial Controls

The Company's internal controls are adequate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing consistent financial and operational information, complying with the applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization, and ensuring compliance with policies.

The Company has further strengthened its internal audit process with both in-house and outsourced Internal Audit teams. The internal audit is conducted based on the annual audit plan which is reviewed and approved by the Audit Committee. The Internal Audit reports are presented to the Audit committee on a quarterly basis for their review.

The Management has assessed the effectiveness of the Company's internal control over financial reporting as of March 31, 2023 and found the same to be adequate and effective. M/s. T.R. Chadha & Co. LLP, Statutory Auditors have also reviewed the internal controls systems as existing in the Company and have given an unmodified opinion on the same.

21. Material Changes and Commitments

There are no material changes and commitments between March 31, 2023 and the date of this report having an adverse bearing on the financial position of the Company.

22. Annual Return

The copy of Annual Return in Form MGT-7 as required under section 92 and section 134 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the Company's website at www.aptusindia.com.

23. Risk Management Framework

The Company has a robust risk management framework to identify and evaluate business risks and opportunities. Risk management process includes risk identification, risk measurement and evaluation, risk mitigation, risk monitoring and reporting.

Your Company is exposed to various risks which are inherent in financing business, viz. capital risk, credit risk, interest rate risk, market risk, operational risk, liquidity risk, information technology risk, regulatory and compliance risk. These risks not only have a bearing on our financial strength and operations but also on our reputation. Keeping this in mind, we have put in place Board approved risk related policies, whose implementation is supervised by the Risk Management Committee. The Committee monitors the compliance of risk parameters/aggregate exposures with the appetite set by the Board. It ensures that frameworks are established for assessing and managing various risks faced by the Company.

We give due importance to prudent lending practices and have put in place suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, personal verification of customer's business place and residence, inhouse technical and legal verification, conservative loan to value and required term cover for insurance.

The Risk Management Committee guides the development of policies, procedures and systems for managing risks. It ensures that these are adequate and appropriate to changing business conditions, the structure and needs of Company and its risk appetite.

24. Human Resources

We continue to stay committed to investing in our people and driving a culture that emphasizes on our core values. As a Company we provide an environment that facilitates superior performance and gives our employees ample opportunities for development and growth through our various learning & development, skill building and talent management initiatives. Several staff welfare measures are implemented to take care of employee interests, which in turn improve productivity.

To attract, hire and have the best available talent, the Company promotes diversity and inclusion, provides equal employment opportunities and the best working conditions. Our attrition levels are low, reflecting a fairly good job satisfaction index.

Aptus staff strength as at March 31, 2023 was 2405.

25. Particulars of Employees

The disclosure with respect to remuneration as required under section 197 of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is available on the Company's website. Further, the statements prescribed under rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available for inspection by the Members at the Registered Office of the Company during the business hours on all working days of the Company up to the date of the forthcoming Annual General Meeting. If any member is interested in obtaining a copy, such member may send an e-mail to the company secretary at cs@aptusindia.com in this regard.

26. Particulars of Contracts or Arrangements with Related parties

All contracts / arrangements / transactions entered into by the Company during the financial year with the related parties were on arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions with promoters, directors, key managerial personnel or other designated persons, which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained on a half yearly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are placed on a quarterly basis before the Audit Committee and Board for their review. The policy on Related Party Transactions as approved by the Board is available on the website of the Company (weblink: Related Party Transaction Policy).

The details of the related party transactions for the financial year 2022-23 in Form AOC-2 is enclosed as Annexure A and forms part of this Annual Report.

27. Conservation of Energy, Technological Absorption, Foreign Exchange Earnings/Outgo

The Company does not have any activity relating to conservation of energy and technical absorption and does not own any manufacturing facility. Hence the requirement of disclosure of particulars relating to conservation of energy and technology absorption in terms of Section 134 of the Companies Act, 2013 and the Rules framed thereunder is not applicable.

Your Company does not have any foreign currency earnings or expenditure during the financial year ended March 31, 2023.

28. Disclosure with respect to Non-Convertible Debentures as per the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021.

(a) The total number of non-convertible debentures which have not been claimed by the Investors or not paid by the housing finance company after the date on which the non-convertible debentures became due for redemption: NIL

(b) The total amount in respect of such debentures remaining unclaimed or unpaid beyond the date of such debentures became due for redemption: NIL

29. Subsidiaries, Associates, Joint Ventures

The Company has one wholly owned subsidiary, Aptus Finance India Private Limited (AFIPL), which was incorporated on September 18, 2015. In accordance with the provisions of section 129 (3) of the Companies Act 2013, the Consolidated Financial Statements drawn up in accordance with the applicable accounting standards forms part of this Annual Report.

Statement containing salient features of the financial statements of the subsidiary, pursuant to first proviso to sub – section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014 in Form AOC – 1 forms part of the financial statements.

AFIPL being a material subsidiary of the Company, the secretarial audit report of AFIPL is enclosed as Annexure G and forms part of this Annual Report.

The Company has adopted a policy on determining material subsidiaries and the same is published on the website of the Company (weblink: Policy on determining material subsidiaries).

The Company does not have any associate or joint venture companies.

30. Particulars of Loans, Guarantees or Investments to Wholly Owned Subsidiary

The Company had granted loans and provided guarantees under Section 186 of the Companies Act, 2013 to Aptus Finance India Private Limited, Wholly Owned Subsidiary

For details refer to Note no. 34.2 in relation to related party transactions disclosed as per notes to the Standalone Financial Statements.

31. Disclosure of Significant & Material Orders passed by the Regulators or court or tribunal

During the financial year under review, there were no significant and material orders passed by the regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

32. Corporate Social Responsibility (CSR)

As part of its CSR initiatives during the year under review, the Company has undertaken projects in the areas of promoting healthcare, education and social development. These projects are in accordance with Schedule VII of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The CSR policy is available on the website of the Company. (weblink: CSR policy)

A report on the CSR initiatives of the Company during the year under review is enclosed as Annexure B and forms part of this Annual Report.

33. Business Responsibility & Sustainability Report (BRSR)

In terms of Regulations 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the top 1000 listed entities, based on the market capitalization, calculated as on 31st March of every financial year, shall submit business responsibility and sustainability report for FY23 describing the initiatives taken by these listed entities from an environmental, social and governance perspective, in the format as specified by SEBI from time to time.

The business responsibility and sustainability report for the year under review forms part of this Annual Report and is enclosed as Annexure E.

34. Whistle Blower Policy & Vigil Mechanism

The Company has established a whistle blower mechanism to provide an avenue for reporting concerns about unethical behavior or violation of the Company's code of conduct for the directors/employees by providing adequate safeguards against victimization of directors/employees who avail this mechanism. The Company has laid down a Whistle Blower policy which contains the process to be followed for dealing with complaints and also provides for direct access to the Chairman of the Audit Committee. The whistle blower policy and vigil mechanism is available on the website of the Company (weblink: Whistle Blower & Vigil Mechanism).

35. Policy on Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company has in place a policy on prevention of sexual harassment in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The said policy is available on the website of the Company (weblink: Policy on prevention of sexual harassment) . An Internal Complaints Committee has been constituted as per the Act to redress complaints received regarding sexual harassment. The Company has not received any complaints pertaining to sexual harassment during the year under review.

36. Code For Prevention of Insider Trading

The Board has adopted a code to regulate, monitor and report trading by insiders in securities of the company in accordance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. The code inter alia requires pre-clearance for dealing in the securities of the company and prohibits the purchase or sale of securities of the company while in possession of unpublished price sensitive information in relation to the company and during the period when the trading window is closed. The Board has further approved the code for practices and procedures for fair disclosure of unpublished price sensitive information and policy governing the procedure of inquiry in case of actual or suspected leak of unpublished price sensitive information. The said code is available on the website of the company (weblink: Code of practices & procedures for fair disclosure of UPSI)

37. Directors' Responsibility Statement

The Board of Directors have instituted/put in place a framework of internal financial controls and compliance systems, which is reviewed by the management and the relevant board committees, including the audit committee and independently reviewed by the internal, statutory and secretarial auditors.

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors confirms that:

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there were no material departures therefrom;

(ii) they have, in the selection of the accounting policies, consulted the statutory auditors and have applied their recommendations consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company as at March 31, 2023 and the profit of the company for the year ended on that date;

(iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) they have prepared the annual accounts on a going concern basis;

(v) they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively during the year ended March 31, 2023; and

(vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively during the year ended March 31, 2023.

Acknowledgement

Your Directors wish to place on record their appreciation and sincerely acknowledge the contribution and support from shareholders, customers, debenture holders, debenture trustees, Central and State Governments, Bankers, Reserve Bank of India, National Housing Bank, Registrar of Companies, Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited, Registrar & Share Transfer Agents, Credit Rating Agencies and other Statutory and Regulatory Authorities for the kind

co-operation and assistance provided to the Company. The Directors also extend their special appreciation to the employees at all levels for their contribution towards the growth of the Company which was made possible by their hard work, dedication and continued support.

For and on behalf of the Board of Directors

M Anandan
Executive Chairman
DIN: 00033633

Chennai
May 04, 2023

Annexure – A
Form No. AOC - 2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of material contracts or arrangement or transactions not at arm's length basis: Nil
2. Details of material contracts or arrangement or transactions at arm's length basis:

Name of the related party and nature of relationship	Aptus Finance India Private Limited, Wholly Owned Subsidiary Company
Nature of contracts/ arrangements/ transactions	Shared support charges
Duration of the contracts/arrangements/ transactions	Ongoing
Salient terms of the contracts or arrangements or transactions including the value, if any	The holding company would be providing / sharing its infrastructure and resources to / with the wholly owned subsidiary company, it becomes necessary for the holding company to transfer / allocate costs / expenses appropriately and proportionately to the wholly owned subsidiary company to ensure that such transactions are done on an arm's length basis.
Justification for entering into such contracts/ arrangements/ transactions	All the costs / expenses that are incurred by the wholly owned subsidiary company directly would be booked in the books of the subsidiary. However, the costs / expenses incurred by the holding company where a portion of the benefits / services are utilized/accrue by/to the wholly owned subsidiary company, such costs/expenses would need to be shared between the 2 entities. The same is in the ordinary course of business.
Date of approval by the Board	05/05/2022
Amount paid as advance, if any	-
Date on which the special resolution was passed in general meeting as required under the first proviso to section 188	Not Applicable

Annexure – B
Annual Report on Corporate Social Responsibility

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

   Corporate Social Responsibility (CSR) is an integral part of our business philosophy. The Company follows the belief that our society can truly progress, if every individual is included and empowered in the journey of development. To guide us in this journey, the Company has a well-defined CSR Policy which outlines the thrust areas of development, viz. Education, Social Development, Health Care, as adopted by the CSR Committee and the Board of Directors of the Company.

   We understand the importance of empowering individuals and communities to create a sustainable future. By supporting education programs, we aim to provide opportunities for underprivileged children to access quality education and build a brighter future. Additionally, we contribute to healthcare initiatives to improve the well-being and access to medical facilities for those in need.

   Your company would be undertaking the CSR activities as listed in Schedule VII and Section 135 of the Companies Act, 2013 and the Rules framed thereunder. The CSR Committee will oversee the implementation and monitoring of all CSR projects/ programmes / activities and periodic reports shall be provided for review to the Board as and when necessary.

2. **Composition of the CSR Committee**

S. No.	Name of Director	Designation / Nature of Directorship	No of meetings of CSR Committee held during the year	No of meetings of CSR Committee attended during the year
1	Mr Krishnamurthy Vijayan	Independent Director - Chairman	1	1
2	Mr KM Mohandass	Independent Director	1	1
3	Mr M Anandan	Executive Chairman	1	1

3. Web-link where composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company (weblink: CSR)

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014: Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not Applicable

6. Average net profit of the company as per section 135(5): Rs 294.23 Crores

7.

(a)	Two percent of average net profit of the company as per section 135(5)	Rs 5.88 Crores
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
(c)	Amount required to be set off for the financial year, if any	Nil
(d)	Total CSR obligation for the financial year (7a + 7b - 7c)	Rs 5.88 Crores

8.

a. CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (Rs. in crores)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)*		
	Amount (Rs. in crores)	Date of transfer	Name of the Fund	Amount (Rs. in crores)	Date of transfer
1.47	2.36	April 26, 2023			

* Unspent CSR amount of Rs. 2.05 crores will be transferred to the funds specified under Schedule VII on or before September 30, 2023.

b. Details of CSR amount spent against **ongoing projects** for the financial year

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project Duration	Amount allocated for the project (in Rs)	Amount spent in the current FY (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of implementation- Direct (Yes/No)	Mode of implementation – Through implementing agency	
				State.	District.						Name	CSR registration number
1.	Construction of Classrooms for Mahila Vidyalaya Nursery & Primary School, Chennai.	Education	Yes	Tamil Nadu	Chennai	2 years	40,00,000	35,53,600	4,46,400	Yes	NA	NA
2	Early Detection of Development Deficiency in small children aged between 1 month to 3 years.	Healthcare	Yes	Tamil Nadu	Chennai, Kanchi-puram, Tiruvallur	2 years	43,43,868	28,45,934	14,97,934	No	Varshini Illam Trust (VIT)	CSR 00021100
3	Construction of classrooms and compound wall for Vijnana Bharathi School of Bharateeya Vidya Kendram, Arakuvalley, Vishakapatnam	Education	No	Andhra Pradesh	Vishakapat-nam	2 years	38,39,480	23,50,000	14,89,480	No	Bharateeya Vidya Kendram	CSR 00024145
4	Construction of Smart++ anganwadis in Pandur Village	Education	Yes	Tamil Nadu	Tiruvallur	2 years	16,97,190	5,09,157	11,88,033	No	Sanitation First (NGO)	CSR 00002640
5	Construction of new auditorium in Government Girls High school, Ayyapakkam	Education	Yes	Tamil Nadu	Tiruvallur	2 years	75,00,000	10,00,000	65,00,000	No	Rotary Club	CSR 00000997
6	Construction of kitchen with better amenities in Government Higher Secondary School, Semmangudi	Education	No	Tamil Nadu	Tiruvallur	2 years	22,00,000	Nil	22,00,000	No	AIM for Seva Organisa-tion (All India Move-ment for Seva)	CSR 00003273
7	Laying of Roads and construction of new library in Pandur village.	Social Develop-ment	Yes	Tamil Nadu	Tiruvallur	2 years	36,00,000	Nil	36,00,000	Yes	NA	NA
8	Providing subsidized dialysis to under privileged Kidney patients	Healthcare	Yes	Tamil Nadu	Chennai	2 years	66,60,000	Nil	66,60,000	No	Tamil Nadu Kidney Research Foundation	CSR 00001422
	TOTAL						3,38,40,538	1,02,58,691	2,35,81,847			

c. Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation-Direct (Yes/ No)	Amount Transferred to Unspent CSR Account for the project as per Sec 135(6)	Mode of implementation – Through implementing agency	
				State.	District.				Name	CSR registration number
1.	Providing of desktops & UPS for Govt. Boys Higher Secondary School and Govt. Girls Higher Secondary School, Ayyapakkam, Chennai	Education	Yes	Tamil Nadu	Chennai	10,15,696	No	Nil	Rotary Club	CSR 00000997
2.	Donation of funds for children who are in need of urgent open heart surgery	Social Development	Yes	Tamil Nadu	Chennai, Kanchipuram, Tiruvallur	10,00,000	No	Nil	Rotary Club	CSR 00000997
3.	Providing basic necessities viz. accommodation, food, clothes, books, special coaching, transportation, healthcare and Administrative expenses for school students	Education	Yes	Tamil Nadu	Sriperumbudur	17,64,000	No	Nil	AIM for Seva Organisation (All India Movement for Seva)	CSR 00003273
4.	Providing motorised wheelchairs for Quadriplegics (paralysed below the neck)	Social Development	Yes	Tamil Nadu	Tiruvannamalai	6,72,603	No	Nil	Soulfree Inspire Centre, Thiruvannamalai	CSR 00005305
	TOTAL					**44,52,299**	-			

d. Amount spent in Administrative Overheads: Nil

e. Amount spent on Impact Assessment, if applicable: Not Applicable

f. Total amount spent for the Financial Year (8b + 8c + 8d + 8e): Rs. 1,47,10,990

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

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

Sl. No.	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project (Rs.)	Amount spent on the project in the reporting financial year (Rs.)	Cumulative amount spent at the end of the reporting financial year (Rs.)	Status of the project
1.	Construction of classrooms for Vijnana Bharathi School of Bharateeya Vidya Kendram, Arakuvalley, Vishakapatnam	2021-22	2 years	26,31,800	6,65,000	26,31,800	Completed
2	Construction of classrooms for Govt. Girls Higher Secondary School, Ayyapakkam, Chennai	2021-22	2 years	21,07,881	21,07,881	21,07,881	Completed
3	Early detection of development deficiency in small children aged between 1 month to 3 years through Varshini Illam Trust	2021-22	2 years	46,64,400	21,89,956	46,34,356	Completed

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) – **Not Applicable.**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **The Company was unable to identify suitable CSR initiatives in alignment with the initiatives already undertaken by the Company, the business of the Company and the areas in which it operates. The unspent CSR amount of Rs. 2.05 crores for FY 2022-23 has been transferred to PM CARES Fund as specified in Schedule VII of the Companies Act, 2013**

For and on behalf of Board of Directors

-Sd-
M. Anandan
Executive Chairman

-Sd-
Krishnamurthy Vijayan
Chairman of CSR Committee

Annexure – C
Management Discussion and Analysis Report

Global Economy

The world's economic landscape experienced a series of significant disruptions in 2022, leading to a challenging and uncertain future. The COVID-19 pandemic, the conflict in Ukraine, crises in food and energy supply, escalating inflation, tightening of debt, and the urgent matter of climate change all contributed to a slowdown in global economic growth. As stated in the 2023 report of the United Nations World Economic Situation and Prospects (WESP), the projected growth rate of the world output is expected to decline from an estimated 3.0% in 2022 to a mere 1.9% in 2023, which represents one of the lowest rates in recent decades.

The report presents a pessimistic outlook for the near future, marked by economic uncertainty. It predicts a moderate recovery in global growth to reach 2.7% in 2024, as some of the challenges begin to diminish. However, this projection heavily relies on factors such as the speed and order of further monetary tightening, the developments and consequences of the conflict in Ukraine, and the potential disruptions in global supply chains.

The sluggish prospects of the global economy also pose a threat to achieving the 17 Sustainable Development Goals (SDGs), as the 2023 SDG Summit in September marks the midpoint of the 2030 Agenda implementation. The difficult economic conditions could impede progress toward these goals, emphasizing the urgent need for collaborative efforts and innovative solutions to address the social, economic, and environmental challenges the world is currently facing.

Overall, the world economy is confronting significant challenges, and the path to recovery and sustainable development remains uncertain. Close attention to monetary policies, geopolitical developments, and disruptions in supply chains will be vital in shaping the global economic trajectory in the years to come.

INDIAN ECONOMY

India's economic growth demonstrates resilience despite some moderation, according to the latest India Development Update from the World Bank.

India stands among the fastest-growing economies globally, even in the face of global challenges. The overall growth estimate for the year is 6.9%, with real GDP expanding by 7.7% year-on-year in the first three quarters of FY 2022/23. However, moderation was observed in the second half of FY 22/23. The growth was driven by robust investments and strong private consumption, particularly among higher-income groups. Inflation averaged around 6.7% in FY22/23, but the current-account deficit in the third quarter improved due to the growth of service exports and lower global commodity prices.

PROJECTIONS FOR FY23/24

The World Bank has revised its GDP forecast for FY23/24 from 6.6% (December 2022) to 6.3%, anticipating slower consumption growth and challenging external conditions. Increasing borrowing costs and limited income growth will constrain private consumption, and reduced fiscal support will lead to a slowdown in government spending.

Inflation is projected to decline to an average of 5.2% in FY23/24, driven by lower global commodity prices and decreased domestic demand. The Reserve Bank of India has implemented policies to tighten the economy and control inflation. India's financial sector remains robust, with improved asset quality and strong growth in private-sector credit.

The central government is likely to achieve its fiscal deficit target of 5.9% of GDP in FY23/24. Alongside state government deficit consolidation, the general government deficit is expected to decrease, stabilizing the debt-to-GDP ratio. The current account deficit is projected to narrow to 2.1% of GDP from an estimated 3% in FY22/23, supported by the growth of service exports and a reduction in the merchandise trade deficit.

REVIEW OF AFFORDABLE HOUSING FINANCE

Affordable housing finance plays a crucial role in meeting the housing needs of low and middle-income individuals and families in India. With a growing population and increasing urbanization, there is an urgent demand to provide affordable and adequate housing options for everyone. In India, affordable housing finance institutions have emerged to bridge this gap and offer accessible financial solutions to those seeking affordable homes.

The focus of affordable housing finance is to provide financial assistance to individuals with limited income or resources to purchase a home. These institutions understand the unique challenges faced by low and middle income group in accessing housing finance from traditional lenders. Their aim is to provide customized loan products, simplified processes, and flexible terms to make homeownership more affordable and attainable for these segments.

In recent years, the affordable housing finance sector in India has witnessed substantial growth and innovation. Government initiatives like the Pradhan Mantri Awas Yojana (PMAY) have played a crucial role in promoting affordable housing finance by offering subsidies, incentives, and support to both borrowers and lenders. These initiatives have expanded the reach of affordable housing finance institutions and encouraged them to cater to the diverse needs of potential homebuyers.

OPPORTUNITY LANDSCAPE

Affordable housing is a rapidly growing segment within the consumer finance industry. Despite India's low mortgage penetration rate of 11%, this situation worsens in rural and semi-urban areas, dropping to below 5%. This highlights the significant untapped potential of the affordable housing finance market, estimated to be worth nearly Rs 30 trillion.

To navigate this landscape successfully, three key factors are critical for consumers: availability, affordability, and awareness. Consumers need access to suitable properties and reliable financing options. For financiers to make a substantial impact, a focused approach is necessary, including a deep understanding of customer behaviours across different states, the ability to serve the underbanked consumer segment, and the implementation of policies that effectively address the needs of this stratum.

According to a committee report from the Reserve Bank of India (RBI), there is an estimated housing shortage of 100 million units, primarily affecting the low- to middle-income housing segment. Prioritizing affordable housing and its financing not only improves the quality of life but also has a significant positive impact on GDP.

However, several challenges hinder progress in the affordable housing sector. These challenges include limited availability of land, concerns related to land ownership, rising costs of construction and land, and regulatory obstacles in obtaining project approvals. Overcoming these obstacles and ensuring better availability and affordability of finance are essential to unlock the untapped potential of the market. Currently, most financial institutions focus on the formal income segments, leaving the underserved population without suitable options. Despite the high demand for affordable housing finance, housing finance companies (HFCs) have not fully utilized their lending capacity due to a lack of customer awareness about their services.

Consequently, customers often resort to alternative sources of finance, such as local financiers and loans against gold, which come with significantly higher interest rates compared to HFCs. While housing in metro cities remains unaffordable for many, there is a considerable opportunity to provide affordable housing in non-metro areas. This, coupled with improved access to finance from HFCs that understand the specific needs of this niche market and can address affordability concerns effectively, will contribute to the growth and development of affordable housing.

However, unanticipated changes in regulatory norms, competition from small banks and FinTechs, liquidity crunch arising from reduced loan recovery, increase in borrowing costs, rising inflation, economic slowdown etc can be major threats to companies in the affordable housing sector.

THE KEY FEATURES OF AFFORDABLE HOUSING FINANCE IN INDIA INCLUDE

Loan Products: Affordable housing finance institutions offer a range of loan products specifically designed for low and middle-income individuals. These loans typically come with competitive interest rates, longer repayment tenures, and flexible terms to make monthly instalments more affordable.

Simplified Documentation: Recognizing the need to reduce the paperwork burden, affordable housing finance institutions streamline their documentation processes. They aim to make the loan application process smoother and more accessible, ensuring a hassle-free experience for borrowers.

Subsidies and Incentives: Government schemes like PMAY provide subsidies and incentives to eligible borrowers, reducing the burden of interest and principal repayment. This support makes affordable housing finance even more affordable and attractive for potential homebuyers.

Tax Benefits: Customers availing home loans enjoy tax benefits on both interest payment and principal component. Similarly, Housing Finance Companies are also eligible for tax deduction on their interest income from housing loans as per the applicable provisions of the Income Tact Act, 1961.

Partnership with Developers: Affordable housing finance institutions often collaborate with real estate developers to offer joint financing options, making it easier for homebuyers to access housing loans for specific affordable housing projects.

Financial Inclusion: Affordable housing finance institutions play a crucial role in promoting financial inclusion by extending credit to individuals who may have limited access to formal financial services. By providing affordable housing finance, they contribute to the overall economic development of the country and upliftment of marginalised sections of society.

OUTLOOK ON AFFORDABLE HOUSING FINANCE

The Indian affordable housing loan market is expected to witness increased credit demand due to budget announcements related to credit allocation in the Pradhan Mantri Aawas Yojana and urban infrastructure development fund. The higher allocation of Rs 79,000 crore for the Pradhan Mantri Awas Yojana, a 66% increase, is anticipated to drive higher demand for loans in the lower-income segment.

This boost in demand for home loans is particularly significant for the low and middle-income segments, as the increased PMAY allocation aims to address their housing needs. The affordable housing sector had faced challenges due to rising input costs, making the budget announcements and increased allocation even more crucial for the housing industry.

In the previous year's budget, Rs 48,000 crore was allocated for the completion of 80 lakh houses under PMAY. The program has been extended until December 31, 2024, to ensure the completion of houses sanctioned by March 31, 2022. As of November 2022, over 1.20 crore houses have been sanctioned under PMAY.

While the funding requirement for the rural scheme is adequately addressed, the urban scheme still requires additional support, which has been extended until FY25 (December 2024). This suggests that there will be ongoing opportunities and demand for affordable housing loans in urban areas in the coming years.

Overall, the budget announcements and increased allocation for the PM Awas Yojana are expected to have a positive impact on the Indian affordable housing loan market. The higher demand for loans in the lower-income segment and the focus on completing sanctioned houses under PMAY indicate a favourable environment for affordable housing finance companies.

ABOUT APTUS VALUE HOUSING FINANCE INDIA LTD

At Aptus Value Housing Finance India Ltd, the primary business objective is to assist individuals in realising their dream of home ownership. The focus is on providing accessible and affordable housing finance solutions to individuals from low and middle-income backgrounds. The company emphasises addressing the specific needs of borrowers with limited income or resources.

Aptus offers a range of loan products tailored to suit the unique requirements of customers. These products feature competitive interest rates, flexible terms, and extended repayment tenures, ensuring that borrowers can manage their monthly instalments effectively. The loan application process is designed to be streamlined, with simplified documentation procedures to minimise any potential hassle for applicants.

Aptus also emphasises its commitment to financial inclusion by extending credit to individuals who may have limited access to formal financial services. This contributes to the overall economic development of the country and supports the upliftment of marginalised sections of society.

Aptus Value Housing Finance India Ltd demonstrated a robust and commendable performance in the financial year 2023. Significant growth was experienced, reflecting a sharp business focus, deep market penetration, and a customer-centric approach. The adoption of digital technologies across various operational aspects, such as customer sourcing, underwriting, collection, and risk management, also contributed to the company's success.

FINANCIAL HIGHLIGHTS

Income and Profits

Our total income for the financial year ended March 31, 2023 was ₹ 1,129 crores with a growth of 34% as compared to ₹ 840 crores for the previous financial year. Our profit before tax has seen a substantial improvement, increasing from ₹ 480 crores in FY22 to ₹ 654 crores in FY23, representing a growth of 36% y-o-y. This growth is a testament to our enhanced operational efficiency and profitability. We have worked diligently to optimise our processes and capitalise on market opportunities, resulting in improved financial performance. Our total profit for the year was ₹ 503 crores as compared to ₹ 370 crores in the previous financial year, representing a growth of 36% y-o-y. The Net Profit Margin of the Company for the financial year ended March 31, 2023 was 44.55%.

Key Financial Ratios

Our key financial ratios for the year ended March 31, 2023 as compared to the previous financial year are given below:

Particulars	FY 23	FY22
Revenue from operations/average loan book	18.34%	17.51%
Other income/average loan book	0.60%	0.67%
Total revenue/average loan book	18.94%	18.17%
Finance cost/average loan book	4.63%	4.51%
Spread/Average loan book	14.31%	13.66%
Operating expenses/Average loan	2.75%	2.53%
ECL provision, write offs/Average loan book	0.57%	0.75%
Profit before Tax/Average loan book	10.97%	10.38%
Profit after Tax/ Average loan book	8.44%	8.00%
Profit after Tax/Networth	16.34%	14.45%

OPERATIONAL HIGHLIGHTS

We are an entirely retail focussed housing finance company primarily serving low and middle income self-employed customers in the rural and semi-urban markets of India. We offer customers home loans for the purchase and self-construction of residential property, home improvement and extension loans, loans against property and business loans.

The Company sanctioned loans worth ₹ 2,580 crores as compared with the sanctions of ₹ 1,799 crores during the previous year.

Disbursements reached INR 2,394 crores, marking a substantial increase of 46% compared to the previous year, indicating the company's ability to expand its loan portfolio.

Aptus achieved a healthy AUM of INR 6,738 crores in March '23, experiencing a notable year-on-year growth rate of over 30%, signifying success in attracting and managing a larger customer base.

Through focused collection efforts, Aptus achieved a collection efficiency of over 100%, leading to a reduction in soft bucket outstanding, overdues, and NPAs. This accomplishment demonstrates effective credit risk management.

Despite facing significant interest rate headwinds, Aptus managed to maintain good spreads at 14.31%, representing a 65 basis points increase over the previous financial year, highlighting the ability to navigate challenging market conditions.

Aptus registered a consistent ROA of 8.44% and saw its ROE rise to 16.34% from 14.45% in the previous year, which is one of the best in the Industry. These figures demonstrate efficient utilization of assets and the ability to generate returns for shareholders, positioning the company among the industry's best performers.

The total number of live customers exceeded 107,000, reflecting a notable growth rate of 28% year-on-year, highlighting the ability to attract and retain customers in a competitive market.

Aptus expanded its branch network by adding 23 branches during FY '23, bringing the total count to 231 branches, enhancing market presence and accessibility to customers.

The company employed 2,405 individuals, indicating a commitment to building a strong workforce to support operations and growth objectives.

ASSET QUALITY

Aptus focused on collection efforts, leading to a significant improvement in delinquency rates. The 30+ DPD rate decreased to 5.9% in March '23 compared to 9.91% in March '22, showcasing success in managing the loan portfolio.

The company witnessed a decline in GNPA, with the rate decreasing from 1.44% in December '22 to 1.15% in March '23, signifying effective risk management strategies.

Aptus maintained a healthy net NPA rate of 0.86%, indicating the ability to effectively recover loans and minimize credit losses.

The provision coverage ratio increased to 1.06% as of March '23 from 0.80% in March '22, reflecting prudence in maintaining adequate provisions for potential loan losses.

BORROWINGS AND LIQUIDITY

Aptus enjoys well-diversified borrowing sources, with 60% of borrowings from banks, 26% from NHB, 10% from DFIs, and the remaining portion in the form of securitization, enhancing financial stability.

Aptus holds a rating of AA- from both ICRA and CARE, indicating strong creditworthiness and reliability in the market.

As of March '23, the company had a robust liquidity of INR 1,136 crores, including an undrawn sanction of INR 625 crores from NHB and banks, providing flexibility to meet funding requirements efficiently.

The debt equity ratio of the Company as at March '23 was 1.14:1

HUMAN RESOURCES

We believe in providing a conducive work environment that fosters collaboration, innovation, and growth. We prioritize the professional development of our employees through training programs, workshops, and performance evaluations. By investing in our employees' growth, we empower them to reach their full potential and contribute effectively to our overall organisational goals.

As on 31 March, 2023 the company has 2,405 employees

Employee engagement is a priority for us, and we encourage open communication, feedback, and recognition of accomplishments. We believe that a motivated and engaged workforce leads to higher productivity, customer satisfaction, and overall business success.

Furthermore, we strive to maintain a culture of fairness, transparency, and equal opportunities. We are committed to diversity and inclusion, ensuring that all employees are treated with respect and have equal access to growth opportunities within the organization.

At Aptus, we understand that our human capital is our most valuable asset. By nurturing a talented and dedicated workforce, we position ourselves to adapt to market changes, deliver exceptional customer service, and drive sustainable growth.

The Company has created an ESOP pool of ten million shares for the employees. It helps in creating a sense of ownership among the employees and improves their morale and productivity.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an elaborate system of internal controls commensurate with the size, scale and complexity of its operations; it also covers areas like financial reporting, compliance with applicable laws and regulations etc. The Company's Internal Financial Control framework, in line with section 134(5)(e) of the Companies Act, 2013, ensures the orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention, and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information.

Aptus has a full-fledged in-house Internal Audit department which monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with regulatory directives, efficacy of its operating systems, adherence to the accounting procedures and policies at all branch offices of the Company and its subsidiary. Internal audit reports are placed before the Audit Committee along with significant observations and suggestions for follow up action. Recommendations of the statutory auditors are also taken into consideration by the committee for improvements in control and compliance.

Risk and Risk Mitigation

Type of Risk	Description of Risk	Risk Mitigant
Economic and Market Risks	(a) Economic Downturn or Recession	(a) Diversifying the loan portfolio across different sectors and geographies to reduce the impact of a downturn in any specific markets. Maintaining robust credit risk assessment processes to ensure borrowers' ability to repay during economic challenges
	(b) Interest Rate Fluctuations	(b) Optimum borrowing mix of fixed and floating rate linked loans and ensure diversified resource raising options to minimize cost and maximize stability of funds
	(c) Regulatory Changes	(c) Maintaining a strong compliance framework to stay updated with regulatory requirements. Establishing close relationship with regulatory authorities to understand and adapt to any regulatory changes promptly
Credit and Operational Risks	(a) Default and Non-Performing Loans	(a) Implementing a stringent credit assessment process, including thorough evaluation of borrowers' creditworthiness and collateral. Regular monitoring of loan portfolios and establishing proactive collection and recovery mechanisms
	(b) Technology and Cybersecurity Risks	(b) Investing in robust IT infrastructure and cybersecurity measures to safeguard customer data and prevent fraud. Conducting regular vulnerability assessments and penetration testing. Providing cybersecurity training to employees to enhance awareness and minimise internal risks
	(c) Business Disruption	(c) Developing a comprehensive business continuity plan to ensure that the company's operations can continue uninterrupted during unforeseen events. Regular testing and update of plan, including backup systems, alternative work arrangements, and disaster recovery procedures.
Competition and Strategic Risks	(a) Intense Competitive Pressure	(a) Continuously monitoring competitors' activities and market trends to identify areas of differentiation. Developing innovative products and services, improve customer experience, and maintain strong customer relationships to retain a competitive edge
	(b) Expansion and Scalability Challenges	(b) Conduct thorough feasibility studies and market research before expanding to new regions. Developing a scalable business model and invest in appropriate technology infrastructure to support growth. Establishing strategic partnerships to leverage existing networks and resources
	(c) Reputation and Branding Risks	(c) Maintaining strong corporate governance practices and ethical standards. Implementing effective communication and public relations strategies to manage reputation risks. Active engagement with customers, stakeholders, and the community to build trust and credibility

Annexure – D
Report on Corporate Governance

Corporate Governance is the creation and enhancement of long-term sustainable value for our stakeholders, regulators, employees, customers, vendors, investors, and the society at large, through ethically driven business practices. Aptus management is committed to the adherence of rule of law and ethical conduct, through transparency, accountability and responsiveness.

1. Company Philosophy

Aptus believes in high standards of governance and adheres to good corporate practices and is constantly striving to improve them and adopt the best practices. Our approach to corporate governance and the role it plays in the life of the Company goes well beyond meeting our compliance obligations. Our governance framework fosters high-performing culture while underpinning our principles of integrity, customer focus, collaboration, innovation, sustainability and stakeholder delight. Good governance facilitates effective management and control of business, enables the Company to maintain a high level of business ethics and to optimise the value for all its stakeholders.

Aptus corporate governance is governed by the following principles:

- Enhance and maximize the shareholders value.
- Fair, ethical and transparent dealings with all the stake holders.
- Protection of the interest of all stake holders including customers, employees and society at large.
- Ensuring accountability for performance and customer service and to achieve excellence at all levels.
- Timely and accurate disclosures on all matters pertaining to the performance and operations of the Company.
- Carrying the business adhering to Company's core values
- Creating corporate leadership of highest standard.

2. Board of Directors

As on March 31, 2023, the Board of the Company ("Board") had an optimum number of Executive, Non-Executive Directors and Non-Executive Independent Directors having expertise in the fields of banking, finance and business management. The Company has in place a policy on Board Diversity. Diversity is ensured through consideration of a number of factors, including but not limited to skills, experience, background and other qualities.

The Board reviews periodical compliances of all applicable laws, rules and regulations and the statements submitted by the Management. The members of the Board have full freedom to express their opinion in the Board and the decisions are taken after detailed deliberations.

Composition:

The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (Listing Regulations) and the Companies Act, 2013 (the Act). The Board has a mix of Executive / Non-Executive and Independent Directors, including a woman independent director to ensure proper governance and management. The Board members have collective experience in diverse fields like banking and financial services, audit, finance, risk, compliance and information technology. The directors are appointed based on their qualification and experience in various fields.

None of the Directors on the Board hold directorships in more than seven listed entities and none of them is a member of more than Ten Committees or Chairman of more than five Committees across all the listed companies in which he/she is a Director. All the Directors have disclosed their interest in other companies, directorship and membership of Committees and other positions held by them. None of the Directors other than Mr. M. Anandan and Mr. Suman Bollina are related to each other.

As at the end of the financial year, the Board is comprised of the following category of Directors.

Category	No. of Directors
Non-executive Independent Directors including Independent Woman Director	5
Other Non-executive and Non-Independent Director	4
Executive Director (Chairman & MD)	1

The Company adheres to the Secretarial Standards on the Board and Committee Meetings as prescribed by the Institute of Company Secretaries of India. The Board is regularly briefed and updated on the key activities of the business and is provided with presentations on operations, quarterly financial statements, performance of the subsidiary, and other specific matters concerning the Company.

During the financial year ended March 31, 2023 five (5) Board Meetings were held on May 5, 2022, August 05, 2022, November 08, 2022, November 28, 2022 and

February 02, 2023 respectively. The gap between two meetings was not more than 120 days.

Attendance of Directors in the Board meetings / Annual General Meeting (AGM) held during the financial year ended March 31, 2023 are given below:

Name	Nature of Directorship	No. of Board Meetings attended	Attendance at the last AGM
M Anandan (DIN: 00033633)	Chairman & Managing Director	5	Yes
K M Mohandass (DIN: 00707839)	Independent Director	5	Yes
S Krishnamurthy (DIN: 00066044)	Independent Director	5	Yes
Krishnamurthy Vijayan (DIN: 00589406)	Independent Director	5	Yes
Mona Kachhwaha (DIN: 01856801)	Independent Director	4	Yes
V G Kannan (DIN: 03443982)	Independent Director	4	Yes
Shailesh J Mehta (DIN: 01633893)	Non - Executive Director	5	No
Suman Bollina (DIN: 07136443)	Non - Executive Director	5	Yes
Sumir Chadha (DIN: 00040789)	Non - Executive Nominee Director	5	No
K P Balaraj (DIN: 00163632)	Non - Executive Nominee Director	5	Yes

Changes in Board of Directors

No changes took place in the composition of Board of Directors during the financial year under review.

However, the following changes took place in the composition of Board of Directors after the financial year ended March 31, 2023.

(a) Mr. M. Anandan (DIN: 00033633) who was earlier appointed as the Chairman & Managing Director of the Company for a period of 5 years commencing from December 24, 2019 was re-designated as the Executive Chairman of the Company w.e.f. May 04, 2023 by the Board subject to the approval of the shareholders at the ensuing Annual General Meeting.

(b) Mr. P. Balaji (DIN: 07904681) was appointed as an additional Director on the Board of the Company and designated as Managing Director for a period of 5 years commencing from May 04,2023 subject to the approval of the shareholders at the ensuing Annual General Meeting.

(c) Mr. Suman Bollina (DIN: 07136443), Non-executive Non-Independent Director resigned from Board on May 04,2023.

Other Directorships

The number of Directorship, membership and chairmanship held by each Director on the Board /Committees of other listed Companies as on March 31, 2023 were as under:

Sl. No.	Name of the Director	No. of Directorships & Committee membership in other listed entities (Excluding AVHFIL*)				Directorship in other listed entity	Category of Directorship
		Board		Committee **			
		Director	Chairman	Member	Chairman		
1.	Mr. M. Anandan	-	-	-	-	-	-
2.	Mr. K M Mohandass	1	-	-	1	Archean Chemical Industries Limited	Independent Director
3.	Mr. S Krishnamurthy	-	-	-	-	-	-
4.	Mr. Krishnamurthy Vijayan	-	-	-	-	-	-
5.	Ms. Mona Kachhwaha	1	-	2	-	Ujjivan Financial Services Limited	Independent Director
6.	Mr. V G Kannan	1	-	1	-	AU Small Finance Bank	Independent Director
7.	Mr. Shailesh Mehta	1	-	1	-	Manappuram Finance Limited	Independent Director
8.	Mr. Sumir Chadha	1	-	-	-	Star Health and Allied Insurance Company Limited	Non-executive Nominee Director
9.	Mr. K P Balaraj	-	-	-	-	-	-
10.	Mr. Suman Bollina	-	-	-	-	-	-

* Aptus Value Housing Finance India Limited

** Represents Memberships/Chairmanship of Audit Committee and Stakeholders' Relationship Committee

Independent Directors

Independent Directors are appointed for a specific term based on the recommendations of the Nomination and Remuneration Committee by the Board and the members at their respective meetings. Non independent Directors are appointed as per the provisions of the Act and Listing Regulations.

None of the Independent Directors are Promoters or are related to Promoters. They do not have pecuniary relationship with the Company and further do not hold two percent or more of the total voting power of the Company.

Regulation 17 of the listing regulations requires the Board to have at least one-half of the total number of Directors as Independent Directors if the Company has an executive Chairperson. Aptus currently complies with this requirement with 50% Independent Directors on the Board. The terms and conditions of appointment of Independent Directors are available on the website of the Company (weblink: Terms and Conditions for appointment of Independent Directors)

Meeting of Independent Directors

In compliance with Regulation 25 (3) of the Listing Regulations and Schedule IV of the Act, a separate meeting of Independent Directors was held on March 06, 2023 for FY 2022-23, without the presence of Non-Independent Directors and members of the management.

Declaration by Independent Directors

The Independent Directors have submitted declaration of independence, as required pursuant to sub-section (7) of Section 149 of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Act. In terms of Regulation 25(8) of Listing Regulations, they have confirmed that they are not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16 of the Listing Regulations and Section 149 of the Act and that they are independent of the management.

Code of Conduct

In compliance with Regulation 17(5) of the Listing Regulations, the company has put in place a Code of Conduct for Directors and senior management. Pursuant to Regulation 26(3) of Listing Regulations, all the members of the Board and Senior Management personnel shall affirm Compliance of the Code on an annual basis. Further, the company has also adopted a Code of Conduct to regulate, monitor and report trading by insiders in the securities of the company.

The code of conduct for Directors and Senior Management Personnel is available on the website of the Company (weblink: Code of Conduct for Directors & SMP).

Familiarization Programme for Directors:

The familiarisation programme of Aptus aims to keep the Independent Directors informed and updated on our business model, risk metrics, management, regulatory compliances, information technology, any other major developments and the overall operations of the Company. These programmes in turn provide deep insights and enable the Independent Directors to understand the Company's business in depth and help them to make informed decisions.

By way of an introduction the company conducts a familiarisation program covering all the businesses, functions and regulations impacting the company to new directors. Additionally, the company's code of conduct which inter alia explains the values and beliefs of the company, functions, duties and responsibilities as a director of the company, including the duties of independent directors in terms of the Act is given to the director at the time of joining and on an annual basis. Further, there is a detailed quarterly discussion and presentation on review of operations of the company and the regulatory updates impacting the business which helps the director familiarize himself / herself with the company, its business and the regulatory framework in which the company operates.

The details of the familiarisation programme attended by Independent directors are available on the website of the Company (weblink: Familiarisation programme for IDs)

Core Skills/Expertise/Competencies of the Board:

The Board has identified the skills / expertise / competence, fundamental for the effective functioning of the Company. Following are the list of core skills / expertise / competencies identified by the board:

- Industry Experience
- Financial Expertise
- Strategy & Planning
- Leadership experience
- Governance, Compliance & Risk Advisory

Name of the Director	Core skills / expertise / competencies
Mr. K M Mohandass	Financial Expertise, Strategy & Planning, Governance, Compliance & Risk Advisory.
Mr. S Krishnamurthy	Industry Experience, Financial Expertise, Strategy & Planning, Leadership experience, Governance, Compliance & Risk Advisory.
Mr. Krishnamurthy Vijayan	Industry Experience, Financial Expertise, Strategy & Planning and Leadership experience.
Ms. Mona Kachhwaha	Industry Experience, Financial Expertise, Strategy & Planning, Governance, Compliance & Risk Advisory
Mr. V G Kannan	Industry Experience, Financial Expertise, Strategy & Planning, Leadership experience, Governance, Compliance & Risk Advisory
Mr. Shailesh Mehta	Industry Experience, Financial Expertise, Strategy & Planning, Governance, Compliance & Risk Advisory.
Mr. Sumir Chadha	Industry Experience, Financial Expertise, Strategy & Planning and Leadership experience.
Mr. K P Balaraj	Industry Experience, Financial Expertise, Strategy & Planning and Leadership experience.
Mr. Suman Bollina	Industry Experience, Strategy & Planning and Leadership experience.

General Body Meetings

(i) Annual General Meeting (AGM):

The details of Annual General Meetings held in last 3 years along with the details of the Special Resolutions, as more particularly set out in the notices of the respective AGMs and passed by the members are as follows:

FINANCIAL YEAR /AGM	VENUE	DATE
2019-20/11th AGM	No. 8B, Doshi Towers, 8th Floor, No.205, Poonamallee High Road, Kilpauk, Chennai – 600 010.	Tuesday, August 11, 2020
2020-21/12th AGM	Video conferencing (VC)	Thursday, September 30, 2021
2021-22/13th AGM	Video conferencing (VC)	Friday, August 19, 2022

(ii) Details of Special Resolutions Passed During the Last Three AGMs are Given Below:

DATE OF AGM	PARTICULARS
August 11, 2020	1. Revision in remuneration payable to Mr. M. Anandan, CMD for the period 1st April 2020 to 30th September 2020.
	2. Re-appointment of Mr. S Krishnamurthy as an Independent Director for a term of 5 years with effect from 4th March 2020.
	3. Re-appointment of Mr. K M Mohandass as an Independent Director for a term of 5 years with effect from 4th March 2020.
	4. Re-appointment of Mr. Krishnamurthy Vijayan as an Independent Director for a term of 5 years with effect from 4th March 2020.
	5. To fix the borrowing limits of the Company pursuant to provisions of section 180(1)(c) of the Companies Act, 2013
	6. To create charge/mortgage on the assets of the Company pursuant to provisions of section 180(1)(a) of the Companies Act, 2013
	7. To issue Non-convertible Debentures
	8. Adoption of the restated Articles of Association
September 30, 2021	1. Revision in remuneration payable to Mr. M. Anandan, CMD for the period 1st October 2020 to 31st March 2021 and from 01st April 2021 to 31st March 2022.
	2. To fix the borrowing limits of the Company pursuant to provisions of section 180(1)(c) of the Companies Act, 2013
	3. To create charge/mortgage on the assets of the Company pursuant to provisions of section 180(1)(a) of the Companies Act, 2013
	4. To issue Non-convertible Debentures
August 19, 2022	1. Revision in remuneration of Mr. M Anandan, Chairman and Managing Director
	2. Re-appointment of Mr. S. Krishnamurthy as Independent Director of the Company
	3. To fix the borrowing limits of the Company pursuant to provisions of section 180(1)(c) of the Companies Act, 2013
	4. To create charge/mortgage on the assets of the Company pursuant to provisions of section 180(1)(a) of the Companies Act, 2013
	5. To issue Non-convertible Debentures
	6. Approval for grant of options to employees of subsidiary company pursuant to Aptus Employee Stock Option Scheme, 2021 ("ESOP Scheme")

(iii) Details of special resolution proposed to be passed through postal ballot

The following resolutions are proposed to be passed through postal ballot before the ensuing Annual General Meeting (AGM).

(i) To appoint Mr. P. Balaji (DIN: 07904681), as a Director of the Company.

(ii) To appoint Mr. P Balaji (DIN: 07904681), as the Managing Director of the Company and approve the remuneration payable to him.

(iii) To approve re-designation of Mr. M Anandan (DIN: 00033633) from Chairman and Managing Director to Executive Chairman.

The postal ballot is conducted in accordance with the provisions specified in Section 110 and other applicable provisions, if any, of the Act read with Rule 22 of the Companies (Management and Administration) Rules,2014. The shareholders are provided the facility to vote through e-voting. The results of voting by postal ballot are announced within 48 hours of conclusion of the voting period. The resolutions, passed by the requisite majority, are deemed to be passed on the last date specified for e-voting.

(iv) Means of Communication

The quarterly and yearly audited/unaudited financial results of the Company were published in national daily newspapers and local newspapers viz. Business Standard (English) and in Makkal Kural (Tamil) respectively within 48 hours of conclusion of the Board Meetings at which respective financial results were approved. The financial results are placed on the Company's website at www.aptusindia.com. Further, the shareholding pattern and other intimations to stock exchanges from time to time are also displayed on the website of the Company. Details of investor / analysts calls, call transcripts, investor presentation and news, press releases are also posted on the Company's Website.

3. Committees

A. Committees of the Board

3.1 Audit Committee

3.2 Composition, Meetings and attendance

The Audit Committee comprises of four Directors. The committee met four (4) times during the year on May 04, 2022, August 04, 2022, November 07, 2022 and February 01, 2023 respectively. The composition of the committee as on March 31, 2023 and attendance of members are given below:

Name of the Director	Position	Category	No. of meetings attended
Mr. K M Mohandass	Chairman	Non-executive Independent Director	4
Mr. S Krishnamurthy	Member	Non-executive Independent Director	4
Mr. Krishnamurthy Vijayan	Member	Non-executive Independent Director	4
Ms. Mona Kachhwaha	Member	Non-executive Independent Director	2

3.3 Terms of reference

a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b. Recommendation to the board of directors of the Company (the "Board") for appointment, replacement, reappointment, remuneration and terms of appointment of secretarial, statutory and internal auditors of the Company;

c. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

d. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

   i. Matters required to be included in the director's responsibility statement to be included in the Board's report, in terms of the Companies Act, 2013, as amended;

   ii. Changes, if any, in accounting policies and practices and reasons for the same;

   iii. Major accounting entries involving estimates based on the exercise of judgment by management;

   iv. Significant adjustments made in the financial statements arising out of audit findings;

   v. Compliance with listing and other legal requirements relating to financial statements;

   vi. Disclosure of any related party transactions; and

   vii. Qualifications and modified opinion(s) in the draft audit report.

e. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

f. Examination of the financial statement and auditor's report thereon;

g. Monitoring the end use of funds raised through public offers and related matters;

h. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the issue document/ prospectus/notice and making appropriate recommendations to the Board to take up steps in this matter.

i. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

j. Approval or any subsequent modification of transactions of the Company with related parties;

k. Scrutiny of inter-corporate loans and investments;

l. Valuation of undertakings or assets of the Company, wherever it is necessary;

m. Evaluation of internal financial controls and risk management systems;

n. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

o. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

p. Discussion with internal auditors of any significant findings and follow up thereon;

q. Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

r. Discussion with statutory auditors, internal auditors, secretarial auditors and cost auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

s. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

t. To review the functioning of the whistle blower mechanism;

u. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

v. Carrying out any other functions as may be required / mandated by the Board from time to time and/ or mandated as per the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Companies Act, 2013, as amended (including Section 177), the listing agreements to be entered into between the Company and the respective stock exchanges on which the equity shares of the Company are proposed to be listed and/or any other applicable laws;

w. Reviewing the utilization of loan and/or advances from investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

x. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

The Audit Committee shall mandatorily review the following information:

(1) management discussion and analysis of financial condition and results of operations;

(2) management letters / letters of internal control weaknesses issued by the statutory auditors;

(3) internal audit reports relating to internal control weaknesses;

(4) the appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee; and

(5) statement of deviations as and when becomes applicable:

- quarterly statement of deviation(s) submitted to stock exchange(s) in terms of Regulation 32(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

4.1 Nomination & Remuneration Committee

The Nomination & Remuneration Committee has been constituted a required under Section 178 of the Act and Regulation 19 of the Listing Regulations. The details of the composition of the Committee and attendance of the members were as follows:

4.2 Composition and Meetings

The Nomination & Remuneration Committee comprises of six Directors. The committee met four times (4) during the year on May 5, 2022, August 05, 2022, November 08, 2022, and February 02, 2023 respectively.

The composition of the committee as on March 31, 2023 and attendance of members are given below:

Name of the Director	Position	Category	No. of meetings attended
Mr. S Krishnamurthy	Chairman	Non-executive Independent Director	4
Mr. K M Mohandass	Member	Non-executive Independent Director	4
Mr. Krishnamurthy Vijayan	Member	Non-executive Independent Director	4
Ms. Mona Kachhwaha	Member	Non-executive Independent Director	3
Mr. Sumir Chadha	Member	Non-executive Nominee Director	4
Mr. M. Anandan	Member	Chairman & Managing Director	4

4.3 Terms of Reference

a) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;

For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required for an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description.

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

(i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors for the quality required to run the Company successfully;

(ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;

b) Formulating criteria for evaluation of performance of independent directors and the board of directors of the Company (the "Board");

c) Devising a policy on diversity of Board;

d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;

e) Extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

f) Recommending to the Board, all remuneration, in whatever form, payable to senior management.

g) Administering, monitoring and formulating detailed terms and conditions of the Aptus Employee Stock Option Scheme, 2021;

h) Carrying out any other function as may be required/ mandated by the Board from time to time and/ or mandated as per the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013, each as amended, the listing agreements to be entered into between the Company and the respective stock exchanges on which the equity shares of the Company are proposed to be listed and/or any other applicable laws; and

i) Performing such other functions as may be necessary or appropriate for the performance of its duties.

4.4 Performance Evaluation of Directors

Performance Evaluation of the Board as a whole, as well as that of its Committees, Independent Directors and Non-Independent Directors has carried out in accordance with the relevant provisions of the Act read with relevant rules made thereunder and SEBI LODR Regulations and in compliance with guidance note issued by SEBI under Circular no. SEBI/HO/ CFD/ CMD/ CIR/P/2017/004 dated Jan. 05, 2017.

The performance evaluation of Independent Directors was carried out by the entire Board excluding the Directors being evaluated. The performance evaluation criteria for Independent Directors included the criteria formulated by the NRC that inter alia includes Qualifications & Experience, Standard of Integrity, attendance in meetings, understanding of Company's business and value addition in Board Meetings. The Board has expressed its satisfaction with the evaluation process.

5.1 Corporate Social Responsibility

The Corporate Social Responsibility Committee has been constituted as required under Section 135 of the Act.

5.2 Composition, Meetings and Attendance

The Corporate Social Responsibility Committee of the Board met once during the year on May 04, 2022. The composition of the committee as on March 31, 2023 and attendance of members are given below:

Name of the Director	Position	Category	No. of meetings attended
Mr. Krishnamurthy Vijayan	Chairman	Non-executive Independent Director	1
Mr. K M Mohandass	Member	Non-executive Independent Director	1
Mr. M. Anandan	Member	Chairman & Managing Director	1

5.3 Terms of Reference

a) Formulation of a corporate social responsibility policy to the Board, indicating the activities to be undertaken by the Company in areas or subjects specified in the Companies Act, 2013. The activities should be within the list of permitted activities specified in the Companies Act, 2013 and the rules thereunder;

b) Recommending the amount of expenditure to be incurred, amount to be at least 2% of the average net profit of the Company in the three immediately preceding financial years or where the Company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years;

c) Instituting a transparent monitoring mechanism for implementation of the corporate social responsibility projects or programs or activities undertaken by the Company;

d) Monitoring the corporate social responsibility policy from time to time and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;

e) Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;

f) Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required; and

g) Performing such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company or as may be required under applicable laws.

6.1 IT Strategy Committee

The IT Strategy Committee has been constituted in accordance with the Master Direction- Information Technology Framework for the NBFC Sector issued by the Reserve Bank of India dated June 8, 2017.

6.2 Composition, Meetings and Attendance:

The IT Strategy Committee of the Board met two times during the year on August 05, 2022 and February 02, 2023. The composition of the committee as on March 31, 2023 and attendance of members are given below:

Name of the Director	Position	Category	No. of meetings attended
Mr. Krishnamurthy Vijayan	Chairman	Non-executive Independent Director	2
Mr. V G Kannan	Member	Non-executive Independent Director	1
Ms. Mona Kachhwaha	Member	Non-executive Independent Director	2
Mr. K.P. Balaraj	Member	Non-executive Nominee Director	2
Mr. M. Anandan	Member	Chairman & Managing Director	1

6.3 Terms of Reference

a) Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;

b) Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;

c) Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;

d) Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high level direction for sourcing and use of IT resources;

e) Ensuring proper balance of IT investments for sustaining HFC's growth and becoming aware about exposure towards IT risks and controls.

7.1 Stakeholders Relationship Committee

The Stakeholders Relationship Committee has been constituted as required under Section 178 of the Act and Regulation 20 of the SEBI (LODR) Regulations, 2015.

7.2 Composition, Meetings and Attendance

The Stakeholders Relationship Committee met once during the year on February 02, 2023.

The composition of the committee as on March 31, 2023 and attendance of members are given below:

Name of the Director	Position	Category	No. of meetings attended
Mr. Shailesh Mehta	Chairman	Non-executive Independent Director	1
Mr. V G Kannan	Member	Non-executive Independent Director	1
Mr. K P Balaraj	Member	Non-executive Nominee Director	1

Mr. Sanin Panicker, Company Secretary and Compliance Officer of the Company acts as Secretary to the committee.

7.3 Terms of Reference

a) To resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;

b) To review measures taken for effective exercise of voting rights by shareholders;

c) To review adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar and share transfer agent;

d) To review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company: and

e) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act, 2013 or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended or by any other regulatory authority.

7.4 Details of shareholders complaints/queries received and resolved during the financial year

Particulars	Number of Complaints/Queries
Number of complaints/queries received during the year	47
Number of complaints/queries redressed during the year	47
Number of complaints/queries pending at the end of the financial year	0

8.1 Resourcing & Business Committee

8.2 Composition, Meetings and Attendance

The Resourcing & Business Committee of the Board met six (6) times during the year on June 15, 2022, June 28, 2022, July 15, 2022, September 3, 2022, September 7,2022 and October 19, 2022 respectively.

The composition of the committee as on March 31, 2023 and attendance of members are given below:

Name of the Director	Position	Category	No. of meetings attended
Mr. S Krishnamurthy	Chairman	Non-executive Independent Director	3
Mr. K M Mohandass	Member	Non-executive Independent Director	6
Mr. M Anandan	Member	Chairman & Managing Director	6

8.3 Terms of Reference

a) Borrowing such sum or sums of moneys, availing all kinds and types of loans and credit facilities including debentures and other debt instruments, commercial paper, temporary loans from the company's bankers, from time to time, upto such sum / limit as may be fixed by the Board of Directors / Shareholders, for and on behalf of the Company, from its directors, shareholders, banks, NBFCs, financial institutions, companies, firms, bodies corporate, Co-operative Banks, investment institutions and their subsidiaries, or from any other person as may be permitted under applicable laws, whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and/or properties, whether movable including stocks, fixed assets, book debts and to create security over the assets and / or properties of the Company in relation to such borrowings and loan/ credit facilities, modification or satisfaction of the charge/ security created on the assets and/or properties of the Company from time to time.

b) To mortgage / charge/ hypothecate all or any of the movable properties and assets of the Company both present and future and the whole or substantially the whole of the undertaking or the undertakings of the Company on such terms and conditions, as may be agreed to with the Lender(s), Debenture holders and providers of credit and debt facilities to secure the loans / borrowings / credit / debt facilities obtained or as may be obtained, or Debentures/Bonds and other instruments issued or to be issued by the Company to or in favour of the financial institutions, Non-Banking Financial Companies, Co-operative Banks, investment institutions and their subsidiaries, banks, mutual funds, trusts and other bodies corporate or trustees for the holders of debentures/bonds and/or other instruments.

c) To establish current and other banking accounts with various banks upon such terms and conditions as may be agreed upon with the said bank and various other entities; to specify and change the authorized signatories and their transaction limits to the said banking accounts; to close current and other banking accounts.

d) Any unsecured loans to be given by the Company other than staff loan advances to be approved by the Resourcing & Business Committee.

e) Any secured loan to be given by the Company including Housing loans, loans against property, SME loans and other loans exceeding Rs. 1 crore to be approved by Resourcing & Business Committee.

f) To consider and approve securitization arrangements and to authorize carrying out of all actions connected therewith.

g) Issuance of Share/Debenture and other security certificates

- Issuance of fresh Share/Debenture and other security certificates
- Issuance of duplicate Share/Debenture and other security certificates
- Issuance of certificates upon request of the Company on split/consolidation/replacement of old and duplicate certificates, transfer or transmission requests.

h) To review, modify and approve investment policy of the Company from time to time.

i) To give any guarantee or provide security or authorize the issuance of any form of comfort letter in connection with all kinds and types of loans, credit facilities, debt facilities and financing facilities availed and / or to be availed by Aptus Finance India Private Limited ("Wholly-Owned Subsidiary") in accordance with the limit laid down by the Board of Directors.

j) To authorize affixing the common seal of the Company in accordance with the manner laid down in the Articles of Association and to authorize taking the Common Seal out of the registered office of the Company.

k) To exercise such other powers as may be vested by the Board from time to time.

9.1 Risk Management Committee

Risk Management Committee met two times during the financial year on March 06, 2023 & March 31, 2023. The composition of the committee as on March 31, 2023 and attendance of members are given below.

Name of the Director	Position	Category	No. of meetings attended
Mr. V G Kannan	Chairman	Non-executive Independent Director	2
Ms. Mona Kachhwaha	Member	Non-executive Independent Director	2
Mr. M Anandan	Member	Chairman & Managing Director	1
Mr. P Balaji	Member	ED & CFO	2
Mr. G.Subramaniam	Member	ED - Chief of Operations and Risk	-

9.2 Terms of Reference

a) To formulate a detailed risk management policy which shall include:

i. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

ii. Measures for risk mitigation including systems and processes for internal control of identified risks.

iii. Business continuity plan.

b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

c) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

d) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

e) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

f) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

10.1 Asset Liability Management Committee (ALCO)

Asset Liability Committee meets every month to review the areas falling within its terms of reference as given below. ALCO consists of the following members as on March 31, 2023.

Name of the Director	Position	Category
Mr. P Balaji	Chairman	ED & CFO
Mr. G Subramaniam	Member	ED - Chief of Operations & Risk
Mr. C T Manoharan	Member	EVP - Business Development
Mr. V Krishnaswami	Member	VP – Information Technology

10.2 Terms of reference

a) Liquidity Risk Management

b) Management of Market (Interest Rate) Risk

c) Funding and Capital Planning

d) To determine Aptus Value Housing Finance Base Rate

e) Credit and Portfolio Risk Management

f) Setting credit norms for various lending products of the company

g) Operational and Process Risk Management

h) Laying down guidelines on KYC norms

i) To approve and revise the actual interest rates to be charged from customers for different products from time to time applying the interest rate model.

11. Remuneration of Directors

11.1 Sitting fees

All directors except the Chairman & Managing Director and Nominee Directors are paid a sitting fee for attending every meeting of the Board and committees.

The details of sitting fees paid and shares held by them in the Company as at March 31, 2023 are as follows:

Name	Sitting fees (in lakhs)		Commission (in lakhs)	No. of equity shares held in the Company
	Board	Committees		
Mr. K M Mohandass*	1.60	2.70	10.00	5,00,500
Mr. S Krishnamurthy	1.60	2.10	10.00	Nil
Mr. Krishnamurthy Vijayan	1.60	2.30	10.00	Nil
Ms. Mona Kachhwaha	1.30	1.75	10.00	Nil
Mr. V G Kannan	1.30	0.60	10.00	Nil
Mr. Shailesh Mehta	1.60	0.20	10.00	Nil
Mr. Suman Bollina	1.60	Nil	10.00	4,16,665
Ms. Sumir Chadha #	NA	NA	--	Nil
Mr. K P Balaraj #	NA	NA	--	Nil

* Equity shares are held by Mr. KM Mohandass as a registered holder on behalf of KM Mohandass HUF (beneficial owner). Mr. KM Mohandass is the Karta of the HUF.

Based on the requests received from the nominee directors of WestBridge Crossover Fund LLC, the commission and sitting fees payable to them have been waived.

11.2 Pecuniary relationship and/or transactions of the Non-Executive Directors with the listed entity:

During the year under review, there were no pecuniary relationships or transactions with the Non-Executive Directors of the Company, apart from remuneration paid to them by way of commission and sitting fees.

11.3 Criteria for making payment to Non-executive Directors

The criteria for payment of annual commission to non-executive directors is based on the performance of the Company as well as that of the individual non-executive director. The commission payable to non-executive directors was recommended by Nomination and Remuneration Committee and approved by the Board and is within the overall limits as approved by the shareholders of the Company. However, the Nominee Directors were not paid any remuneration in the financial year ended March 31, 2023. The criteria for making payments to non-executive Directors is published on the website of the Company (weblink: Appointment, Remuneration & Evaluation policy)

11.4 Remuneration to Chairman & Managing Director

The remuneration payable to Chairman & Managing Director comprises of Salary, Allowances, Commission, other retirement benefits and perquisites as per the policy/ rules of the Company. The same is recommended by the Nomination and Remuneration Committee and approved by the Board and is within the overall limits approved by the Shareholders at the 13th Annual General Meeting.

The details of remuneration paid to Mr. M Anandan, Chairman & Managing Director for the financial year ended March 31, 2023 are as follows:

Particulars	Amount (Rs. in lakhs)
Salary	750.00
Commission	500.00
Others	2.84
Total	1,252.84

12. Other disclosures

12.1 Related Party Transactions

All Related Party Transactions (RPTs) entered into by the Company during the year under review were on an arms' length basis and in the ordinary course of business. These RPTs did not attract provisions of Section 188 of the Act, and were also not material RPTs under Regulation 23 of the Listing Regulations.

12.2 Details of non-compliance, penalties imposed

There were no instances of penalties, strictures imposed on the company by stock exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

12.3 Establishment of Vigil Mechanism and Whistle Blower policy

The Company have a Vigil Mechanism and Whistle Blower Policy, under which Directors and employees are free to report violations of applicable laws and regulations. The Chairperson of the Audit Committee has direct access to all complaints raised through the policy. No vigilance complaints were received during the year under review.

12.4 Weblink of Corporate Policies

Particulars	Weblink
Policy for determining material subsidiaries	Policy - website link
Policy on Related Party Transactions	Policy - website link

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

There were no complaints relating to sexual harassment pending at the beginning of the financial year. During the financial year 2022-23, no complaints were received by the Internal Complaints Committee.

12.6 Compliance with Accounting Standards

The Company has followed the Guidelines of Accounting Standards as laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements and notes to accounts of this Annual Report.

12.7 MD/CFO Certification

Pursuant to the provisions of Regulation 17(8) of the Listing Regulations, 2015, the Managing Director and Chief Financial Officer have issued a certificate to the board certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's Affairs. The said certificate is enclosed and is forming part of this report as **Annexure H.**

12.8 Code of conduct

The Board has laid down a Code of Conduct for all the Board Members and the senior management of the company and the Code of Conduct has been posted on the website of the company. Annual declaration confirming compliance of the code is obtained from every person covered by the code of conduct. A declaration to this effect signed by Mr. M Anandan, Executive Chairman (DIN: 00033633) is attached to this report as **Annexure I.**

12.9 Compliance certificate on Corporate Governance

The certificate on compliance of corporate governance norms from M/s S. Sandeep & Associates, Practicing Company Secretaries is enclosed as **Annexure J** and forms part of this Annual Report

12.10 Certificate from Practicing Company Secretary

A certificate issued by M/s. S. Sandeep & Associates, Practicing Company Secretaries confirming that none of the Directors on the Board of the Company are debarred or disqualified from being appointed or continuing as director of company by the SEBI/Ministry of Corporate Affairs or any such statutory authority is enclosed as **Annexure K.**

12.11 General Shareholder Information

A separate section on General Shareholder Information required under the Listing Regulations have been included in the Annual Report.

Chennai
Date: May 04, 2023

M. Anandan
Executive Chairman
DIN: 00033633

General Shareholder Information

Corporate Information:

Incorporation date	December 11, 2009
Corporate Identification Number	L65922TN2009PLC073881
Registered Office Address	No. 8B, Doshi Towers, 8th Floor, No: 205, Poonamallee High Road, Kilpauk, Chennai 600 010.
ISIN for equity shares of the Company	INE852O01025
Date, Time and Venue of the Annual General Meeting	Friday, August 18, 2023 at 11.00 A.M. (IST) The Annual General Meeting (AGM) will be held through video conference in compliance with the applicable guidelines and circulars issued by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI).
Financial year	April 1, 2022 to March 31, 2023
Dividend Payment Date	Not applicable as no final dividend is recommended by the Board
Name & Address of the Stock Exchanges	BSE Limited Phiroze JeeJeebhoy Towers, Dalal street, Mumbai - 400 001. National Stock Exchange of India Limited Exchange Plaza, Floor 5, Plot C/1, Bandra-Kurla Complex, Bandra (East), Mumbai-400051 Equity shares of the Company are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). Non-convertible Debentures issued by the Company are listed on the Wholesale Debt Market segment of BSE. The Company has paid the annual listing fees to both BSE and NSE.
Scrip code/Symbol	BSE: 543335 NSE: APTUS

Stock price data:

Period	BSE			NSE		
	High (₹)	Low (₹)	No. of equity shares traded	High (₹)	Low (₹)	No. of equity shares traded
Apr-22	352.20	321.65	3,40,616	352.20	321.55	10,93,531
May-22	331.70	280.55	3,96,244	334.70	281.00	12,74,314
Jun-22	294.50	221.20	4,15,939	294.70	220.10	17,23,696
Jul-22	296.35	258.15	2,39,990	294.70	258.00	5,15,168
Aug-22	362.20	280.00	20,01,598	362.90	278.80	24,79,252
Sep-22	366.75	294.45	8,02,647	368.00	294.35	68,10,775
Oct-22	341.95	292.15	4,69,515	341.95	293.00	16,61,447
Nov-22	337.80	304.50	17,85,394	339.45	305.10	6,46,820
Dec-22	320.25	272.00	3,06,414	320.00	271.00	36,22,618
Jan-23	308.00	273.70	1,27,544	308.25	273.50	4,77,669
Feb-23	295.60	241.30	2,41,526	295.95	241.20	2,57,138
Mar-23	283.90	234.05	11,98,920	283.70	234.05	76,83,174

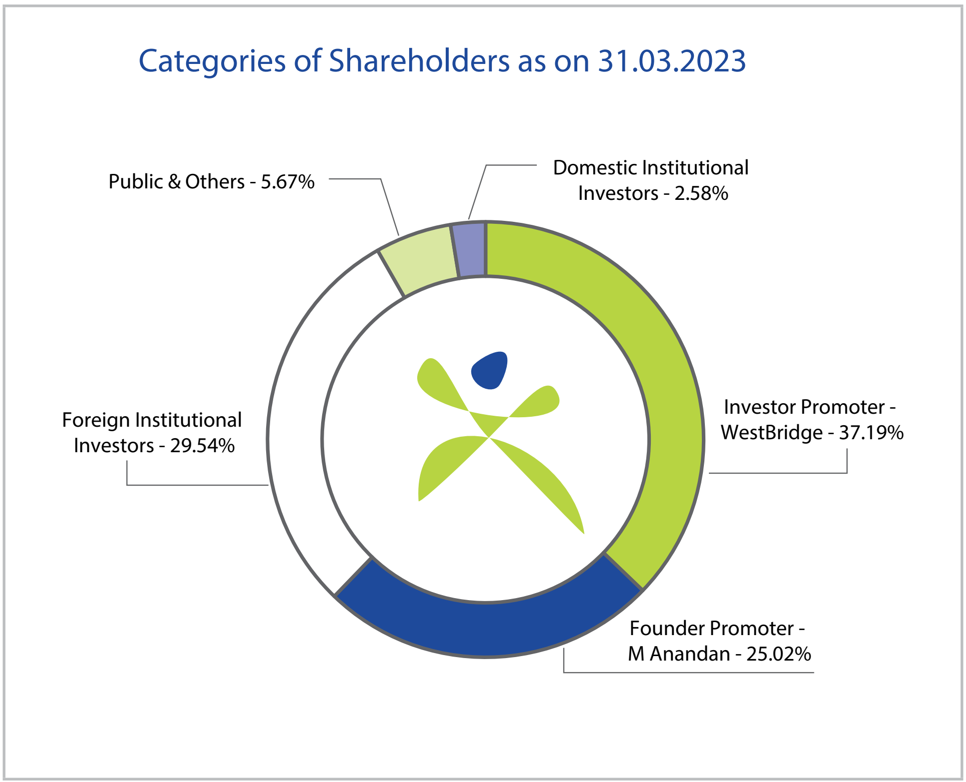
Registrar and Share Transfer Agent	KFin Technologies Limited (Formerly known as KFin Technologies Private Limited) Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana - 500 032 Phone: 18003094001 E-mail: einward.ris@kfintech.com
Trustees for Debenture Holders	Axis Trustee Services Limited The Ruby, 2nd Floor, SW, 29, Senapati Bapat Marg, Dadar West, Mumbai- 400 028 Phone: + 91 022 6230 0451 Email: debenturetrustee@axistrustee.in
Dematerialisation of shares and liquidity	As of 31st March, 2023 99.99% of the company's shares were held in dematerialized form. The company's shares are regularly traded on BSE and NSE.
Share Transfer System	As mandated by SEBI, securities of the Company can be transferred / traded only in dematerialized form. Further, SEBI vide its circular dated January 25, 2022, mandated that all service requests for issue of duplicate certificate, claim from unclaimed suspense account, renewal/ exchange of securities certificate, endorsement, subdivision/splitting/ consolidation of certificate, transmission and transposition which were allowed in physical form should be processed in dematerialized form only. Shareholders holding shares in physical form are advised to avail the facility of dematerialization.
Address for Correspondence	The Company Secretary Aptus Value Housing Finance India Ltd No. 8B, Doshi Towers, 8th Floor, No: 205, Poonamallee High Road, Kilpauk, Chennai 600 010.
Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity;	The company has not issued any Global Depository Receipts or American Depository Receipts or any convertible instruments.
Commodity price risk or foreign exchange risk and hedging activities	The company has no exposure to commodity price risk and commodity hedging activities.
Plant locations	Since the Company is in the business of housing finance, the disclosure with regard to plant location is not applicable

Distribution of Shareholding

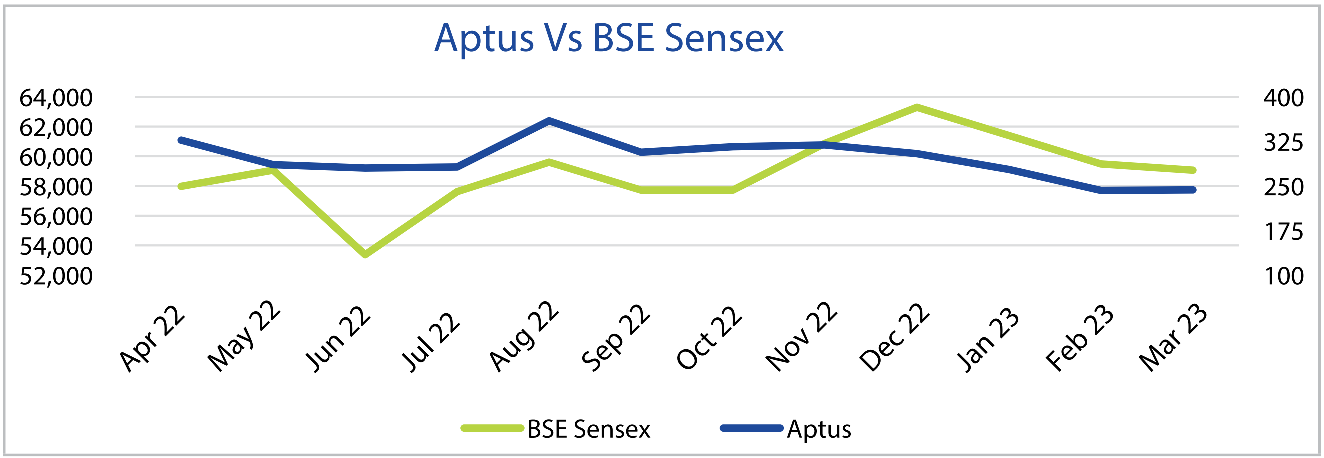
Sl. No.	Category (Shares)	No of Holders	% of Holders	No of Shares	% of Shares
1.	1-5000	1,31,693	99.62	84,02,708	1.69
2.	5001-10000	189	0.14	6,99,464	0.14
3.	10001-20000	110	0.08	8,04,907	0.16
4.	20001-30000	30	0.02	3,80,336	0.08
5.	30001-40000	25	0.02	4,40,264	0.09
6.	40001-50000	12	0.01	2,69,703	0.05
7.	50001-100000	25	0.02	8,81,169	0.18
8.	100001 & Above	118	0.09	48,61,51,700	97.61
	Total	**1,32,202**	**100.00**	**49,80,30,251**	**100.00**

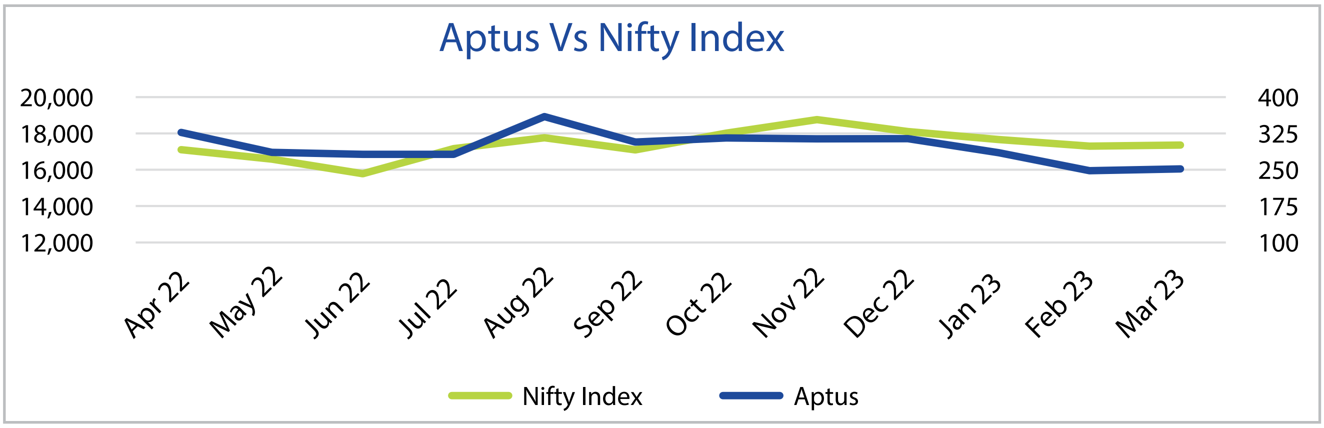
4. Shareholding pattern as on March 31, 2023

S. No.	Category	Total Shares	% Equity
1.	Founder Promoter		
	M. Anandan and his immediate relatives	12,45,97,490	25.02
2.	Foreign Promoter Bodies Corporates		
	a. Westbridge Crossover Fund, LLC	17,17,29,755	34.48
	b. JIH II, LLC	1,09,50,635	2.20
3.	Foreign Corporate Bodies	7,70,98,122	15.48
4.	Foreign Portfolio - Corp	7,00,33,820	14.06
5.	Resident Individuals	1,78,05,944	3.58
6.	Bodies Corporates	91,78,303	1.84
7.	Mutual Funds	60,04,997	1.21
8.	Alternative Investment Fund	68,64,879	1.38
9.	Promoter Trust	25,21,730	0.51
10.	HUF	9,28,646	0.19
11.	Non-Resident Indians	1,79,300	0.03
12.	Non-Resident Indian Non-Repatriable	1,08,212	0.02
13.	Clearing Members	24,594	0.00
14.	NBFC	3,273	0.00
15.	Trusts	551	0.00
	Total	**49,80,30,251**	**100.00**



Performance in comparison to broad-based indices such as BSE Sensex and NSE Nifty





Credit Rating

The credit rating details of the Company as at March 31, 2023 are as follows:

Instrument	Rating Agency	Rating	Outlook
Bank Facilities	ICRA	AA-	Stable
Non-convertible Debentures	ICRA	AA-	Stable
Bank Facilities	CARE	AA-	Stable
Non-convertible Debentures	CARE	AA-	Stable

Transfer of Unpaid/Unclaimed Dividend to Investor Education and Protection Fund (IEPF)

Pursuant to Sections 124 and 125 of the Act read with the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016, the dividend amounts which has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of Investor Education and Protection Fund.

The last date for claiming dividend declared for the current financial year are given below:

Financial Year	Type of dividend	Date of declaration	Last date for claiming unpaid dividend
2022-23	1st Interim Dividend	November 28, 2022	January 05, 2030
2022-23	2nd Interim Dividend	May 04, 2023	June 11, 2030

Claiming of unclaimed dividends before transfer to IEPF

Shareholders are advised to make their claim for the unclaimed dividends in respect of the shares held by them, by contacting the investor support centre of our Registrar and Share Transfer Agent (RTA), KFin Technologies Limited (weblink: KFin Investor Support Centre). The Company has also disclosed the list of shareholders who have not claimed their dividends on its website (weblink: details of unpaid/unclaimed dividend).

Unclaimed Suspense Account

As on March 31, 2023, the Company does not have any equity shares lying in the unclaimed suspense account.

Details of non-acceptance of any recommendation of any committee of the board which is mandatorily required

During the year under review, there were no such recommendations made by any Committee of the Board that were mandatorily required and not accepted by the Board.

Loans and advances in the nature of loans to firms/companies in which directors are interested

There are no loans and advances in the nature of loans to firms/companies in which directors are interested.

Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

During the year under review, the company has not raised funds through preferential allotment or qualified institutions placement as specified under 32 (7A) of the SEBI (LODR) Regulations, 2015.

Fee paid to Statutory Auditors

A consolidated fee of ₹ 76.31 lakhs was paid to the Statutory Auditors by the Company and its wholly owned subsidiary for FY 2022-23

Compliance with mandatory Requirements and adoption of the non-mandatory Requirements of Corporate Governance

The Company has complied with all the mandatory requirements of Corporate Governance as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Online Services provided by the Registrar and Share Transfer Agent

The shareholders can reach out to the Registrar and Share Transfer Agent, Kfin Technologies Limited, through the modes given below.

Particulars	Information
Email ID	einward.ris@kfintech.com
Toll Free	1800 309 4001
WhatsApp Number	(91) 910 009 4099
Investor Support Centre (Investors can use a host of services like post a query, raise a service request, track the status of their DEMAT and REMAT request, Dividend status, interest and redemption status, upload exemption forms (TDS), download all ISR and other related forms)	https://ris.kfintech.com/clientservices/isc
E-sign facility (Common and simplified norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and Nomination)	https://ris.kfintech.com/clientservices/isr/isr1.aspx?mode=f3Y5zP9DDNI%3d
KYC Status (Shareholders can access the KYC status of their folio)	https://ris.kfintech.com/clientservices/isc/kycqry.aspx
KPRISM: A mobile application as well as a webpage which allows users to access folio details , interest and dividend status, FAQs, ISR Forms and full suite of other investor services.	https://kprism.kfintech.com/signin.aspx
KFIN Corporate Website Link	https://www.kfintech.com
Corporate Registry (RIS) Website Link	https://ris.kfintech.com

For and on behalf of the Board of Directors

M. Anandan
Executive Chairman
DIN: 00033633

Chennai
May 04, 2023

Annexure – E
Business Responsibility & Sustainability Report

Section A: General Disclosure

I. Details of the listed entity

1. **CIN:** L65922TN2009PLC073881
2. **Name of the Listed entity:** APTUS VALUE HOUSING FINANCE INDIA LIMITED
3. **Year of Incorporation:** 2009
4. **Registered office address:** No. 8B, Doshi Towers, 8th Floor, No:205, Poonamallee High Road, Kilpauk Chennai 600010
5. **Corp office address:** No. 8B, Doshi Towers, 8th Floor, No:205, Poonamallee High Road, Kilpauk Chennai 600010
6. **Email:** cs@aptusindia.com
7. **Telephone Number:** +91 44 4565 0000
8. **Website:** www.aptusindia.com
9. **Financial Year for which reporting is to be done:** April 01, 2022 - March 31, 2023
10. **Name of the Stock Exchange(s) where shares are listed:** BSE & NSE
11. **Paid-up Capital :** Rs. 99,60,60,502
12. **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:** Sanin Panicker, Company Secretary and Compliance officer, cs@aptusindia.com, Tel: +91 44 4565 0000
13. **Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together):** The disclosures under this report are made on a consolidated basis, unless otherwise specified.

II. Products/Services

14. **Details of business activities (accounting for 90% of the turnover)**

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the Entity
1.	Financial Services	The Company provides long term housing finance and loans against property .	100%

15. **Products / services sold by the entity (accounting for 90% of the entity's turnover)**

S. No.	Products / service	NIC code	% of Turnover of the Entity
1.	The primary product offered by the Company are Home Loans for construction or purchase of houses/ flats and for house renovation/ extension. In addition to home loans, the Company offers Loan against Property for refinancing of funds used for the purpose of construction/ purchase of house. Aptus Finance India Private Limited, the wholly owned subsidiary of the company is engaged in the business of providing finance in the form of loan against immovable properties.	64910	100%

III. Operations

16. **Number of locations where plants and/or operations/offices of the entity are situated:**

Location	Number of plants	Number of offices
National	NA	231
International		-

*The Company is a Non-Banking Financial Company - Housing Finance Company (NBFC-HFC) and hence does not undertake any manufacturing activities.

17. **Markets served by the entity**

a) **Number of locations**

Location	Number
National (States)	5 States and 1 Union territory
International (Countries)	NIL

b) **What is the contribution of exports as a percentage of the total turnover of the entity?**

NIL

c) **Types of customers and beneficiaries**

The Company is primarily focused in serving the low- and middle-income self-employed customers in the rural and semi-urban markets of India.

IV. Employees

18. **Employees at end of the year**

S. No.	Particulars	Total	Male		Female	
			No	%	No	%
Employees						
1.	Permanent	2,405	2,328	97%	77	3%
2.	Other than permanent	-	-	-	-	-
3.	Total	2,405	2,328	97%	77	3%
Workers						
1.	Permanent	-	-	-	-	-
2.	Other than permanent	-	-	-	-	-
3.	Total	-	-	-	-	-

Differently Abled Employees and workers:

S. No.	Particulars	Total	Male		Female	
			No	%	No	%
Employees						
1.	Permanent	-	-	-	-	-
2.	Other than permanent	-	-	-	-	-
3.	Total	-	-	-	-	-
Workers						
4.	Permanent	-	-	-	-	-
5.	Other than permanent	-	-	-	-	-
6.	Total	-	-	-	-	-

19. **Participation/ Inclusion/ Representation of women:**

	Total	No. and percentage of Females	
		No.	%
Board of Directors*	12	1	8.33
Key Managerial Personnel*	4	1	25.00

*Includes Board members and Key Managerial Personnel of the Wholly owned subsidiary.

20. **Turnover rate for permanent employees and workers:**

	FY 2023 (Turnover Rate)			FY 2022 (Turnover Rate)			FY 2021 (Turnover Rate)		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Permanent Employees	22%	1%	23%	18%	1%	19%	15%	2%	17%
Permanent Workers	-	-	-	-	-	-	-	-	-

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. **Names of holding/ Subsidiary/ Associate Companies/ Joint ventures**

S. No.	Name of holding/Subsidiary/ Associate Companies/ Joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate Companies/ Joint venture	% of shares held by listed entity	Does the entity indicated at Column A, participate in the Business Responsibility initiatives of the listed entity
1.	Aptus Finance India Private Limited	Wholly Owned Subsidiary	100%	Yes

VI. CSR Details

22. **(i) Whether CSR is applicable as per Section 135 of Companies Act, 2013: (Yes/No):** Yes

(ii) Turnover (in ₹) 1,093.36 Crs

(iii) Net worth (in ₹) 3,339.33 Crs

VII. Transparency and Disclosure Compliances

23. **Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No) (If yes, then provide web - link for grievance redressal policy	FY 2023			FY 2022		
		Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks
Communities	Yes	-	-		-	-	
Investors (other than shareholders)	Yes	-	-		-	-	
Shareholders	Yes	-	-		-	-	
Customers	Yes	579	-		347	-	
Value Chain Partners	Yes	-	-		-	-	
Others	-	-	-		-	-	

A strong whistleblower policy is available to all our stakeholders. (Weblink : Whistle blower policy)

The Company has also adopted the Grievance Redressal Policy to redress and resolve the customer's complaints (Weblink: Grievance Redressal policy)

24. Overview of the entity's material responsible business conduct issues

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk /opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	CSR	Opportunity	CSR initiatives creates better brand recognition and positive business reputation among the stakeholders which can, in turn, lead to a competitive advantage.	-	Positive: Contributions made by the Company towards upliftment of the community through various initiatives and partnerships focusing on the health, education, social development among others, elevates the Company's brand value among the local community members as well as contributes towards positive social performance.
2	Affordable housing	Opportunity & Risk	The demand for shelter grows in line with the increase in population and the standard of living. Most of the housing finance Institutions today cater to the needs of upper-middle and high-income customers which are a part of the formal segment and hence the availability of IT returns, salary certificates and income proofs makes the credit assessment relatively easy. But this creates a divide as there is a huge segment that is associated with the informal, low income, and middle-income segments which remains unserved and underserved. Thus, the aspirational first home remains a dream for most of the Indians from lower / middle-income backgrounds. This stratum is highly susceptible to the volatility of the economic environment which calls for a high level of empathy and awareness of the impact of the economic vicissitudes on their lifestyle. The credit assessment needs to be unique and appropriate and suitable for each of these businesses.	Affordable housing refers to housing units for the Lower & Middle Income Group where the sale prices of this house would be determined by States/ UTs with due consideration to the affordability of the targeted segment.	Positive: Enabling our fellow countrymen and women from the Low and Middle Income (LMI) segment to construct their dream home Negative: The lack of adequate documents makes the assessment of their income a challenging task and calls for an individualistic approach.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the National Guidelines on Responsible Business Conduct (NGRBC) Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elementsof the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	All the policies adopted by the company are approved by Board								
c. Web Link of the Policies, if available	https://www.aptusindia.com/policies/								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes, the Company has translated the policies in to procedures with respect to the activities carried out by the Company.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, certain policies of the Company also extends to our value chain partners								
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g.SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The Company is ISO/IEC 27001:2013 Certified for Information Security Management System								

5. Specific commitments, goals and targets set by the entity with defined timelines, if any.

A. Strategic Priorities

- Continue to focus on low- and middle-income self-employed customers in rural and semi-urban markets.
- Increase penetration in the existing markets and expand branch network in large housing markets.
- Continue to be an asset quality focused financier and cost efficient.
- Prudent ALM, gearing and access to low-cost funds from diverse sources

B. Goals for 2024

- To keep increasing the customers through reference from existing customers and from ecosystem partners through referral App.
- To increase reach in the existing markets as well as strategic contiguous expansion in new markets.
- To continue with low opex model with focus on productivity.
- Expanding digital footprints in operational workflows for greater productivity, accuracy and cost efficiency.

6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.

- The Company has increased its branches to 231.
- The Company is currently serving more than 1,00,000+ active customers who are especially from lower and middle class.
- The Company has started operations in Odisha

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) – Please refer the letter from Chairman on page no. 04

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. M. Anandan Executive Chairman
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, details.	Yes. The Executive Chairman along with senior management of the Company monitors various aspects of social, environmental, governance and economic responsibilities of the Company on a continuous basis. The CSR committee of the Board also reviews the updates on regular basis.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director /Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	The Company periodically reviews all policies and changes required, if any are made to the policies and processes.																	
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	The Company is in compliance with the regulations to the extent applicable.																	

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	No independent assessment/evaluation is carried by external agency. However all policies of the Company are reviewed internally by the Board at least once in a year.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)							Y		
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

P1 - Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year

Segment	Total Number of Trainings and Awareness Programmes Held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	1	Familiarization Program	100
Key Managerial Personnel	1	Leadership development & Familiarization program	100
Employees other than BoD and KMPs	30	Skill upgradation, health and safety and Prohibition of sexual harassment	81
Workers	Nil	Nil	Nil

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year. Disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website:

Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount	Brief of the Case	Has an appeal been preferred
Penalty/Fine					
Settlement		Nil			
Compounding fee					

Non-Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount	Brief of the Case	Has an appeal been preferred
Imprisonment		Nil			
Punishment					

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
No instances of any monetary or non-monetary actions against the Company, Directors/KMPs	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, details in brief and if available, a web-link to the policy:

Yes, the Company has adopted anti-bribery & anti-corruption policy which is applicable to the Directors and employees of the Company and its subsidiary.

(weblink for Anti-bribery & Anti-corruption policy)

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption during the financial year (FY2023) and during the previous financial year (FY2022)

	FY 2023	FY 2022
Directors	Nil	Nil
KMP's	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	FY 2023		FY 2022	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

7. Any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest : Nil

P1 - Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year.

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
	Nil	

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No)

Yes. The Company has adopted a code of conduct for the Board of Directors to avoid situations in which their personal interests could conflict with the interests of the Company.

(weblink for code of conduct)

None of the Directors participate in the discussion or voting thereof, with respect to any item in the agenda in which they are interested.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe.

P2 – Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D/ IT			-
Capex	Rs. 159.63 lakhs	Rs. 145.35 lakhs	Given the nature of our business, the details provided are restricted to capital expenditure on Information Technology (IT). Digital technology plays a crucial role as it not only saves time but also enhances the overall customer experience by reducing paperwork and manual processes.

2. Does the entity have procedures in place for sustainable sourcing? If yes, what percentage of inputs were sourced sustainably?

Not applicable

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Since the Company is a housing finance company, the key waste products are primarily paper and e-waste. The Company has put in place an environment-friendly system for management of its e-waste and paper waste.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same. EPR is not applicable.

P2. Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its services (If yes, give details in the following format)

We are an entirely retail focused housing finance company primarily serving low and middle income self-employed customers in the rural and semi-urban markets of India. We offer customers home loans for the purchase and self-construction of residential property, home improvement and extension loans, loans against property and business loans. The life cycle of our lending operations includes sourcing, underwriting, valuation and legal assessment of collateral, disbursement, collection and monitoring of loans. We have leveraged technology in various facets of our operations and have robust systems and processes to assist us with our underwriting and collections functions and to monitor asset quality. These systems and processes are also technology enabled with a view to ultimately digitize the entire life cycle of a loan from origination to closure. We have also implemented digitized collection models, which has led to an increase in our collection efficiencies.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of the Product/Service	Description of the risk	Action Taken
	Not Applicable	

3. Percentage of recycled or reused input material to total material (by value) used in for providing services.

Indicate input material	Recycled or re - used input material to total material	
	FY 2023	FY 2022
	Not Applicable	

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tones) reused, recycled, and safely disposed, as per the following format

	FY 2023			FY 2022		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)						
E-waste		Not Applicable			Not Applicable	
Hazardous waste						
Other waste						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category:

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	Not Applicable

PRINCIPLE 3. Businesses should respect and promote the well-being of all employees, including those in their value chains.

P3 Essential Indicators

1. a. Details of measures for the well-being of employees

The company has adopted (i) health and safety policy and (ii) diversity and inclusion policy for the well-being of the employees.

(weblink: health and safety policy) (weblink: diversity and inclusion policy)

Further all the employees are protected with hospitalization insurance, personal accidental cover and group term life insurance. The company has adopted Equal Employment Opportunity Policy to ensure that there is no discrimination between employees on the grounds of age, gender, race, national or ethnic origin, language, religion, political beliefs, sexual orientation or physical ability.

Category	% of employees covered by Insurance Policies										
	Total A	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	2,328	1,960	84%	2,328	100%	0	0	0	0	0	0
Female	77	66	85%	77	100%	77	100%	0	0	0	0
Total	2,405	2,026	84%	2,405	100%	77	100%	0	0	0	0
Other than Permanent Employees											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

b. Details of measures for the well-being of workers

Category	% of workers covered by Insurance Policies										
	Total A	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than Permanent Workers											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year

Benefits	FY2023			FY2022		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and Deposited with The authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and Deposited with The authority (Y/N/N.A.)
PF	100	NA	Y	100	NA	Y
Gratuity	100	NA	N.A.	100	NA	N.A.
ESI	50	NA	Y	57	NA	Y
Others	-	-	-	-	-	-

3. Accessibility of workplaces:

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Your Company does not have any disabled employees on it rolls as at the end of the financial year under review. However, your Company's premises/offices are accessible to people with disabilities, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, web-link to the policy.

Yes, The company has adopted Equal Employment Opportunity Policy to ensure that there is no discrimination between employees on the grounds of age, gender, race, national or ethnic origin, language, religion, political beliefs, sexual orientation or physical ability and the same is available on the website of the Company. (weblink: Equal Employment Opportunity Policy)

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	-	-	NA	NA
Female	100%	100%	NA	NA
Total	100%	100%	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief

	Details of the Mechanism
Permanent workers	Not Applicable
Other than permanent workers	Not Applicable
Permanent employees	Yes. The Company has developed an online HR management system to enable the employees to raise concerns internally. Also, whistle blower policy has been introduced in HRMS portal which enables the employees to share confidential information directly with the HR department.
Other than permanent employees	NA

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity: The Company does not have any employees/workers associations.

Category	FY2023			FY2022		
	Total Employees / Workers (A)	No of employees or workers who are part of the association (B)	% B/A	Total Employees / Workers (A)	No of employees or workers who are part of the association (B)	% B/A
Total Permanent Employees	Not Applicable					
- Male						
- Female						
Total Permanent Workers						
Male						
Female						

8. Details of training given to employees and workers

Category	FY 2023					FY 2022				
	Total A	On health and safety measures		On skill upgradation		Total D	On health and safety measures		On skill upgradation	
		No. B	% (B/A)	No. C	% C/A)		No. E	% (E/D)	No. F	% (F/D)
Employees										
Male	2,328	1,915	82%	1,915	82%	2,211	472	21%	472	21%
Female	77	55	71%	55	71%	60	12	20%	12	20%
Total	2,405	1,970	81%	1,970	81%	2,271	484	21%	484	21%
Workers										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

9. Details of performance and career development reviews of employees and worker

Category	FY2023			FY2022		
	Total A	Employees covered B	% (B/A)	Total C	Employees covered D	% (D/C)
Employees						
Male	2,328	1,915	82%	2,211	472	21%
Female	77	55	71%	60	12	20%
Total	2,405	1,970	81%	2,271	484	21%
Workers						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA

10. a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Yes, the Company has adopted a health and safety policy to maintain a safe work environment that is free from violence, harassment, intimidation and other unsafe or disruptive conditions due to internal and external threats. Further all the employees are protected with hospitalization insurance, personal accidental cover and group term life insurance.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?+

The Company is in the business of providing housing finance loans and hence work related hazards are relatively lower as compared to other industries.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

The Company is in the business of providing housing finance loans and there are no workers employed by the Company. Hence this is not applicable.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, all employees of the Company are covered with hospitalization insurance, personal accidental cover and group term life insurance.

11. Details of Safety Related Incidents

Safety Incident	Category	FY2023	FY2022
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NIL	
	Workers		
Total recordable work related injuries	Employees		
	Workers		
No of Fatalities	Employees		
	Workers		
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees		
	Workers		

12. Describe the measures taken by the entity to ensure a safe and healthy work place

We maintain a safe work environment that is free from violence, harassment, intimidation and other unsafe or disruptive conditions due to internal and external threats. All our employees work in low-risk environment and are not exposed to any significant occupational health and safety hazards.

13. Number of Complaints on the following made by employees and workers

	FY2023			FY2022		
	Filed During the Year	Pending Resolutions end of the year	Remarks	Filed During the Year	Pending Resolutions end of the year	Remarks
Working Conditions	NIL	NIL	-	NIL	NIL	-
Health & Safety	NIL	NIL	-	NIL	NIL	-

14. Assessments of the year

	% of Offices/Branches Assessed by the entity or by the authorities or third parties
Health & Safety Practices	100%
Working Conditions	100%

15. Details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The Company has conducted training programmes to create awareness among the employees regarding workplace safety.

P3 Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

(A) Employees:

Yes. The Company has hospitalization insurance, personal accidental cover and group term life insurance for the employees. In case of death of an employee who was granted stock options under the ESOP schemes of the Company, the unvested options shall immediately vest with the nominee of such employee.

(B) Workers: Not Applicable

2. Provide measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

We have established a close monitoring and tracking mechanism to ensure that statutory dues have been deducted and deposited by the value chain partners.

3. Number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment.

	No of affected employees/workers		No of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY2023	FY2022	FY2023	FY2022
Employees	NIL	NIL	NIL	NIL
Workers	NA	NA	NA	NA

4. Does the entity provide Transition assistance programs to facilitate continued employability and the management of career ending resulting from retirement or termination of employment (Yes/No)

We currently do not have any such transition assistance programs.

5. Details of assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed
Health & Safety Practices	NIL
Working Conditions	NIL

6. Details of any Corrective actions taken / underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

No corrective actions were required to be taken to address such concerns.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.

P4 Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

We consider individuals, groups, institutions or entities that add value or constitute a core part of the business value chain as key stakeholders. Our key stakeholders include customers, employees, investors, regulators, lenders and communities.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as vulnerable & marginalized group	Channels of Communication	Frequency of Engagement	Purpose and scope of engagement including key topic and concerns raised during such engagement
Customers	Yes, if they qualify based on specific criteria such as income, gender, etc.	Customer care: telephone and e-mail Branches: Notice Board and personal interaction Digital means: Customer App, SMS, WhatsApp and Social Media platforms	Regular and need basis	Stay in touch with the customer throughout the life cycle of the loan, address any issues faced by the customers and provide updates on the products/ services offered by the Company.
Employees	No	Personal interaction, e-mails, HRMS, appraisal process and training programmes	Regular and need basis	Ensuring safety and well-being of employees and to provide continuous learning and career development. To redress employee grievances and to increase employment opportunities in rural and semi-urban areas
Investors/ shareholders	No	Investor meetings/ calls, conferences, earnings call, press releases, stock exchange intimations, investor presentations, newspapers, Annual General Meetings and annual reports.	Regular and as per statutory requirements	Update on business and financial information. Adherence to regulatory compliances, governance, transparency and ethical practices
Regulators and lenders	No	E-mails, meetings, concall and regulatory filings	Regular and as per statutory requirements	Update on new regulations and amendments with respect to existing regulations, inspections and approvals
Communities	No	Directly and through implementing agencies	Regular and need basis	To implement CSR activities, gather feedback and understand needs and engage them in the projects.

P4 Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Engagement with stakeholders is a continuous process and such engagement is driven by the senior management of the Company. The Board is updated on various development and feedbacks on economic, environmental, and social topics on a quarterly basis.

2. Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. The engagement with stakeholders on a continuous basis helps in meeting the expectations for enabling the Company to serve its stakeholders better. The Company has different stakeholders at different level, the concerned department takes the feedback and implement the changes. The Consultation also leads to changes in the policies of company.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Company endeavor to bring meaningful difference in the lives of its associated stakeholders in thrust areas like healthcare, education and social development. Several initiatives towards healthcare, education, and social development have been taken under Corporate Social Responsibility activities of the Company.

PRINCIPLE 5. Businesses should respect and promote human rights.

P5 Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format.

The Company has Board approved policies on code of conduct, equal employment opportunity policy, diversity and inclusion policy and prevention of sexual harassment policy. Regular trainings are done for employees to make them aware about the said policies.

These policies are also hosted on the website of the company for easy access of the employees. Further all employees of the Company are provided with a copy of Employee guide as a part of employee joining kit on the first day of their joining for better understanding of various policies adopted by the Company.

Category	FY2023			FY2022		
	Total A	No of Employees/ workers covered (B)	% (B/A)	Total A	No of Employees/ workers covered (B)	% (B/A)
Employees						
Permanent	2,405	1,970	81%	2,271	1,465	64%
Other than permanent	NA	NA	NA	NA	NA	NA
Total Employees	2,405	1,970	81%	2,271	1,465	64%
Workers						
Permanent	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA
Total Workers	NA	NA	NA	NA	NA	NA

2. Details of minimum wages paid to employees, in the following format:

Category	FY2023					FY2022				
	Total (A)	Equal to Minimal Wage		More than Minimal Wages		Total (D)	Equal to Minimal Wage		More than Minimal Wages	
		(B)	% (B/A)	(C)	% (C/A)		(E)	% E/D	(F)	% F/D
Employees										
Permanent										
Male	2,296	-	-	2,296	100	2,211	-	-	2,211	100
Female	64	-	-	64	100	60	-	-	60	100
Other than Permanent										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Workers										
Permanent										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than permanent										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

3. Details of remuneration/salary/wages, in the following format:

The remuneration paid to the Directors and KMPs are in accordance with the Appointment, Evaluation and Remuneration Policy of the Company which is available on the website of the Company. (weblink: Appointment, Remuneration & Evaluation policy)

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	8	₹ 13,87,500/-	1	₹ 13,25,000/-
Key Managerial Personnel (KMP)	1	₹ 15,35,352/-	1	₹ 1,68.000/-
Employees others and BoDs and KMPs	2,293	₹ 3,09,100/-	64	₹ 3,46,701/-
Workers	-	-	-	-

(Mr. M Anandan, Executive Chairman is categorized as part of Board of Directors for the purposes of this table)

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the company has set up a Disciplinary Committee to look into complaints of unethical practices against employees. The company has also setup an Internal Complaints Committee to provide protection against Sexual Harassment of women at workplace.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has Board approved policies in place viz. grievance redressal policy, policy on prevention of sexual harassment at workplace, whistle blower policy etc. for handling the grievances of various stakeholders.

6. Number of Complaints on the following made by employees and workers:

Complaints	FY2023			FY2022		
	Filed during the year	Pending resolutions end of the year	Remarks	Filed during the year	Pending resolutions end of the year	Remarks
Sexual Harassment	Nil					
Discrimination at workplace						
Child Labor						
Forced labor/Involuntary labor						
Wages						
Other human rights related issues						

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has in place an equal employment and opportunity policy and policy on prevention of sexual harassment at workplace, which provides a mechanism to prevent adverse consequences to the complainant and respondent in harassment cases.

8. Do human rights requirements form part of the Company's business agreements and contracts?

Yes, in certain business agreements and contracts where relevant.

9. Assessments of the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Nil
Forced/Involuntary labour	
Sexual Harassment	
Discrimination at workplace	
Wages	
Others	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above: Nil

P5 Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints

There has been no case of human rights grievances/complaints; hence, no changes to the business process.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

No specific human rights due diligence has been conducted.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

We are committed to ensuring full compliance with the Persons with Disabilities Act, 2016 as we actively enhance our premises to provide optimal accessibility for all visitors, including differently abled.

4. Details on assessment of value chain partners

Assessment type	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	No specific assessment in respect of the value chain partners has been carried out.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – Please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No corrective actions were required to be taken by the Company for the year under review.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

P6 Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY2023	FY2022
Total electricity consumption (A)	Not Tracked	
Total fuel consumption (B)		
Energy consumption through other sources (C)		
Total energy consumption (A+B+C)		
Energy intensity per rupee of turnover		
(Total energy consumption/ turnover in rupees)		
Energy intensity (optional) – the relevant metric may be selected by the entity		

Indicate if any Independent assessment/ evaluation/assurance has been carried out by an external agency? No.

2. Does the Company have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N)

Not Applicable

3. Details of disclosures related to water withdrawal from sources in Kiloliters

Usage of water in the Company is restricted to human consumption only. We educate our employees about the ways to conserve water and also perform routine checks to identify leakage in pipes, joints or valves.

Parameter (i)	FY2023	FY2022
Surface Water (ii)	-	-
Ground Water (iii)	-	-
Seawater / Desalinated water (Iv)	-	-
Third Party Water (v)	-	-
Others (v)	-	-
Total Volume of Water Withdrawn (i+ii+iii+iv+v)	-	-
Total volume of water consumption	-	-
Water Intensity per rupee of turnover (Water consumed/ turnover)	-	-
Water Intensity (optional)	-	-

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

4. Has the entity implemented a mechanism for Zero Liquid Discharge Implemented? If yes, details of its coverage and implementation: Not applicable

5. Details of air emissions (other than GHG emissions) by the entity: Not Applicable

Parameter	Unit	FY2023	FY2022
NOx	-	-	-
SOx	-	-	-
Particular Matter	-	-	-
Persistent Organic Pollutants	-	-	-
Volatile Organic Compounds	-	-	-
Hazardous air pollutants	-	-	-
Other please specify	-	-	-

Independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

6. Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity

Parameter	Unit	FY2023	FY2022
Total Scope 1 emissions Break-up of the GHG into (CO_2, CH_4, N_2O, HFCs, PFCs, if available) SF_6, NF_3,	Metric tonnes of CO_2 equivalent	Not Tracked	Not Tracked
Total Scope 2 emissions Break-up of the GHG into (CO_2, CH_4, N_2O, HFCs, PFCs, if available) SF_6, NF_3,	Metric tonnes of CO_2 equivalent	Not Tracked	Not Tracked
Total Scope 1 and Scope 2 emissions per rupee of turnover	-	-	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then details: No

8. Details related to waste management by the entity

Since the Company is a housing finance company, the key waste products are primarily paper and e-waste. The Company has put in place an environment-friendly system for management of its e-waste and paper waste.

Parameter Total Waste generated (in metric tonnes)	FY2023	FY2022
Plastic Waste (A)	-	-
E-Waste (B)	Not tracked	Not tracked
Bio Medical Waste (C)	-	-
Construction and Demolition Waste	-	-
Battery Waste (E)	-	-
Radioactive Waste (F)	-	-
Other Hazardous waste (G)	-	-
Other Non-hazardousWaste generated (H). if any. (Break-up by composition i.e. by materials relevant to the sector)	-	-
Total (A+B+C+D+E+F+G+H)	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of Waste		
(i)Recycled	-	-
(ii)Re-Used	-	-
(iii) Other recovery options	-	-
Total	-	-

Independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

9 Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes

Since the Company is a housing finance company, the key waste products are primarily paper and e-waste. Employees are trained to segregate recyclable and non-recyclable waste with an aim to reduce non-recyclable waste. The company doesn't use any hazardous and toxic chemicals.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required – details: Not applicable

S. No.	Locations of operations / Offices	Type of Operations	Whether the conditions of Environmental approval / Clearance are being complied with? (Y/N) If no, the reasons There of and corrective action taken, if any.
-	-	-	-

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year : Not applicable

Name and details of the project	EIA Notification number	Date	Whether conducted by independent external agency	Results communicated in public domain	Relevant Weblink
-	-	-	-	-	-
-	-	-	-	-	-

12. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Yes/No).

The Company is in compliance with environmental norms to the extend applicable.

Sl. No.	The law/regulation / guidelines which was not complied with	Details of the non-compliance	Any fines / penalties /Action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
		Nil		

P6 Leadership Indicators

1. Break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources: Not applicable

Parameter	FY2023	FY2022
From Renewable Sources		
Total electricity consumption (A)	-	-
Total Fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total Energy consumed (A+B+C)	-	-
From Non Renewable Sources		
Total electricity consumption (D)	-	-
Total Fuel consumption (E)	-	-
Energy consumption through other sources (F)	-	-
Total Energy consumed (D+E+F)	-	-

Any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

2. Provide details related to water discharged : Not applicable

Parameter	FY2022	FY2022
Water discharge by destination and level of treatment		
(i) To Surface Water		
- No treatment	-	-
- With Treatment with Level of Treatment	-	-
(ii) To Ground Water		
- No treatment	-	-
- With Treatment with Level of Treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With Treatment with Level of Treatment	-	-
(iv) Sent to third parties		
- No treatment	-	-
- With Treatment with Level of Treatment	-	-
(v) Other		
- No treatment	-	-
- With Treatment with Level of Treatment	-	-
Total Water Discharged (In Kiloliters)	-	-

Independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): Not applicable

For each branch located in areas of water stress, the following information:

(i) Name of the area: Not applicable

(ii) Nature of operations: Not applicable

(iii) Water withdrawal, consumption and discharge: Not applicable

Parameter	FY2023	FY2022
Surface Water (ii)	-	-
Ground Water (iii)	-	-
Seawater / Desalinated water (iv)	-	-
Third Party Water (v)	-	-
Others (v)	-	-
Total Volume of Water Withdrawn in Kiloliters	-	-
Total volume of water consumption	-	-
Water Intensity per rupee of turnover (Water consumed/ turnover)	-	-
Water Intensity (optional)	-	-

4. Details of total Scope 3 emissions & its intensity

Parameter	Unit	FY2023	FY2022
Total Scope 3 emissions Break-up of the GHG into (CO_2, CH_4, N_2O, HFCs, PFCs, if available) SF_6, NF_3,	Metric tonnes of CO_2 equivalent	-	-
Total Scope 3 emissions per rupee of turnover	-	-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

If any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities: Not applicable

6. Any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, details of the same as well as outcome of such initiatives.

Sl. No	Initiative Undertaken	Details of the initiative (Web-link, if any along with summary)	Outcome of the initiative
1.	Digital onboarding of customers	Company has developed a sales app which help sales executives to collect customer information from the customer's location and allow him to upload it into the lending system for quick processing of loan. It enables the sales executive to complete the collection and verification of KYC details	Saving paper, time and energy of all involved
2.	Customer App	Company has developed a customer services app which can be used by the customer to download sanction letters, make payments, view latest transactions, etc.	Customer can avoid branch visits and can save time, fuel and energy.

7. Does the entity have a business continuity and disaster management plan?

Yes, the Company has a Board approved business continuity and disaster management plan. The policy covers measures like risk assessment, business impact analysis, recovery plan, training and awareness programmes.

8. Significant adverse impact to the environment, arising from the value chain of the entity. Mitigation or adaptation measures taken by the entity in this regard.

Since the company's nature of business is to provide housing loans, there has been no adverse impact on environment.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts: Nil

PRINCIPLE 7. Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

P7 Essential Indicators

1 a. Number of affiliations with trade and industry chambers/ associations

We have membership with one trade and industry chamber/association.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to

SL No	Name of the Industry Chamber/Associations	Reach of trade and industry chambers/ associations (State/National)
1	Finance Industry Development Council (FIDC)	National

Note: The above mentioned membership in FIDC is in the name of Aptus Finance India Private Limited, which is a wholly-owned subsidiary of the Company.

2. Details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of the authority	Brief of the case	Corrective Action Taken
	Not applicable	

P7 Leadership Indicators

1. Details of public policy positions advocated by the entity

The Company does not take part in any lobbying and has not propagated any public policy positions

Sl No	Public Policy Advocated	Method Resorted for such advocacy	Whether information available in public domain? (Yes/No	Frequency of Review by Board (Annually/ Half yearly/Quarterly /Others –please specify)	Web Link if any
-	-	-	-	-	-

PRINCIPLE 8. Businesses should promote inclusive growth and equitable development

P8 Essential Indicators

1. Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year: Not applicable

Name and brief details of project	SIA notification number	Date of Notification	Whether conducted by independent external agency Yes/No	Results communicated in Public domain	Relevant weblinks
-	-	-	-	-	-
-	-	-	-	-	-

2. Information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by the entity: Not applicable

S No	Name of the project for which R&R is ongoing	State	District	No of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amount paid to PAFs in FY (INR)
-	-	-	-	-	-	-
-	-	-	-	-	-	-

3. Details of mechanisms to receive and redress grievances of the community.

The Company has a dedicated customer care department which handles the queries/complaints of the customers via telephone/e-mail. Further the customers also have the option to contact the customer care through the "Aptus E-Seva" mobile application and also through WhatsApp. The grievance redressal policy for addressing the grievance/ complaints of the customers is available on the website of the Company. (weblink: Grievance Redressal Policy)

The Board of Directors of the Company had adopted the Whistle Blower Policy. A mechanism has been established for all stakeholders including Directors, employees, vendors and suppliers to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimisation of employees who avail of the mechanism and allows direct access to the Chairperson of the audit committee in exceptional cases. The Audit Committee reviews periodically the functioning of whistle blower mechanism.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers : Not applicable

	FY2023	FY2022
Directly sourced from MSMEs/ small producers/service providers	-	-
Sourced directly from within the district and neighboring districts	-	-

P8 Leadership Indicators

1. Details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above): Not applicable

Details of negative social impacts identified	Corrective Action Taken
-	-
-	-

2. Information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies: Nil

S. No	State	Aspirational District	Amount Spent (₹)
-	-	-	-
-	-	-	-

3. (a) Do you have preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No): No

(b) From which marginalized /vulnerable groups do you procure?: Not applicable

(c) What percentage of total procurement (by value) does it constitute?: Not applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge: Not available

SL No	Intellectual Property based on traditional Knowledge	Owned/Acquired	Benefit Shared	Basis of Calculating Benefit Share
-	-	-	-	-
-	-	-	-	-

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved: Not available

Name of Authority	Brief of the case	Corrective action taken
-	-	-
-	-	-

6. Details of Beneficiaries of CSR Projects

SL No.	CSR Project	No of Persons Benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Education	2,530	100
2.	Healthcare & Social Development	20,000	100

PRINCIPLE 9. Businesses should engage with and provide value to their consumers in a responsible manner

P9 Essential Indicators

1. Mechanisms in place to receive and respond to consumer complaints and feedback.

Aptus believes that achieving complete customer satisfaction through service excellence is the key to our success. The company regularly takes their feedback to improve its systems and processes. Over the years, the customer satisfaction survey has yielded positive results.

The Company has put in place an effective Grievance Redressal Policy for effective redressal of customer complaints. The policy is available on the website of the Company (weblink: Grievance Redressal Policy)

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information:

	As a percentage to total turnover
Environment and social parameters relevant to the product	All our loan product and Most Important Terms and Conditions (MITCs) are completely transparent and disclose all product related details.
Safe and responsible usage	
Recycling and or safe disposal	

3. Number of consumer complaints in respect of the following.

	FY2022		Remarks	FY2022		Remarks
	Received During the Year	Pending Resolution at the end of the year		Received During the Year	Pending Resolution at the end of the year	
Data Privacy	Nil		-	Nil		-
Advertising			-			-
Cyber Security			-			-
Delivery of Essential Services			-			-
Restrictive Trade Practices			-			-
Unfair Trade Practices			-			-
Other			-			-

4. Details of instances of product/Service recalls on account of safety issues: Not applicable

	Number	Reason for Recall
Voluntary Recall	-	-
Forced Recall	-	-

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No)

Yes, the Company has a framework and policy on cyber security and risks related to data privacy. The IT strategy committee of the Company oversees the policy on cyber security and risks related to data privacy. Your Company is ISO/IEC 27001:2013 certified for Information Security Management System.

6. Details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services: No penalty/action taken by regulatory authorities on safety of products/services.

P9 Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

All the information related to products and services offered by the company are available on the website of the Company.

We also use various social media and digital platforms to disseminate information on the products and services that we offer.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The schedule of charges, most important terms and conditions and fair practices code are available at all the branches as well as on the Company's website for easy access of the customers.

We have also created video tutorials to help customers to track their loan application status and also payments through UPI. Weblinks for these videos are given below.

Weblink: https://www.youtube.com/shorts/X8oQQAgAAX0

Weblink: https://www.youtube.com/watch?v=4sr-1tflxfc

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

In the event of any disruption/discontinuation of essential services, we approach the customer directly or through digital mode to ensure continued service.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

The Company displays the information related to its products/services at the branches and also on its website.

5. Information relating to data breaches:

a. Number of instances of data breaches along with impact: Nil

b. Percentage of data breaches involving personally identifiable information of customers: Not applicable

Annexure – F
Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,

APTUS VALUE HOUSING FINANCE INDIA LIMITED
No 8B, Doshi Towers, 8th Floor, No.205, Poonamallee High Road, Kilpauk, Chennai -600 010

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices of M/s. APTUS VALUE HOUSING FINANCE INDIA LIMITED (CIN: L65922TN2009PLC073881) (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023, generally complied with the statutory provisions listed hereunder, and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

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

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder as applicable to the Company;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder as applicable to the Company.

(iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder as applicable to the extent of Foreign Direct Investment. The Company does not have any External Commercial Borrowings or Overseas Direct Investment.

(v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), to the extent applicable:

a) The Securities and Exchange Board of India (Registrars to an Issue and Transfer Agents) Regulations, 1993, regarding Companies Act and dealing with client to the extent of the securities issued;

b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

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

d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

e) The Securities and Exchange Board of India (Issue of Capital and Requirements) Regulations, 2018;

f) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 to the extent applicable;

g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 to the extent applicable;

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; Not applicable for the year under review;

i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; Not applicable for the year under review;

j) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; Not applicable for the year under review;

Further we report that, based on the compliance mechanism established by the Company, which has been verified on test check basis, we are of the opinion that the Company has complied with the provisions of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February

17, 2021 read with Review of regulatory framework for Housing Finance Companies (HFCs) dated October 22, 2020 issued by Reserve Bank of India, National Housing Bank Act, 1987, Circulars, Master circulars, Notifications, Rules and Guidelines as prescribed for Housing Finance Companies;

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

i. Listing agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ii. Secretarial Standards (SS-1) for Board Meeting and Secretarial Standards (SS-2) for General Meetings issued by The Institute of Company Secretaries of India.

We further report that, during the period under review, the Company has, in our opinion complied with the provisions of the applicable Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that

- the Board of Directors of the Company is duly constituted as on the date of this report, with proper balance of Executive, Non-Executive Directors, Women Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance as per the applicable provisions of the Act, and a proper system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through and there were no dissenting views of the members.
- The Company has obtained all necessary approvals under the various provisions of the Companies Act, 2013 to the extent applicable; and
- The Directors have complied with the disclosure requirements in respect of their eligibility for appointment, their independence, wherever applicable and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

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

We further report that, during the audit period the Company has:

a. passed a special resolution for revision in remuneration of Mr. M. Anandan, Chairman & Managing Director at the annual general meeting held on August 19, 2022.

b. passed a special resolution for continuation of appointment of Mr. S. Krishnamurthy as Independent Director pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 at the annual general meeting held on August 19, 2022.

c. passed a special resolution under Section 180(1)(c) of the Act at the annual general meeting held on August 19, 2022 fixing the borrowing limits as Rs. 5000 crores.

d. passed a special resolution under Section 180(1)(a) of the Act at the annual general meeting held on August 19, 2022 permitting the Company for creating charge on its assets upto Rs. 5000 crores.

e. Passed a special resolution for private placement of debentures under Sections 42 and 71 of the Act at the annual general meeting held on August 19, 2022 up to a sum of Rs. 1000 crores.

f. Passed a special resolution for the approval of grant of options to the employees of subsidiary company under Aptus Employee Stock Option Scheme, 2021 at the annual general meeting held on August 19, 2022.

For S Sandeep & Associates

S Sandeep
Managing Partner
FCS No.5853; COP No. 5987
UDIN: F005853E000235060
PR No.: 1116/2021

Place: Chennai
Date: 2nd May 2023

Annexure – G
Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,

APTUS FINANCE INDIA PRIVATE LIMITED
No 8B, Doshi Towers, 8th Floor, No.205,
Poonamallee High Road,
Kilpauk, Chennai -600 010

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices of **M/s. APTUS FINANCE INDIA PRIVATE LIMITED** (CIN: U74900TN2015PTC102252) (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023, generally complied with the statutory provisions listed hereunder, and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

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

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder as applicable to the Company;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder as applicable to the Company.

iv. The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent as applicable to the Company. The Company does not have any Foreign Direct Investment, External Commercial Borrowings and Overseas Direct Investment.

v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), to the extent applicable:

   a. The Securities and Exchange Board of India (Registrars to an Issue and Transfer Agents) Regulations, 1993, regarding Companies Act and dealing with client to the extent of the securities issued;

   b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; Not Applicable for the year under review;

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

   d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ;

   e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2018; Not Applicable for the year under review;

   f. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; Not Applicable for the year under review;

   g. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 to the extent applicable;

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; Not Applicable for the year under review;

   i. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; Not applicable for the year under review,

   j. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; Not Applicable for the year under review;

Further we report that, based on the compliance mechanism established by the Company, which has been verified on test check basis, we are of the opinion that the Company has complied with the provisions of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016 issued by Reserve Bank of India, Circulars, Master circulars, Notifications, Rules and Guidelines as prescribed for Non-Banking Financial Companies;

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

i. Listing agreements entered into by the Company with the BSE Limited as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for listing of its Non-Convertible Debentures.

ii. Secretarial Standards (SS-1) for Board Meeting and Secretarial Standards (SS-2) for General Meetings issued by The Institute of Company Secretaries of India.

We further report that, during the period under review, the Company has, in our opinion complied with the provisions of the applicable Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that

- the Board of Directors of the Company is duly constituted as on the date of this report, with proper balance of Executive, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

- Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance as per the applicable provisions of the Act, and a proper system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- Majority decision is carried through and there were no dissenting views of the members.

- The Company has obtained all necessary approvals under the various provisions of the Companies Act, 2013 to the extent applicable; and

- There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act, 2013, Securities Exchange Board of India Act, 1992, The Securities Contracts (Regulation) Act, 1956, Depositories Act, 1996, Foreign Exchange Management Act, 1999 and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

- The Directors have complied with the disclosure requirements in respect of their eligibility for appointment, their independence, wherever applicable and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

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

We further report that, during the audit period the Company has allotted:

a. Passed a special resolution under Section 180(1) (c) of the Act at the Seventh Annual General Meeting held on September 30, 2022 fixing the borrowing limits as Rs. 1,000 crores.

b. Passed a special resolution under Section 180(1) (a) of the Act at the annual general meeting held on September 30, 2022 permitting the Company for creating charge on its assets upto Rs. 1,000 crores.

c. Passed a special resolution under Section 42 and 71 of the Act at the Seventh Annual General Meeting held on September 30, 2022 for private placement of debentures up to a sum of Rs. 300 crores.

For S Sandeep & Associates

S Sandeep
Managing Partner
FCS No.5853; COP No. 5987
UDIN: F005853E000235082
PR No.: 1116/2021

Place: Chennai
Date: May 02, 2023

Annexure – H

MD & CFO Certificate

We hereby certify that:

1. We have reviewed the audited financial statements and the cash flow statement for the financial year ended 31st March 2023 and that to the best of our knowledge and belief:
    a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
    b. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit committee that there are no:
    a. significant changes in internal control over financial reporting during the year;
    b. significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
    c. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

On behalf of the Board of Directors
For Aptus Value Housing Finance India Limited

Place: Chennai
Date: May 04, 2023

Mr. P. Balaji
Managing Director

Mr. John Vijayan Rayappa
Chief Financial Officer

Annexure – I

Declaration on Code of Conduct

[Pursuant to Regulation 34(3) read with Schedule V (Part D) of SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

This is to confirm that the Board has laid down a Code of Conduct for all board members and senior management of the company. The Code of Conduct has also been posted on the website of the company. It is further confirmed that all directors and senior management personnel of the company have affirmed compliance with the Code of Conduct of the company for the year ended 31 March, 2023, as envisaged in schedule V under regulation 34 (3) of the Listing Regulations.

P Balaji
Managing Director
DIN: 07904681

Place: Chennai
Date: May 04, 2023

Annexure – J

Independent Company Secretary's certificate on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Members,
APTUS VALUE HOUSING FINANCE INDIA LIMITED
No 8B, Doshi Towers, 8th Floor, No.205,
Poonamallee High Road, Kilpauk, Chennai - 600 010

We have examined documents, books, papers, minutes, forms and returns filed and other relevant records maintained by **APTUS VALUE HOUSING FINANCE INDIA LIMITED,** (CIN: L65922TN2009PLC073881) having its Registered Office at No 8B, Doshi Towers, 8th Floor, No. 205, Poonamallee High Road, Kilpauk, Chennai - 600 010, for the purpose of certifying compliance of the conditions of Corporate Governance under Regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2023. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

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

In our opinion and on the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied regarding the conditions of Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended for the financial year ended March 31, 2023.

This Certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For S Sandeep & Associates

S Sandeep
Managing Partner
FCS No.5853; COP No. 5987
UDIN: F005853E000235357
PR No.: 1116/2021

Place: Chennai
Date: May 02, 2023

Annexure – K

Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34 (3) read with Schedule V Para-C Sub clause (10) (i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Members,
APTUS VALUE HOUSING FINANCE INDIA LIMITED
No 8B, Doshi Towers, 8th Floor,
No.205, Poonamallee High Road, Kilpauk, Chennai -600 010

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of APTUS VALUE HOUSING FINANCE INDIA LIMITED (CIN: L65922TN2009PLC073881) having its Registered Office at No 8B, Doshi, Towers, 8th Floor, No.205, Poonamallee High Road, Kilpauk, Chennai - 600 010 (hereinafter referred to as "the Company") as produced before us by the Company for the purpose of issuing this certificate, in accordance with Regulation 34 (3) read with Schedule V Part-C Sub clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and according to the verifications (including Director Identification Number (DIN) Status at the portal www.mca.gov.in) and based on such examination as well as information and explanations furnished to us, which to the best of our knowledge and belief were necessary for the purpose of issue of this certificate and based on such verification as considered necessary, we hereby certify that none of the Directors as stated below on the Board of the Company as on 31st March 2023 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board India / Ministry of Corporate Affairs or any such other statutory authority.

Sr. No.	DIN	Name Of Director	Designation	Date of Appointment
1	00033633	Mr. M Anandan	Chairman & Managing Director	11-12-2009
2	00707839	Mr. K M Mohandass	Independent Director	11-12-2009
3	00066044	Mr. S Krishnamurthy	Independent Director	12-05-2010
4	00589406	Mr. Krishnamurthy Vijayan	Independent Director	14-11-2013
5	01856801	Ms. Mona Kachhwaha	Independent Director	30-05-2020
6	03443982	Mr. V G Kannan	Independent Director	09-03-2021
7	01633893	Mr. Shailesh Mehta	Non-Executive Director	24-12-2009
8	07136443	Mr. Suman Bollina	Non-Executive Director	27-03-2015
9	00163632	Mr. K P Balaraj	Nominee Director	25-11-2014
10	00040789	Mr. Sumir Chadha	Nominee Director	05-11-2019

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S Sandeep & Associates

S Sandeep
Managing Partner
FCS No.5853; COP No. 5987
UDIN: F005853E000235390
PR No.: 1116/2021

Place: Chennai
Date: May 02, 2023

Independent Auditors' Report

To the Member of
Aptus Value Housing Finance India Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Aptus Value Housing Finance India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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 March 31, 2023, and its profit and other comprehensive income , the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of standalone financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the standalone 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 standalone 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone 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 Matters	Auditor's Response
Impairment on Financial Instruments based on Expected Credit Loss model	
Ind AS 109 Financial instruments requires the Company to provide for impairment of its financial instruments. Management estimates impairment provision using Expected Credit loss model (ECL) for the loan exposure as per the Board approved policy. ECL involves an estimation and a significant degree of judgement by the management for development of ECL model and its corresponding application in the ECL model. These judgement and estimates include: • Estimating the behavioral life of the product • Data inputs in relation to ECL model • Application of the macroeconomic factors on a forward-looking basis. • Modification of assets in terms of restructuring • Determination of loan book segmentation based on homogeneity, probability of defaults, loss given defaults and exposure at default. • Management Overlay based on risk assessment and qualitative factors. • Compliance with RBI circulars and assess the level of credit impairment of financial instrument. • Disclosures as required by IND AS 109 and RBI Circular	We have considered the Company's accounting policies for the impairment of financial instruments and their compliance with Ind AS 109. We have reviewed the board policy on ECL and management overlay. We have evaluated the management response upon implementation of various RBI circulars and tested the implementation of requirements as per these circulars on sample basis. We also performed end to end process walkthroughs to identify the key systems, applications and controls used in the ECL processes. Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation. We tested the operating effectiveness of the controls for staging of loans and advances based on their past-due status. Tested a sample of performing (stage I) loans to assess whether any Significant Increase in Credit Risk indicators were present requiring them to be classified under higher stages.

Key Audit Matters	Auditor's Response
	We tested the arithmetical accuracy of computation of ECL provision performed by the Company. We assessed the disclosures included in the Ind-AS financial statements with respect to such allowance / estimate are in accordance with the requirements of Ind AS 109 and Ind AS 107 Financial Instruments: Disclosures and also as per RBI Guidelines.
IT Systems and Controls	
The Company's key financial accounting and reporting processes are highly dependent on information systems including automated controls in information systems, such that there exists a risk that, gaps in the IT control environment could result in the financial accounting and reporting records being misstated. The IT infrastructure is critical for effective and efficient functioning of the Company's business operations as well as for timely and accurate financial reporting. As the IT systems and processes continue to mature in view of the evolving business and regulatory landscape, changes in the technology environment have been carried out by the Company. IT general controls include user access management and change management across applications, networks, database, and operating systems. Due to the pervasive nature and complexity of the IT environment as well as its significance in relation to accurate and timely financial reporting we have identified this area a key audit matter.	Our audit procedures include assessment and identification of key IT applications, and further verifying, testing, and reviewing the design and operating effectiveness of the IT system on the basis of reports /returns and other financial and non-financial information generated from the system on a test check basis. Our audit procedures included: • Obtained an understanding of the IT control environment, IT policies during the audit period. • Testing IT general controls related to User and Application controls, Change Management Controls and Data backup. Where we identified the need to perform additional procedures, we performed alternative procedures.

Information other than the Financial Statements and Auditors' Report thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the standalone financial statements and our auditors' report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Company's annual report, if we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance.

The above information is not made available to us as at the date of this Auditor's report. We have nothing to report in this regard.

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

The Company's Management and 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements 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, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and 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 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone 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 standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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

I. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

II. 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.

c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

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

e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023, from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statement.

g) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act, as amended:

   In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditors' 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 as at March 31, 2023, on its financial position in its standalone financial statements - Refer Note 28.2 of 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;

   iv. a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

   c) Based on audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

   v. As stated in Note 20.2.5 to the standalone financial statements,

   - The interim dividend declared and paid by the company during the year and until the date of this report is in compliance with section 123 of the Act.
   - The Board of Directors of the company at their meeting held on 4th May 2023, have declared the interim dividend for the year ended 31st March 2023. The amount of dividend declared is in accordance with section 123 of the Act, as applicable.

   vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For T R Chadha & Co LLP
Chartered Accountants
ICAI Firm Registration No.
006711N/N500028

Sheshu Samudrala
Partner
Membership No. 235031
UDIN: 23235031BGWCUU1889

Place: Chennai
Date: May 04, 2023

Annexure – A
to the Independent Auditor's Report of even date

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that;

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of use assets;

(B) The Company has maintained proper records showing full particulars of intangible assets;

(b) The Company has a program of physical verification of these Property, Plant and Equipment which in our opinion, reasonable having regard to the size of the Company and the nature of its assets. For the assets where physical verification exercise was completed, no material discrepancies were noticed on such verification;

(c) The title deeds of the immovable properties disclosed in the standalone financial statements included under property, plant and equipment are held in the name of the Company;

(d) The Company has not revalued its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year;

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder;

ii (a) The Company is a service company primarily engaged in lending business. Accordingly, it does not hold any inventories. Thus, the provision of clause 3(ii)(a) of the Order is not applicable to the Company;

(b) The Company has been sanctioned working capital limit in excess of Rs.5 crore in aggregate during the year from banks or financial institutions on the basis of security of current assets and the quarterly returns/statements filed by the company with such Banks and Financial institutions are in agreement with the books of accounts of the Company;

iii. The Company has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, and the details are mentioned in the following table

Amount Rs.in Lakhs

Particulars	Investment	Guarantee or security to Banks on behalf of Subsidiary	Loans	Advances in the nature of loans
The Aggregate amount during the year				
Subsidiary	Nil	9,000.00	33,500.00	Nil
Balance outstanding as at balance sheet date in respect of above cases				
Subsidiary	15,048.00	24,319.61	28,000.00	Nil

(a) Since the Company is principally engaged in providing loans reporting under clause 3(iii)(a) of the Order is not applicable;

(b) In our opinion, the terms and conditions of the investment made, loans granted, guarantee given during the year are prima facie not prejudicial to the Company's interest;

(c) The Company is principally engaged in the business of providing loans. In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been duly stipulated and the repayments of principal amounts and receipts of interest have been regular as per stipulation except for certain cases, the summary of which are as disclosed by the management in Note 35.6.4 of notes of the standalone financial statements.

(d) In respect of loans granted by the Company, the overdue amount remaining outstanding as at the balance sheet date is as reported in Note 35.6.4 of notes of the standalone financial statements. The total amount in stage III amounts to Rs. 6056.19 lakhs with respect to 924 Borrowers. The Company has generally taken reasonable steps in its normal course of business for recovery of overdue principal and interest in respect of such loans;

(e) As Company is principally engaged in providing loans, hence the reporting under clause 3(iii)(e) of the Order is not applicable;

(f) The Company has not granted any loans or advances, in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year.

iv The Company has not granted any loans, made investments, or provided guarantees and securities which attract the provisions of section 185 and section 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company;

v The Company has not accepted any deposits or amounts which are deemed to be deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Rules framed there under apply. Accordingly, the provision of clause 3(v) of the Order is not applicable to the Company;

vi The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the services rendered by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable to the Company;

vii (a) The amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income tax, cess and other applicable statutory dues have generally been regularly deposited by the Company with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income tax, cess and other applicable statutory dues which were in arrears as at March 31, 2023, for a period of more than six months from the date they become payable;

(b) According to the information and explanations given to us, there are no dues in respect of goods and service tax, customs duty, excise duty, value added tax and other statutory dues applicable to the Company which have not been deposited on account of any dispute.

viii According to the information and explanations provided to us, no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961);

ix (a) The Company has not defaulted in the repayment of loans or other borrowings to or in the payment of interest thereon to any lender, during the year;

(b) The Company has not been declared as willful defaulter by any bank or financial institution or other lender;

(c) Term loans availed by the Company during the year have been generally applied for the purpose for which they were obtained other than temporary deployment in fixed deposit pending application.;

(d) According to the information and explanations given to us, and the procedures performed by us, and on overall examination of standalone financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The company have one subsidiary. According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary.

x (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable;

xi (a) We report that no fraud by the company or fraud on the Company has been noticed or reported during the year nor have we been informed of any such case by the management;

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report;

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year;

xii The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable;

xiii In our opinion, the Company is in compliance with section 177 and 188 of the Companies Act, 2013 with respect to all applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards;

xiv (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business;

(b) We have considered the internal audit reports issued to the Company for the period under audit;

xv During the year, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors, and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi (a) As the Company is a Non-Banking Financial institution and registered under National Housing Bank (NHB) Act, 1987, it has been exempted from the requirement of registration under section 45-IA of the Reserve Bank of India Act; 1934.

(b) The Company has a valid certificate of registration from National Housing Bank;

(c) The Company is not a core investment company and hence reporting under clause (xvi)(c) of the Order is not applicable;

(d) According to the information and explanations given to us, the group does not have any core investment company as a part of the group;

xvii The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year;

xviii There has been no resignation of the statutory auditors of the Company. Hence, reporting under clause 3(xviii) of the Order is not applicable.

xix According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due;

xx (a) According to the information and explanation given to us, in respect of other than ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year, to a Fund specified in Schedule VII to the Companies Act, 2013 within a period of six months of the expiry of the said financial year in compliance with second proviso to subsection (5) of section 135 of the said Act.

In respect of other than ongoing projects, the Company has not transferred the unspent Corporate Social Responsibility (CSR) amount as at the Balance Sheet date out of the amounts that was required to be spent during the year, to a Fund specified in Schedule VII to the Companies Act, 2013 till the date of our report. However, the time period for such transfer i.e., six months from the expiry of the financial year as permitted under the second proviso to section 135(5) of the Act, has not elapsed till the date of our report.

(b) In respect of ongoing projects, as disclosed by the management in Note 38(i), the Company has transferred unspent Corporate Social Responsibility (CSR) amount to a Special account before the date of this report and within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Act.

xxi According to the information and explanations given to us, and based on the CARO report issued by the auditors of the subsidiary included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, provided to us by the Management of the Company and based on the identification of matters of qualifications or adverse remarks in their CARO reports by the subsidiary auditors and provided to us, we report that the auditors of such companies have not reported any qualifications or adverse remarks in their CARO report.

For T R Chadha & Co LLP
Chartered Accountants
ICAI Firm Registration No.
006711N/N500028

Sheshu Samudrala
Partner
Membership No. 235031
UDIN: 23235031BGWCUU1889

Place: Chennai
Date: May 04, 2023

Annexure – B

to the Independent Auditor's Report of even date on the standalone financial statements of Aptus Value Housing Finance India Limited

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Aptus Value Housing Finance India Limited ("the Company") as of March 31, 2023, in conjunction with our audit of the standalone 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 ('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 ('Act').

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements, both applicable to an audit of Internal Financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

Meaning of Internal Financial Controls with reference to standalone financial statements

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

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

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

Opinion

In our opinion, 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 with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For T R Chadha & Co LLP
Chartered Accountants
ICAI Firm Registration No.
006711N/N500028

Sheshu Samudrala
Partner
Membership No. 235031
UDIN: 23235031BGWCUU1889

Place: Chennai
Date: May 04, 2023

STANDALONE FINANCIAL STATEMENTS

Standalone Balance Sheet
as at March 31, 2023

Rs. in lakhs

	Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS				
1	**Financial Assets**			
(a)	Cash and cash equivalents	4	42,291.71	39,612.30
(b)	Bank balances other than (a) above	5	729.03	3,510.33
(c)	Loans	6	592,827.48	441,054.74
(d)	Investments	7	20,533.47	25,451.25
(e)	Other financial assets	8	2,444.80	1,944.23
	TOTAL FINANCIAL ASSETS		**658,826.49**	**511,572.85**
2	**Non-Financial Assets**			
(a)	Current tax assets (Net)	16B	434.73	-
(b)	Deferred tax assets (Net)	9	1,687.95	2,046.76
(c)	Property, plant and equipment	10A	371.29	339.75
(d)	Intangible assets	10B	84.07	61.65
(e)	Right-of-use assets	10C	1,072.10	795.12
(f)	Other non-financial assets	11	168.89	80.06
(g)	Assets held for sale	12	231.75	156.54
	TOTAL NON-FINANCIAL ASSETS		**4,050.78**	**3,479.88**
	TOTAL ASSETS		**662,877.27**	**515,052.73**
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	**Financial Liabilities**			
(a)	Payables			
	Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	29A	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	29B	827.40	494.24
(b)	Debt securities	13	38,272.67	38,211.45
(c)	Borrowings (other than debt securities)	14	308,835.58	195,680.54
(d)	Lease liabilities	44	975.95	780.13
(e)	Other financial liabilities	15	1,986.64	2,165.24
	TOTAL FINANCIAL LIABILITIES		**350,898.24**	**237,331.60**
2	**Non-Financial Liabilities**			
(a)	Current tax liabilities (Net)	16	-	344.13
(b)	Provisions	17	457.89	403.08
(c)	Other non-financial liabilities	18	457.51	384.36
	TOTAL NON-FINANCIAL LIABILITIES		**915.40**	**1,131.57**
3	**EQUITY**			
(a)	Equity share capital	19	9,960.61	9,938.36
(b)	Other equity	20	301,103.02	266,651.20
	TOTAL EQUITY		**311,063.63**	**276,589.56**
	TOTAL LIABILITIES AND EQUITY		**662,877.27**	**515,052.73**
	Significant accounting policies	**2 & 3**		

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
ICAI Firm Regn No.006711N/N500028

Sheshu Samudrala
Partner
Membership No: 235031

Place : Chennai
Date : May 04, 2023

For and on behalf of the Board of Directors of
Aptus Value Housing Finance India Limited

M Anandan
Executive Chairman
DIN: 00033633

P Balaji
Managing Director
DIN: 07904681

John Vijayan Rayappa
Chief Financial Officer

Sanin Panicker
Company Secretary
Membership No: A32834

Place : Chennai
Date : May 04, 2023

Statement of Standalone Profit and Loss

for the year ended March 31, 2023

Rs. in lakhs

	Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
1	**Revenue from operations**			
(a)	Interest Income	21A	89,915.91	65,934.21
(b)	Net gain on fair value changes	21B	816.02	532.81
(c)	Fees and commission income	21C	2,142.98	1,429.81
	Total Revenue from operations		**92,874.91**	**67,896.83**
2	**Other income**	22	3,079.05	2,391.27
3	**Total Income (1+2)**		**95,953.96**	**70,288.10**
4	**Expenses**			
(a)	Finance costs	23	24,228.30	17,919.56
(b)	Employee benefits expense	24	10,822.23	7,405.57
(c)	Depreciation and amortisation expense	10D	721.30	661.19
(d)	Impairment on financial instruments	25	2,817.67	2,933.61
(e)	Other expenses	26	2,661.01	1,729.73
	Total expenses		**41,250.51**	**30,649.66**
5	**Profit before tax (3-4)**		**54,703.45**	**39,638.44**
6	**Tax expense**	**27**		
	- Current tax		11,881.98	9,371.41
	- Deferred tax	9	362.81	(555.83)
	Total tax expense		**12,244.79**	**8,815.58**
7	**Profit for the year (5-6)**		**42,458.66**	**30,822.86**
8	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurement gain / (loss) on defined benefit plan	31.2	(15.88)	(3.75)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		4.00	0.94
	Other Comprehensive Income, net of income tax		(11.88)	(2.81)
9	**Total Comprehensive Income for the year (7+8)**		**42,446.78**	**30,820.05**
10	**Earnings per share (Equity shares, par value Rs.2 each) :**			
	(a) Basic (in Rs.)	36	8.53	6.28
	(b) Diluted (in Rs.)	36	8.51	6.25
	Significant accounting policies	**2 & 3**		
	The accompanying notes form an integral part of the standalone financial statements.			

As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
ICAI Firm Regn No.006711N/N500028

For and on behalf of the Board of Directors of
Aptus Value Housing Finance India Limited

Sheshu Samudrala
Partner
Membership No: 235031

M Anandan
Executive Chairman
DIN: 00033633

P Balaji
Managing Director
DIN: 07904681

John Vijayan Rayappa
Chief Financial Officer

Sanin Panicker
Company Secretary
Membership No: A32834

Place : Chennai
Date : May 04, 2023

Place : Chennai
Date : May 04, 2023

Standalone Statement of Changes in Equity

for the year ended March 31, 2023

A. Equity Share capital

Rs. in lakhs

Particulars	Amount
Balance as at April 1, 2021	**9,493.33**
Changes in equity share capital during the year	
(a) Fresh issuance of equity shares pursuant to initial public offerings ('IPO') during the year	283.29
(b) Partly paid shares called up	135.00
(c) Issue of equity shares under employee stock option plan (Refer Note 41)	26.74
Balance as at March 31, 2022	**9,938.36**
Changes in equity share capital during the year	
(a) Partly paid shares called up	-
(b) Issue of equity shares under employee stock option plan (Refer Note 41)	22.25
Balance as at March 31, 2023	**9,960.61**

B. Other Equity

Rs. in lakhs

Particulars	Reserves and Surplus						Other Comprehensive Income	Total
	Securities Premium	Employee Stock Option Reserve	Statutory Reserve under Section 29C of NHB Act 1987	Special Reserve	Impairment reserve	Retained Earnings	Remeasurement gain / (loss) on defined benefit plan	
Balance as at April 1, 2021	116,276.43	72.86	1,885.20	13,233.29	610.36	47,568.61	(30.47)	179,616.28
Profit (loss) for the year (net of tax)	-	-	-	-	-	30,822.86	-	30,822.86
Other Comprehensive Income for the year (net of tax)	-	-	-	-	-	-	(2.81)	(2.81)
Premium on fresh issuance of equity shares pursuant to initial public offerings ('IPO') during the year	49,716.71							49,716.71
Premium on partly paid equity share converted into fully paid equity shares during the year	7,740.45							7,740.45
Premium on ESOP exercised during the year	194.50	-	-	-	-	-	-	194.50
Share based payments to employees during the year	-	437.70	-	-	-	-	-	437.70
Appropriations to Reserves	-	-	1,100.02	5,063.99	-	(6,164.01)	-	-
Share issue expenses during the year	(1,874.49)	-	-	-	-	-	-	(1,874.49)
Transfer to securities premium on ESOP exercised during the year	**72.86**	**(72.86)**	**-**	**-**	**-**	**-**	**-**	**-**
Balance as at March 31, 2022	172,126.46	437.70	2,985.22	18,297.28	610.36	72,227.46	(33.28)	266,651.20
Profit (loss) for the year (net of tax)	-	-	-	-	-	42,458.66	-	42,458.66
Other Comprehensive Income for the year (net of tax)	-	-	-	-	-	-	(11.88)	(11.88)
Dividend paid						(9,959.86)		(9,959.86)
Premium on partly paid equity share converted into fully paid equity shares during the year	-	-	-	-	-	-	-	-
Premium on ESOP exercised during the year	1,506.34	-	-	-	-	-	-	1,506.34
Share based payments to employees during the year	-	458.56	-	-	-	-	-	458.56
Appropriations to Reserves	-	-	2,673.96	5,815.40	-	(8,489.36)	-	-
Transfer to securities premium on ESOP exercised during the year	**83.23**	**(83.23)**	**-**	**-**	**-**	**-**	**-**	**-**
Balance as at March 31, 2023	**173,716.03**	**813.03**	**5,659.18**	**24,112.68**	**610.36**	**96,236.90**	**(45.16)**	**301,103.02**

Notes:

Refer Note 20.2 for description of nature and purpose of each reserve.

Significant accounting policies (Note 2 & 3)

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

As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
ICAI Firm Regn No.006711N/N500028

Sheshu Samudrala
Partner
Membership No: 235031

Place : Chennai
Date : May 04, 2023

For and on behalf of the Board of Directors of
Aptus Value Housing Finance India Limited

M Anandan
Executive Chairman
DIN: 00033633

P Balaji
Managing Director
DIN: 07904681

John Vijayan Rayappa
Chief Financial Officer

Sanin Panicker
Company Secretary
Membership No: A32834

Place : Chennai
Date : May 04, 2023

Statement of Standalone Cash Flow
for the year ended March 31, 2023

Rs. in lakhs

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
Cash flows from operating activities				
Profit before tax		54,703.45		39,638.44
Adjustments for:				
Finance costs	24,228.30		17,919.56	
Interest on fixed deposits with Banks	(2,625.67)		(1,026.15)	
Net gain on changes in fair value	(816.02)		(532.81)	
Interest on Government securities	(114.80)		-	
Depreciation and amortisation expense	721.30		661.19	
Impairment on Financial Instruments	2,817.67		2,933.61	
Financial guarantee commission	(56.23)		(53.55)	
Share based payments to employees	458.56		437.70	
		24,613.11		20,339.55
Operating profit before working capital changes		79,316.56		59,977.99
Movements in working capital:				
(Increase) / Decrease in Loans	(154,665.62)		(101,206.76)	
(Increase) / Decrease in Other financial assets	(500.57)		(833.62)	
(Increase) / Decrease in Other non-financial assets	(37.70)		67.80	
Increase / (Decrease) in Trade payables	333.16		353.33	
Increase / (Decrease) in Other financial liabilities	(222.35)		824.67	
Increase / (Decrease) in Provisions	38.93		72.18	
Increase / (Decrease) in Other non-financial liabilities	73.15	(154,981.00)	128.65	(100,593.75)
Cash flow from / (used in) operations		(75,664.44)		(40,615.76)
Finance cost paid		(24,546.93)		(17,568.05)
Direct Taxes paid		(12,660.79)		(9,370.60)
Net cash flow from / (used in) operating activities (A)		**(112,872.16)**		**(67,554.41)**
Cash flows from investing activities				
Purchase of property, plant and equipments and intangible assets	(352.54)		(365.24)	
Sale of Fixed Assets	-		27.50	
Deposits placed with / (withdrawn from) banks, net	3,413.59		(2,462.64)	
Interest received on bank deposits	1,993.38		947.91	
Interest received on Government securities	11.27		-	
Purchases of Investments	(158,752.70)		(102,591.15)	
Redemption of Investments	163,874.00		97,742.83	
Income received from investments	816.02		491.17	
Net cash flow from / (used in) investing activities (B)		**11,003.02**		**(6,209.62)**
Cash flows from financing activities				
Proceeds from issue of equity shares (including securities premium)	1,528.60		58,096.69	
Dividend paid	(9,959.86)			
Share issue expenses	-		(1,874.49)	
Proceeds from borrowings (other than debt securities)	179,900.00		104,500.00	
Repayment of borrowings (other than debt securities)	(66,365.11)		(87,627.95)	
Payment of lease liabilities	(477.35)		(406.95)	
Interest paid on lease liabilities	(77.73)		(68.48)	
Net cash flow from / (used in) financing activities(C)		**104,548.55**		**72,618.83**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**2,679.41**		**(1,145.20)**
Cash and cash equivalents at the beginning of the year		39,612.30		40,757.50
Cash and cash equivalents at the end of the year (Refer Note 4)		**42,291.71**		**39,612.30**

Components of cash and cash equivalents	As at March 31, 2023	As at March 31, 2022
Cash on hand	154.27	256.88
Balances with banks - In current accounts	1,534.71	4,208.80
Balances with banks - In deposit accounts - Original maturity less than 3 months	40,602.73	35,146.62
Total cash and cash equivalents	**42,291.71**	**39,612.30**
Significant accounting policies (2 & 3)		
The accompanying notes form an integral part of the standalone financial statements.		

As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
ICAI Firm Regn No.006711N/N500028

Sheshu Samudrala
Partner
Membership No: 235031

Place : Chennai
Date : May 04, 2023

For and on behalf of the Board of Directors of
Aptus Value Housing Finance India Limited

M Anandan
Executive Chairman
DIN: 00033633

P Balaji
Managing Director
DIN: 07904681

John Vijayan Rayappa
Chief Financial Officer

Sanin Panicker
Company Secretary
Membership No: A32834

Place : Chennai
Date : May 04, 2023

1. Corporate Information

Aptus Value Housing Finance India Limited ("the Company") was incorporated on December 11, 2009 with the primary objective of carrying on the business of providing long term housing finance to meet the housing needs of the low and middle-income segment in the country. The Company with CIN: L65922TN2009PLC073881, is a Public Limited Company domiciled in India. The Registered Office of the Company is located at No. 8B, Doshi Towers, 8th Floor, No: 205, Poonamallee High Road, Kilpauk, Chennai 600010, Tamil Nadu. The Company is also engaged in providing loans for non-housing finance activities in the form of Loan Against Properties ("LAP").

The Company received the certificate of registration from the National Housing Bank ("NHB") on May 31, 2010 to commence the business of Housing Finance without accepting public deposits. The certificate of commencement of business was received from the Registrar of Companies on June 25, 2010.

The Company has a wholly owned subsidiary, Aptus Finance India Private Limited, which is a Non- Banking Finance Company registered with Reserve Bank of India ("RBI") and engaged in the business providing finance in the form of loan against immovable properties.

2. Significant accounting policies

A. Basis of preparation and presentation

The standalone financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 and relevant amendment rules issued thereafter ("Ind AS") on the historical cost basis except for certain financial assets and liabilities measured at fair value at the end of each reporting period, as explained in the accounting policies below, the relevant provisions of the Companies Act, 2013 (the "Act") and the guidelines issued by the RBI/NHB, to the extent applicable.

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

Amounts in the standalone financial statements are presented in Indian Rupees in lakhs rounded off to two decimal places as permitted by Schedule III to the Act, except when otherwise indicated.

B. Presentation of standalone financial statements

The Company presents its balance sheet in order of liquidity. 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 40.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in the normal course of business, event of default or insolvency or bankruptcy of the Company and/or its counterparties.

2.1 Financial Instruments

2.1.1 Financial instruments – initial recognition

2.1.1.1 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. Loans are recognised when fund transfers are initiated to the customers' account or cheques for disbursement have been prepared by the Company (as per the terms of the agreement with the borrowers). The Company recognises debt securities and borrowings when funds reach the Company.

2.1.1.2 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 Fair value through profit and loss ("FVTPL"), transaction costs are added to, or subtracted from, this amount.

2.1.1.3 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 or FVTPL or Fair Value through Other Comprehensive Income ("FVOCI").

2.1.2 Financial assets and liabilities

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

The Company measures bank balances, loans and other financial investments at amortised cost if the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest ("SPPI") on the principal amount outstanding.

The details of these conditions are outlined below.

2.1.2.1.1 Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

2.1.2.1.2 The SPPI test

As a second step of its classification process the Company assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set. In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

2.1.2.2 Financial assets or financial liabilities held for trading

The Company classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit making. Held-for-trading assets and liabilities are recorded and measured in the balance sheet at fair value. Changes in fair value are recognised in net gain on fair value changes. Interest and dividend income or expense is recorded in net gain on fair value changes according to the terms of the contract, or when the right to payment has been established.

2.1.2.3 Equity instruments at FVOCI

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in Other Comprehensive Income ("OCI"). Equity instruments at FVOCI are not subject to an impairment assessment.

2.1.2.4 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. 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.

2.1.3 Reclassification of financial assets and liabilities

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

2.1.4 Derecognition of financial assets and liabilities

2.1.4.1 Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes unless they are deemed to pass through OCI. When assessing whether or not to derecognise a loan to a customer, amongst others, the Company considers the following factors: Change in counterparty. If the modification is such that the instrument would no longer meet the SPPI criterion. If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

2.1.4.2 Derecognition of financial assets other than due to substantial modification

A financial asset is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

A transfer only qualifies for derecognition if either, the Company has transferred substantially all the risks and rewards of the asset or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. Control is considered to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

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

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

In case when transfer of a part of financial asset qualifies for derecognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is derecognised as a gain or loss on decrease of such financial asset.

2.1.4.3 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.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.1.5 Impairment of financial assets

2.1.5.1 Overview of the ECL principles

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

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

The 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 and Stage 3, as described below:

Stage 1:

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

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.

Staging rules set have been applied to the product categories to bucket them into either Stage 1, Stage 2 or Stage 3.

Stages	Days past dues	ECL
Stage 1	Up to 30 days	12 month ECL
Stage 2	31 up to 90 days	Lifetime ECL
Stage 3	91 days and above	Lifetime ECL

In addition to days past due, the Company also considers other qualitative factors in determining significant increase in credit risks since origination.

2.1.5.2 The calculation of ECLs

The Company calculates ECLs 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 key elements of the ECL are summarised below:

PD:

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

EAD:

The Exposure at Default is an estimate of the exposure at a future default date (in case of Stage 1 and Stage 2), 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. In case of Stage 3 loans EAD represents exposure when the default occurred.

LGD:

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

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 PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Significant increase in credit risk

The Company monitors all financial assets 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 12mECLs.

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 including forward-looking information.

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%.

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;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- 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 are credit-impaired at each reporting date.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default includes unlikeliness to pay indicators and a back-stop if amounts are overdue for 90 days or more.

Loan commitment:

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. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan. For an undrawn loan commitment, ECLs are calculated and presented under provisions.

Forward looking information

In its ECL models, the Company relies on a broad range of forward-looking information as economic inputs. 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 made as temporary adjustments.

Estimates and associated assumptions applied in preparing the financial statements, especially for the expected credit loss on advances, are based on historical experience and other emerging/ forward looking factors including those arising on account of the COVID-19 pandemic. The Company has used early indicators of moratorium and delayed payment metrics observed along with an estimation of potential stress on probability of defaults and exposure at default due to COVID-19 situation in developing the estimates and assumptions to assess the expected credit loss on loans.

2.1.5.3 Write-off

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains. Any subsequent recoveries are credited to impairment on financial instruments in the statement of profit and loss.

2.1.6 Financial Guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by an entity are initially measured at their fair values and, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109;
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

2.2 Recognition of Interest Income

2.2.1 The effective interest rate method

Interest income is recorded using the effective interest rate ("EIR") method for all financial instruments measured at amortised cost, debt instrument measured at FVOCI and debt instruments designated at FVTPL. The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

2.2.2 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 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.

2.2.3 Fees and commission Income

Fees and commission Income include fees other than those that are an integral part of EIR. The fees included in this part of the Company's statement of profit or loss include among other things fees charged for servicing a loan including cheque bounce charges, field visit charges, pre-closure charges etc. which are recognised upon realisation.

2.2.4 Dividend Income

Dividend income (including from FVOCI investments) is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

2.3 Leases

The Company's Right-of-Use ("ROU") assets consist of leases for 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: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short-term leases and low value leases. The Company applies the short-term lease recognition exemption to its short-term leases of buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

ii) Lease liabilities

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

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

2.4 Employee benefits

Post-employment benefits and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement of actuarial gains and losses is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service costs are recognised in profit or loss on the earlier of:

(i) The date of the plan amendment or curtailment, and

(ii) 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. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- interest expense; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

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

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that 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.

Liabilities recognised in respect of leave encashment and other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the company in respect of services provided by employees up to the reporting date. The Company records the leave encashment liability based on actuarial valuation computed using projected unit credit method.

Share-based payments

Stock options are granted to the employees under the stock option scheme. The costs of stock options granted to the employees (equity-settled awards) of the Company are measured at the fair value of the equity instruments granted. For each stock option, the measurement of fair value is performed on the grant date. The grant date is the date on which the Company and the employees agree to the stock option scheme. The fair value so determined is revised only if the stock option scheme is modified in a manner that is beneficial to the employees.

This cost is recognised, together with a corresponding increase in Employee Stock Options Reserve in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

If the options vests in instalments (i.e. the options vest pro rata over the service period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.

2.5 Taxes

Income tax expense represents the sum of the current tax and deferred tax.

Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. 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 countries where the Company operates and generates taxable income.

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. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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:

- In respect of taxable temporary differences associated with investments in subsidiaries, where 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, 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 taxable entity and the same taxation authority.

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, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

2.6 Property, plant and equipment ("PP&E") and intangible assets

PP&E is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates. Depreciation on the following categories of PP&E (other than Freehold Land) has been provided on the straight-line method, the useful lives of which have been assessed as under, based on technical assessment, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Particulars	Estimated Life	Life as per Schedule II
Office Equipment	3 years	5 years
Servers (under office equipment)	3 years	6 years
Furniture and Fixtures	3 years	10 years
Vehicles	3 years	8 years
Leasehold improvements	Primary lease period or 3 years, whichever is lower	Not applicable

Freehold Land is not depreciated, but is subjected to impairment assessment. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of PP&E is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

Intangible Assets

The Company's intangible assets represent computer software.

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. Subsequently, they are carried at cost less accumulated amortisation and impairment losses if any, and are amortised over their estimated useful life on the straight-line basis over a 3-year period or the license period whichever is lower.

The carrying amount of the assets is reviewed at each Balance sheet date to ascertain impairment based on internal or external factors.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon 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.

2.7 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an 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 or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. 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 groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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 in to 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.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

2.8 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability). When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

2.9 Assets held for Sale

Assets acquired by the Company under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 has been classified as assets held for sale, as their carrying amounts will be recovered principally through a sale of asset. This assets are recognised on obtaining physical possession of the assets which are in the nature of residential properties. In accordance with Ind AS 105, the assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell.

2.10 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before 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.

2.10.1 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.11 Earnings per share ("EPS")

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

2.12 Segment Reporting

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the 'management approach' as defined in Ind AS 108, the Chief Operating Decision Maker ("CODM") evaluates the Company's performance based on an analysis of various performance indicators by business segments and geographic segments.

As per the requirements of Ind AS 108 'Operating Segments', based on evaluation of financial information for allocation of resources and assessing performance, the Company has identified a single segment, viz. "providing long term housing finance, loans against property and refinance loans". Accordingly, there are no separate reportable segments as per Ind AS 108.

2.13 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.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- **Level 1 financial instruments** –Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- **Level 2 financial instruments**–Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.
- **Level 3 financial instruments** –Those that include one or more unobservable input that is significant to the measurement as whole.

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 (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

3A Significant accounting judgements, estimates and assumptions

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

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

3A 1. De-recognition of Financial instruments

The Company enters into securitisation transactions where financial assets are transferred to a structured entity for a consideration. The financial assets transferred qualify for derecognition only when substantial risk and rewards are transferred.

This assessment includes judgements reflecting all relevant evidence including the past performance of the assets transferred and credit risk that the Company has been exposed to. Based on this assessment, the Company believes that the credit enhancement provided pursuant to the transfer of financial assets under securitisation are higher than the loss incurred on the similar portfolios of the Company hence it has been concluded that securitisation transactions entered by the Company does not qualify for de-recognition since substantial risk and rewards of the ownership has not been transferred. The transactions are treated as financing arrangements and the sale consideration received is treated as borrowings.

3A 2. Fair value of financial instruments

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

3A 3. 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 estimates include:

- 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 temporary adjustments as qualitative adjustment or overlays based on broad range of forward looking information as economic inputs

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

3A 4. Provisions and other contingent liabilities

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

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

4 Cash and cash equivalents

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	154.27	256.88
Balances with banks - In current accounts	1,534.71	4,208.80
Balances with banks - In deposit accounts - Original maturity less than 3 months	40,602.73	35,146.62
	42,291.71	**39,612.30**

5 Bank Balances other than cash and cash equivalents

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
In deposit accounts - Original maturity more than 3 months	164.26	2,713.93
Earmarked balances with banks*	564.77	796.40
	729.03	**3,510.33**

* Earmarked balances with banks includes guarantee for NHB Refinance of INR 562.50 lakhs (March 31, 2022: INR 562.50 lakhs), fixed deposit earmarked for securitisation of Rs. Nil (March 31, 2022: INR 233.90 lakhs) and unpaid dividend bank balance of INR 2.27 lakhs as on March 31, 2023 (March 31,2022 - Nil).

6 Loans

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Secured Term loans carried at amortised cost	598,825.49	444,534.60
Total Term loans (gross)	**598,825.49**	**444,534.60**
Less: Impairment loss allowance	(5,998.01)	(3,479.86)
Total Term loans (net)	**592,827.48**	**441,054.74**

Notes:

(i) All term loans are originated in India

(ii) Term Loans include an amount of Rs. 28,000.00 lakhs (March 31, 2022 - Rs. 500.00 lakhs) given to Subsidiary. The loan is secured by book debts of Subsidiary.

(iii) Term Loans (other than (ii) above) are secured by deposit of original title deeds of immovable properties with the Company and/or equitable mortgage of title deeds.

(iv) There are no outstanding loan to Public Institution

(v) Term loans do not include any loans given to employees of the Company

Notes to the standalone financial statements for the year ended March 31, 2023

6.1 Summary of changes in the gross carrying amount and the corresponding ECL allowances in relation to term loans:

6.1.1 Reconciliation of gross carrying amount is given below:

Rs. In Lakhs | Rs. In Lakhs

Particulars	For the year ended March 31, 2023				For the year ended March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross Carrying amount opening balance	402,402.01	37,067.07	5,065.53	444,534.61	307,871.63	34,088.46	2,468.06	344,428.15
New assets originated / Increase in existing assets	218,937.05	681.57	368.31	219,986.93	159,487.79	474.09	185.63	160,147.51
Exposure de-recognised / matured / repaid	(58,446.94)	(5,362.14)	(1,886.97)	(65,696.05)	(53,191.56)	(5,388.44)	(1,461.05)	(60,041.05)
Transfer to Stage 1	17,420.58	(16,551.05)	(869.53)	-	9,536.42	(9,252.46)	(283.96)	-
Transfer to Stage 2	(12,450.41)	13,177.98	(727.57)	-	(19,741.09)	19,776.62	(35.53)	-
Transfer to Stage 3	(1,395.69)	(2,710.73)	4,106.42	-	(1,561.18)	(2,631.20)	4,192.38	-
Gross carrying amount closing balance	**566,466.60**	**26,302.70**	**6,056.19**	**598,825.49**	**402,402.01**	**37,067.07**	**5,065.53**	**444,534.61**

Note:

The Company, in the normal course collects the dues by cheques / mandates and where there is a default, the Company generally takes reasonable steps such as issuance of demand notice and initiates arbitration or in the alternative proceeds under SARFAESI Act, where the immovable property is offered as a collateral security for recovery of overdue principal and interest in respect of such loans

6.1.2 Reconciliation of ECL on term loans is given below:

Rs. In Lakhs | Rs. In Lakhs

Particulars	For the year ended March 31, 2023				For the year ended March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	1,330.20	865.76	1,283.90	3,479.86	394.96	205.07	693.12	1,293.15
New assets originated / Increase in existing assets	2,386.42	701.68	1,017.34	4,105.44	946.25	769.44	1,182.10	2,897.79
Exposure de-recognised / matured / repaid	(648.67)	(425.49)	(513.13)	(1,587.29)	(92.22)	(57.41)	(561.45)	(711.08)
Transfer to Stage 1	561.31	(346.27)	(215.04)	-	111.96	(38.58)	(73.38)	-
Transfer to Stage 2	(206.68)	384.16	(177.48)	-	(28.55)	31.37	(2.82)	-
Transfer to Stage 3	(48.07)	(121.69)	169.76	-	(2.20)	(44.13)	46.33	-
Impact on account of exposures transferred during the year between stages	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**3,374.51**	**1,058.15**	**1,565.35**	**5,998.01**	**1,330.20**	**865.76**	**1,283.90**	**3,479.86**

7 Investments

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
At fair value through profit and loss		
Quoted: Investment in Mutual Funds	-	10,165.19
At amortised cost		
Investment in Subsidiary 10,08,00,000 Equity shares (March 31, 2022 - 10,08,00,000 Equity shares) of Face Value Rs. 10 each fully paid up	15,386.05	15,286.06
Investment in Government Securities	5,147.42	-
	20,533.47	**25,451.25**

The investment includes fair value of the corporate guarantee given to Aptus Finance India Private Limited amounting to Rs. 338.06 lakhs (March 31, 2022 - Rs. 238.07 lakhs).

8 Other Financial assets

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Considered Good, Unsecured - At Amortised Cost		
Security deposits	268.95	548.93
Travel advances to employees	1.40	0.60
Accrued Income	2,174.45	1,394.70
	2,444.80	**1,944.23**

9 Deferred tax assets (Net)

Rs. in lakhs

Components of deferred tax asset / (liability)	As at April 01, 2022	(Charged) / Credited to Profit and Loss	(Charged) / Credited to OCI	As at March 31, 2023
Tax effect of items constituting deferred tax assets:				
Provision for leave encashment, gratuity and other employee benefits	100.47	7.29	4.00	111.76
Impairment Loss Allowance	1,010.09	783.88	-	1,793.97
Difference between written down value of PPE and intangible assets as per books and as per Section 32 of Income-tax Act, 1961	125.53	7.31	-	132.84
Deferred processing fee relating to loans	1,304.32	(436.05)	-	868.27
Others	11.82	(16.78)	-	(4.96)
Tax effect of items constituting deferred tax assets	**2,552.23**	**345.65**	**4.00**	**2,901.88**

Rs. in lakhs

Components of deferred tax asset / (liability)	As at April 01, 2022	(Charged) / Credited to Profit and Loss	(Charged) / Credited to OCI	As at March 31, 2023
Tax effect of items constituting deferred tax (liabilities):				
On Provision for doubtful advances allowed under section 36(1)(viia) of Income-tax Act, 1961	(283.95)	(526.65)	-	(810.60)
Deferred processing fee relating to debt securities and borrowings other than debt securities	(221.52)	(181.81)	-	(403.33)
Others	-	-	-	-
Tax effect of items constituting deferred tax (liabilities)	**(505.47)**	**(708.46)**	**-**	**(1,213.93)**
Net deferred tax assets / (liabilities)	**2,046.76**	**(362.81)**	**4.00**	**1,687.95**

Rs. in lakhs

Components of deferred tax asset / (liability)	As at April 01, 2021	(Charged) / Credited to Profit and Loss	(Charged) / Credited to OCI	As at March 31, 2022
Tax effect of items constituting deferred tax assets:				
Preliminary Expenses not written off				
Provision for leave encashment, gratuity and other employee benefits	81.36	18.17	0.94	100.47
Impairment Loss Allowance	392.35	617.74	-	1,010.09
Difference between written down value of PPE and intangible assets as per books and as per Section 32 of Income-tax Act, 1961	127.18	(1.65)	-	125.53
Deferred processing fee relating to loans	1,372.34	(68.02)	-	1,304.32
Others	13.42	(1.60)	-	11.82
Tax effect of items constituting deferred tax assets	**1,986.65**	**564.64**	**0.94**	**2,552.23**
Tax effect of items constituting deferred tax (liabilities):				
On Provision for doubtful advances allowed under section 36(1)(viia) of Income-tax Act, 1961	(221.09)	(62.86)	-	(283.95)
Deferred processing fee relating to debt securities and borrowings other than debt securities	(275.55)	54.05	-	(221.52)
Others	-	-	-	-
Tax effect of items constituting deferred tax (liabilities)	**(496.64)**	**(8.81)**	**-**	**(505.47)**
Net deferred tax assets / (liabilities)	**1,490.01**	**555.83**	**0.94**	**2,046.76**

10A Property, plant and equipment

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amounts of :		
a) Freehold Land	64.57	64.57
b) Leasehold improvements	51.95	24.49
c) Furniture and fixtures	20.99	14.24
d) Vehicles	75.95	121.93
e) Office Equipments	157.83	114.52
	371.29	**339.75**

Rs. in lakhs

Particulars	Freehold Land	Leasehold improvements	Furniture and fixtures	Vehicles	Office Equipments	Total
Gross Carrying Value						
Balance at April 1, 2021	64.57	258.73	106.50	60.45	501.60	991.85
Additions during the year		9.50	25.26	137.93	95.02	267.71
Disposals	-	-	-	(61.85)	-	(61.85)
Balance at March 31, 2022	**64.57**	**268.23**	**131.76**	**136.53**	**596.62**	**1,197.71**
Additions during the year	-	45.04	47.34	-	125.80	218.18
Disposals	-	(8.26)	(0.04)	-	(7.61)	(15.91)
Balance at March 31, 2023	**64.57**	**305.01**	**179.06**	**136.53**	**714.81**	**1,399.98**
Accumulated depreciation						
Balance at April 1, 2021	-	209.00	93.10	60.45	381.13	743.68
Depreciation expense for the year	-	34.74	24.43	16.00	100.97	176.13
Elimination on disposals of assets	-	-	-	(61.85)	-	(61.85)
Balance at March 31, 2022	**-**	**243.74**	**117.53**	**14.60**	**482.10**	**857.96**
Depreciation expense for the year	-	17.58	40.59	45.98	81.54	185.69
Elimination on disposals of assets	-	(8.26)	(0.04)	-	(6.66)	(14.96)
Balance at March 31, 2023	**-**	**253.06**	**158.08**	**60.58**	**556.98**	**1,028.69**
Net book value						
Balance at March 31, 2023	**64.57**	**51.95**	**20.99**	**75.95**	**157.83**	**371.29**
Balance at March 31, 2022	**64.57**	**24.49**	**14.24**	**121.93**	**114.52**	**339.75**

Note:

(i) Freehold Land with a carrying value of Rs. 64.57 lakhs (March 31, 2022 - Rs. 64.57 lakhs) has been hypothecated to secure Non-convertible debentures issued by the Company.

10B Intangible assets

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amounts of :		
a) Computer software	84.07	61.65
	84.07	**61.65**

Rs. in lakhs

Particulars	Computer software	Total
Gross Carrying Value		
Balance at April 1, 2021	**326.90**	**326.90**
Additions during the year	82.32	82.32
Balance at March 31, 2022	**409.22**	**409.22**
Additions during the year	73.36	73.36
Balance at March 31, 2023	**482.58**	**482.58**
Accumulated amortisation		
Balance at April 1, 2021	**300.12**	**300.12**
Amortisation expense for the year	47.45	47.45
Balance at March 31, 2022	**347.57**	**347.57**
Amortisation expense for the year	50.94	50.94
Balance at March 31, 2023	**398.51**	**398.51**
Net book value		
Balance at March 31, 2023	**84.07**	**84.07**
Balance at March 31, 2022	**61.65**	**61.65**

10C Right-of-use assets

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amounts of :		
a) Leased buildings (Refer Note 44)	1,072.10	795.12
	1,072.10	**795.12**

Rs. in lakhs

Particulars	Leased buildings	Total
Gross Carrying Value		
Balance at April 1, 2021	1,311.83	1,311.83
Additions during the year	552.05	552.05
Balance at March 31, 2022	**1,863.88**	**1,863.88**
Additions during the year	761.65	761.65
Balance at March 31, 2023	**2,625.53**	**2,625.53**
Accumulated depreciation		
Balance at April 1, 2021	631.14	631.14
Depreciation expense for the year	437.61	437.61
Balance at March 31, 2022	**1,068.75**	**1,068.75**
Depreciation expense for the year	484.67	484.67
Balance at March 31, 2023	**1,553.42**	**1,553.42**
Net book value		
Balance at March 31, 2023	**1,072.10**	**1,072.10**
Balance at March 31, 2022	**795.12**	**795.12**

10D Depreciation and Amortisation expense

Rs. in lakhs

Particulars	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on Property, plant and equipment	10A	185.69	176.13
Amortisation on intangible assets	10B	50.94	47.45
Depreciation on right-of-use assets	10C	484.67	437.61
Total		**721.30**	**661.19**

11 Other non-financial assets

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Considered Good, Unsecured		
Capital advances	51.14	8.57
Prepaid expenses	73.61	60.38
Other advances	44.14	11.11
	168.89	80.06

12 Assets held for sale

Particulars	As at March 31, 2023	As at March 31, 2022
Gross Carrying amount	584.13	208.72
Less: ECL Provisions	(352.38)	(52.18)
Net Carrying amount	231.75	156.54

13 Debt Securities

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Secured Redeemable Non-Convertible Debentures - At Amortised cost (Within India)	38,272.67	38,211.45
	38,272.67	**38,211.45**

(a) Details of terms of redemption / repayment and security provided in respect of debt securities:

Particulars	Tenure	Call Option/Put Option date or Final Maturity Date	Balance Outstanding	
			As at March 31, 2023	As at March 31, 2022
			Rs. in lakhs	Rs. in lakhs
Templeton - 300 Crs - Tranche - I (Jun 2018)	84 Months	20/6/2025	4,990.23	4,985.83
Templeton- Tranche - II (Aug 2018)	84 Months	20/8/2025	12,473.73	12,462.75
IFC NCDs - Tranche - I (Jul 2016)	60 Months	15/5/2023	3,443.58	3,435.18
IFC NCDs - Tranche - II (Feb 2017)	60 Months	15/5/2023	3,435.39	3,426.27
IFC NCDs - Tranche - III (May 2017)	60 Months	15/5/2023	3,451.31	3,441.75
IFC NCDs - Tranche - IV (Jan 2019)	84 Months	3/11/2025	10,478.43	10,459.67
Total			**38,272.67**	**38,211.45**
As at balance sheet date, interest rates (per annum) range for debt securities			9.35% to 10.36%	9.35% to 10.36%

14 Borrowings (Other than Debt Securities)

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Secured - At Amortised cost (Within India)		
Term loans		
Scheduled banks	203,015.11	102,153.46
Other Financial Institutions	97,588.07	87,602.46
Securitisation Loans	8,232.40	933.48
Working Capital Loans	-	4,991.14
	308,835.58	**195,680.54**

(a) Terms of repayment of borrowings from Banks:

(i) Terms of repayment of term loan from Banks :

Rs. in lakhs

Bank Name	Tenure of Loan	Earliest installment date	Principal repayment mode (instalments)	Balance Outstanding	
				As at March 31, 2023	As at March 31, 2022
Axis Bank	84/180 Months	27-Mar-21	Quarterly	25,682.55	23,054.12
Bank of Baroda	84 Months	31-Jul-19	Monthly / Quarterly	20,972.86	4,475.34
Bank of India	84 Months	31-Jan-21	Quarterly	3,119.51	3,845.80
Bank of Maharastra	72 Months	22-Mar-23	Monthly	19,998.06	-
Catholic Syrian Bank	60 Months	29-Mar-20	Quarterly/Half Yearly	8,860.10	1,493.16
Federal Bank	84/60 Months	28-Feb-18	Monthly/Quarterly	18,909.21	16,879.00
HDFC Bank	60/72/84 Months	22-Jul-18	Monthly/Quarterly	31,824.19	25,274.08
ICICI Bank	72 Months	31-Mar-16	Quarterly	-	37.31
Indian Bank	84 Months	31-Dec-21	Quarterly	5,000.59	6,599.58
Indus Ind Bank	72 Months	30-Apr-19	Monthly	1,536.05	1,930.01
Kotak Mahindra Bank	60 Months	21-Sep-19	Quarterly	9,427.71	2,081.48
KVB	60 Months	31-Aug-22	Quarterly	7,065.61	-
South Indian Bank	48/60 Months	31-Mar-20	Quarterly	9,971.21	1,643.17
State Bank of India	72 Months	28-Feb-21	Quarterly	37,628.11	12,398.24
Yes Bank	84 Months	30-Jan-21	Monthly	2,019.35	2,442.17
Total				**202,015.11**	**102,153.46**
As at balance sheet date, interest rates (per annum) range for the term loans from banks/Fis				7.70% to 9.95%	7.00 % to 10.40%

(ii) Terms of repayment of Cash Credit from Banks :

Rs. in lakhs

Bank Name	Tenure of Loan	Earliest installment date	Principal repayment mode (instalments)	Balance Outstanding	
				As at March 31, 2023	As at March 31, 2022
Axis Bank	NA	NA	On Demand	-	-
HDFC Bank	NA	NA	On Demand	-	-
South Indian Bank	NA	NA	On Demand	1,000.00	-
Federal bank	NA	NA	On Demand	-	-
Total				**1,000.00**	**-**

(iii) Terms of repayment of Working Capital Demand Loan from Banks :

Rs. in lakhs

Bank Name	Tenure of Loan	Earliest installment date	Principal repayment mode (instalments)	Balance Outstanding	
				As at March 31, 2023	As at March 31, 2022
DCB Bank	89 Days	NA	Bullet	-	2,500.00
ICICI Bank	180 days	NA	Bullet	-	2,491.14
Yes Bank	180 days	NA	Bullet	-	-
Federal Bank	30 Days	NA	Bullet	-	-
Total				**-**	**4,991.14**
Grand Total of Loans from banks				**203,015.11**	**107,144.60**
As at balance sheet date, interest rates (per annum) range for the working capital demand loan from banks				7.55% to 8.55%	7.15% to 8.25%

(b) Details of repayment of term Loan from NHB :

Rs. in lakhs

Bank Name	Tenure of Loan	Earliest installment date	Principal repayment mode (instalments)	Balance Outstanding	
				As at March 31, 2023	As at March 31, 2022
National Housing Bank	120/132 Months	27-Mar-21	Quarterly	97,588.07	87,602.46
Total				**97,588.07**	**87,602.46**
As at balance sheet date, interest rates (per annum) range for the working capital demand loan from banks				5.95% to 7.70%	5.05% to 9.75%

(c) Terms of repayment of borrowings from Securitisation:

Rs. in lakhs

Pool Name	Tenure of Loan	Earliest installment date	Principal repayment mode (instalments)	Balance Outstanding	
				As at March 31, 2023	As at March 31, 2022
Auckland	60 Months	26-Jul-22	Monthly	8,232.40	-
Gryffindor	60 Months	15-Mar-19	Monthly	-	933.48
Total				**8,232.40**	**933.48**
As at balance sheet date, interest rates (per annum) range for the working capital demand loan from banks				8.00% to 9.00%	8.00% to 9.00%

15 Other financial liabilities

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
At Amortised Cost		
Advances from customers	217.59	79.70
Accrued employee benefits	876.90	831.50
Financial guarantee liability	163.13	119.38
Dividend Payable	2.27	-
Other payables	726.75	1,134.66
	1,986.64	**2,165.24**

16 Current tax liabilities (Net)

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Income Tax (net)	-	344.13
	-	**344.13**

16B Current tax Assets (Net)

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Income Tax (net)	434.73	-
	434.73	**-**

17 Provisions

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits (Refer Note 31)		
Provision for gratuity	199.34	183.15
Provision for leave encashment	244.72	216.04
Provisions for Undrawn commitments	13.83	3.89
	457.89	**403.08**

17.1 Loan commitment

17.1.1 An analysis of changes in the gross carrying amount is as follows

Rs. In lakhs | Rs. In lakhs

Particulars	For the year ended March 31, 2023				For the year ended March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance of outstanding exposure	8,849.80	8.00	-	8,857.80	10,270.28	78.72	4.00	10,353.00
New exposure	9,815.29	18.00	5.00	9,838.29	8,849.81	8.00	-	8,857.81
Exposure derecognised or matured/lapsed (excluding write off)	(8,845.82)	(8.00)	-	(8,853.82)	(10,074.88)	(235.04)	(43.09)	(10,353.01)
Transfers to Stage 1	-	-	-	-	33.51	(33.51)	-	-
Transfers to Stage 2	-	-	-	-	(194.33)	194.33	-	-
Transfers to Stage 3	-	-	-	-	(34.59)	(4.50)	39.09	-
Gross carrying amount closing balance	**9,819.27**	**18.00**	**5.00**	**9,842.27**	**8,849.80**	**8.00**	**-**	**8,857.80**

17.1.2 Reconciliation of ECL balance is given below:

Rs. In lakhs | Rs. In lakhs

Particulars	For the year ended March 31, 2022				For the year ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance of outstanding exposure	3.65	0.24	(0.00)	3.89	5.68	0.91	0.33	6.92
New exposure	10.92	0.59	2.33	13.84	3.66	0.23		3.89
Exposure derecognised or matured/lapsed (excluding write off)	(3.66)	(0.24)	-	(3.90)	(5.76)	(0.68)	(0.48)	(6.92)
Transfers to Stage 1	-	-	-	-	0.50	(0.50)	-	-
Transfers to Stage 2	-	-	-	-	(0.34)	0.34		-
Transfers to Stage 3	-	-	-	-	(0.09)	(0.06)	0.15	-
Gross carrying amount closing balance	**10.91**	**0.59**	**2.33**	**13.83**	**3.65**	**0.24**	**(0.00)**	**3.89**

Notes to the standalone financial statements
for the year ended March 31, 2023

18 Other non-financial liabilities

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues	430.85	306.72
Deferred Income	26.66	77.64
	457.51	**384.36**

19 Equity Share capital

Rs. in lakhs

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
(i) Authorised share capital				
Equity shares of Rs. 2 each	530,000,000	10,600.00	530,000,000	10,600.00
(ii) Issued and Subscribed share capital				
Equity shares of Rs. 2 each - Fully paid-up	498,030,251	9,960.61	496,918,095	9,938.36
Equity shares of Rs. 2 each - Partly paid-up	-	-	-	-
	498,030,251	**9,960.61**	**496,918,095**	**9,938.36**

Notes:

a) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	Opening Balance	Fresh issue	Conversion of partly paid into fully paid (Note (c))	ESOP	Closing Balance
Equity shares					
Year ended March 31, 2023					
- Number of shares	496,918,095	-	-	1,112,156	498,030,251
- Amount (Rs. in lakhs)	9,938.36	-	-	22.25	9,960.61
Year ended March 31, 2022					
- Number of shares	481,416,290	14,164,305	7,500,000	1,337,500	496,918,095
- Amount (Rs. in lakhs)	9,493	283.29	135.00	26.74	9,938.36

(b) During the current year, the Company has allotted 11,12,156 equity shares to eligible employees under Employee Stock Option Scheme 2021 at exercise price of INR 140 per equity share.

(c) Terms/rights attached to Equity Shares:

The Company has only one class of equity shares having a par value of Rs.2 each. Each holder is entitled to one vote per equity share. Dividends proposed by the Board of Directors, if any is subject to the approval of the shareholders at the Annual General Meeting except in case of interim dividend.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares				
M Anandan	96,164,165	19.31%	96,164,165	19.35%
Westbridge Cross Over Fund LLC	171,729,755	34.48%	171,729,755	34.56%

Note: There are no shares held by Holding / Ultimate holding company and / or their subsidiaries / associates.

(e) Details of shareholding of Promoters

Name of the promoter	As at March 31, 2023			As at March 31, 2022		
	No of shares	% of total shares	% change during the current year	No of shares	% of total shares	% change during the current year
M Anandan	96,164,165	19.31%	0.05%	96,164,165	19.35%	0.63%
Padma Anandan	22,500,000	4.52%	0.00%	22,500,000	4.53%	0.66%
Westbridge Cross Over Fund LLC	171,729,755	34.48%	0.08%	171,729,755	34.56%	1.11%
Total	**290,393,920**	**58.31%**	**0.13%**	**290,393,920**	**58.44%**	**2.40%**

(f) Shares reserved for issue under options:

Refer Note 41 for details of shares reserved for issue under options.

20 Other Equity

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Securities premium	173,716.03	172,126.46
Employee Stock Options Reserve	813.03	437.70
Statutory Reserve under Section 29C of National Housing Bank (NHB) Act, 1987	5,659.18	2,985.22
Special Reserve under 36(1)(viii) of Income-tax Act, 1961	24,112.68	18,297.28
Impairment Reserve	610.36	610.36
Retained earnings	96,236.90	72,227.46
Remeasurement gain / (loss) on defined benefit plan	(45.16)	(33.28)
	301,103.02	**266,651.20**

20.1 Movement in Other Equity

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Securities premium (Refer Note 20.2.1)		
Balance at the beginning of the year	172,126.46	116,276.43
Add : Premium on ESOP exercised during the year	1,506.34	194.50
Add : Premium on fresh issuance of equity shares pursuant to initial public offerings ('IPO') during the year	-	49,716.71
Add : Premium on partly paid equity share converted into fully paid equity shares during the year	-	7,740.45
Add : Transfer from Employee Stock Options Reserve on ESOP exercised during the year	83.23	72.86
Less : Share issue expenses pursuant to initial public offerings ('IPO') during the year	-	(1,874.49)
Balance at the end of the year	**173,716.03**	**172,126.46**
(b) Employee Stock Options Reserve (Refer Note 20.2.2 & Note 41)		
Balance at the beginning of the year	437.70	72.86
Add: Share based payments to employees during the year	458.56	437.70
Less: Transfer to Securities Premium on options exercised during the year	(83.23)	(72.86)
Balance at the end of the year	**813.03**	**437.70**
(c) Statutory Reserve under Section 29C of National Housing Bank (NHB) Act, 1987 (Refer Note 20.2.3)		
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of NHB Act, 1987	2,985.22	1,885.20
b) Amount of special reserve u/s 36(1)(viii) of Income-tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of the NHB Act, 1987	18,297.28	13,233.29
Addition/Appropriation/withdrawal during the year		
Add: a) Amount transferred u/s 29C of NHB Act, 1987	2,673.96	1,100.02
b) Amount of special reserve u/s 36(1)(viii) of Income-tax Act, 1961 taken into account for the purposes of Statutory reserve u/s 29C of the NHB Act, 1987	5,815.40	5,063.99

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Less: a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from special reserve u/s 36(1)(viii) of Income-tax Act, 1961 taken into account for the purposes of provision u/s 29 C of NHB Act 1987	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of NHB Act, 1987	5,659.18	2,985.22
b) Amount of special reserve u/s 36(1)(viii) of Income-tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of the NHB Act, 1987	24,112.68	18,297.28
	29,771.86	**21,282.50**
(d) Impairment Reserve (Refer Note 20.2.4 & Note 42)		
Balance at the beginning of the year	610.36	610.36
Add: Transfer from retained earnings during the year	-	-
Balance at the end of the year	**610.36**	**610.36**
(e) Retained Earnings (Refer Note 20.2.5)		
Balance at the beginning of the year	72,227.46	47,568.61
Add: Profit for the year	42,458.66	30,822.86
Less : Dividend paid	(9,959.86)	-
Less: Transfer to Special reserve u/s 36(1)(viii) of Income-tax Act, 1961 (Refer Note 20.2.3)	(5,815.40)	(5,063.99)
Less: Transfer to Special reserve u/s 29C of the NHB Act, 1987 (Refer Note 20.2.3)	(2,673.96)	(1,100.02)
Less: Transfer to Impairment reserve (Refer Note 20.2.4)	-	-
Balance at the end of the year	**96,236.90**	**72,227.46**
(f) Remeasurement gain / (loss) on defined benefit plan		
Balance at the beginning of the year	(33.28)	(30.47)
Other Comprehensive Income for the year	(11.88)	(2.81)
Balance at the end of the year	(45.16)	(33.28)
Total	**301,103.02**	**266,651.20**

20.2 Nature and purpose of reserves:

20.2.1 Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013. During the year ended March 31, 2023, Securities premium was utilised to the extent of Rs. Nil (March 31, 2022 -Rs. 1874.49 lakhs on account of expenses incurred for the issue of Equity shares, in line with Section 52 of the Companies Act 2013).

20.2.2 Employee Stock Options Reserve

The amount represents reserve created to the extent of granted options based on the Employees Stock Option Schemes. Under Ind AS 102, fair value of the options granted is to be expensed out over the life of the vesting period as employee compensation costs reflecting period of receipt of service. Also refer note 41.

20.2.3 Statutory Reserve under Section 29C of National Housing Bank (NHB) Act, 1987

As per Section 29C(1) of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profit after tax 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. During the year ended March 31, 2023, the company has transferred Rs. 5,815.40 lakhs (March 31, 2022 - Rs. 5,063.99 lakhs) in terms of section 36(1)(viii) to the Special Reserve.

The Company has transferred an amount of Rs. 2,673.96 lakhs during the year ended March 31, 2023 (March 31, 2022 - Rs. 1,100.02 lakhs) to Statutory Reserve u/s 29C of the National Housing Bank Act, 1987. Total amount clearly earmarked for the purposes of Statutory Reserve u/s 29C is Rs. 29,771.86 lakhs (March 31, 2022 - Rs. 21,282.50 lakhs) out of which Rs. 5,659.18 lakhs (March 31, 2022 - Rs. 2,985.22 lakhs) is distinctly identifiable above and the balance of Rs. 24,112.68 lakhs (March 31, 2022 - Rs. 18,297.28 lakhs) is included in the Special Reserve created u/s 36(1)(viii) of the Income-tax Act, 1961.

The Company has resolved not to make withdrawals from the Special reserve created under Section 36(1)(viii) of the Income-tax Act, 1961.

20.2.4 Impairment Reserve

In terms of the requirement as per RBI notification no. RBI/2020-21/100 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated 17 February 2021, Housing Finance Companies (HFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The overall impairment provision made under Ind AS is higher than the prudential floor (including the provision requirement specified in the notification referred to in Note 6) prescribed by RBI.

20.2.5 Retained earnings

Retained earnings are the profits that the Company has earned till date less any transfer to statutory reserves, general reserves and dividend distributed to shareholders.

The Board of Directors has declared an interim dividend of Rs. 2 per share for equity share of face value of Rs. 2 at their meeting held on 28th Nov 2022 and paid subsequently on 15th Dec 2022.

21 Revenue from operations

Rs. in lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(A) Interest Income		
On financials assets measured at amortised cost		
Interest on term loans	87,175.44	64,908.06
Interest on fixed deposits with Banks	2,625.67	1,026.15
Interest Income on G Sec	114.80	-
	89,915.91	**65,934.21**
(B) Net gain on fair value changes		
Investment in mutual funds measured at FVTPL - trading portfolio		
Realised	816.02	491.17
Unrealised	-	41.64
	816.02	**532.81**
(C) Fees and commission Income	**2,142.98**	**1,429.81**
	92,874.91	**67,896.83**

22 Other income

Rs. in lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Charges for Marketing / Display	2,909.70	2,267.25
Other Non Operating Income	169.35	124.02
	3,079.05	**2,391.27**

23 Finance costs

Rs. in lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense on Financial liabilities measured at amortised cost		
- Debt Securities	3,826.34	3,828.99
- Borrowings (Other than Debt Securities)	20,315.28	14,013.57
- Others	86.68	77.00
	24,228.30	**17,919.56**

24 Employee benefits expense

Rs. in lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, Bonus and Commission	10,471.06	7,047.36
Share based payments to employees (Refer Note 41)	458.56	437.70
Contributions to provident and other funds (Refer Note 31.1)	723.04	610.26
Gratuity expense (Refer Note 31.2)	43.54	34.04
Staff welfare expenses	266.98	236.95
	11,963.18	**8,366.31**
Less: Expenses recovered from subsidiary (Refer Note 30)	(1,140.95)	(960.74)
	10,822.23	**7,405.57**

25 Impairment on Financial Instruments

Rs. in lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Expected Credit Loss Expense		
- On terms loans measured at amortised cost	3,104.65	2,457.48
- On undrawn commitment at amortised cost	9.94	(3.03)
Bad Debts Write off	(296.92)	479.16
	2,817.67	**2,933.61**

26 Other expenses

Rs. in lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Repairs and maintenance		
- Computers	22.91	24.73
- Others	0.53	0.84
Insurance	6.21	5.43
Information Technology expenses	229.55	55.77
Rates and taxes	298.70	202.34
Communication costs	92.38	123.11
Travelling and conveyance	477.28	284.75
Office expenses	137.52	96.27
Printing and stationery	79.83	52.17
Commission to Directors	70.00	52.50
Sitting fees to non-whole time directors	20.25	23.40
Charges paid to rating agencies	89.80	61.13
Electricity Charges	42.45	28.39
Bank charges	73.96	67.44
Advertisement and publicity	42.55	21.62
Legal and professional charges	276.46	154.75
Secretarial And Compliance Expenses	33.75	-
Auditor's fees and expenses (Refer Note 26.2)	66.25	43.70
Corporate Social Responsibility Expenditure (Refer Note 38)	588.46	417.54
Miscellaneous expenses	12.00	13.85
	2,661.01	**1,729.73**

26.1 The above expenses are net of expenses recovered from Subsidiary amounting to Rs. 285.24 lakhs (March 31, 2022 - Rs. 339.41 lakhs).

26.2 Details of Auditor's fees and expenses

Rs. in lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Audit fee (including regulatory certificates)	31.00	25.00
Limited Review	19.50	10.00
Others	15	8.45
Reimbursement of expenses	0.75	0.25
	66.25	**43.70**

27 Tax expenses

Rs. in lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax expense	11,881.98	9,371.41
Tax relating to previous years	-	-
Deferred tax charge / (credit)	362.81	(555.83)
	12,244.79	**8,815.58**

Reconciliation of Effective tax rate

The income tax expense for the year can be reconciled to the accounting profit/ (loss) as follows:

Rs. in lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(A) Profit before tax	54,703.45	39,638.44
(B) Enacted tax rates in India (including surcharge and cess)	25.17%	25.17%
(C) Income tax on profit before tax based on the enacted rate	13,767.76	9,976.20
(D) Other than temporary differences		
- Effect of change in tax rate	-	-
- Effect of income that is exempt from taxation	-	-
- Effect of inadmissible expenses	72.09	139.45
- Effect of admissible deductions	(1,605.59)	(1,442.96)
- Effect of reversal of opening balance of deferred tax liability on Special Reserve created u/s 36(1)(viii) of Income-tax Act, 1961	-	-
- Others	10.53	142.89
(E) Income tax expense recognised in Profit and Loss	**12,244.79**	**8,815.58**

The income tax rate used for the above reconciliations are the corporate tax rate payable by the Company in India on taxable profits under the Income-tax Act, 1961.

The Company had elected to exercise the option of a lower tax rate provided under Section 115BAA of the Income tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated September 20, 2019. Accordingly, the Company has recognised provision for income tax for the year ended March 31, 2023 and March 31, 2022 basis the rate provided in the said section.

28.1 Contingent liabilities as per Ind AS 37 and commitments

i) Matters wherein management has concluded the Company's liability to be probable have accordingly been provided for in the books. Also refer note 17.

ii) Matters wherein management has concluded the Company's liability to be possible have accordingly been disclosed under Note 28.2 Contingent liabilities below.

iii) Matters wherein management is confident of succeeding in these litigations and have concluded the Company's liability to be remote. This is based on the relevant facts of judicial precedents and as advised by legal counsel which involves various legal proceedings and claims, in different stages of process.

28.2 Contingent Liabilities

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Corporate undertakings for securitisation of receivables for which the outflow would arise in the event of a shortfall, if any, in the cashflows of the pool of the securitised receivables. (Refer note below)	-	-

Note:

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

28.3 Commitments

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Loans sanctioned to Borrowers pending disbursement	11,053.58	13,997.00
	11,053.58	**13,997.00**

29A Micro, Small and Medium Enterprises

Based on the extent of information available with the Management, there are no transactions with Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) during the year ended March 31, 2023 and March 31, 2022. This has been relied upon by the Auditors.

29B Trade Payable Ageing details;

Rs. in lakhs

31-Mar-23	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed - MSME	-	-	-	-	-
(ii) Undisputed - Others	827.4	-	-	-	827.4
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
Total	**827.4**	**-**	**-**	**-**	**827.4**

Rs. in lakhs

31-Mar-22	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed - MSME	-	-	-	-	-
(ii) Undisputed - Others	494.24	-	-	-	494.24
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
Total	**494.24**	**-**	**-**	**-**	**494.24**

30 Sharing of Costs

The Company and its subsidiary share certain costs / service charges. These costs have been recovered by the Company from its subsidiary on a basis mutually agreed by both the entities, which has been relied upon by the Auditors.

Disclosures under Accounting Standards

31 Employee benefit plans

31.1 Defined contribution plans

The Company makes Provident Fund contributions for qualifying employees to the Regional Provident Fund Commissioner. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized Rs. 558.09 lakhs (March 31, 2022 - Rs. 469.04 lakhs) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to the scheme by the Company are at rates specified in the rules of the scheme.

31.2 Defined benefit plans

The Company provides for gratuity, a defined benefit plan (the "gratuity plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The gratuity plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's last drawn salary and years of employment with the Company. The Company does not have a funded gratuity scheme for its employees.

The Company is exposed to various risks in providing the above gratuity benefit such as: interest rate risk, longetivity risk and salary risk.

Interest risk: A decrease in the bond interest rate will increase the plan liability.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary escalation risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Gratuity provision has been made based on the actuarial valuation done as at the year end using the Projected Unit Credit method. The details of actuarial valuation as provided by the Independent Actuary is as follows:

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Change in defined benefit obligations during the year		
Present value of obligation as at beginning of the year	**183.15**	**164.24**
Current service cost	33.80	31.07
Interest cost	8.35	7.31
Benefits paid	(41.84)	(23.22)
Actuarial (gains) / losses	15.88	3.75
Present value of obligation at end of the year	**199.34**	**183.15**
Change in Fair value of assets during the year		
Plan Assets at the beginning of the year	-	-
Expected Return on Plan Assets	-	-
Actual Company Contributions	-	-
Actuarial (gains) / losses	-	-
Plan Assets at the end of the year	-	-
Liability recognized in the Balance Sheet		
Present value of obligation	199.34	183.15
Fair value of Plan Assets	-	-
Net Liability recognized in the Balance Sheet	**199.34**	**183.15**

Rs. in lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Expenses Recognised in the Statement of Profit and Loss:		
Current service cost	33.80	31.07
Net Interest on Net Defined Benefit Obligations	8.35	7.31
Past service cost	-	-
Expenses recognized in the statement of profit and loss	**42.15**	**38.38**
Amount Recognized for the current year in the Statement of Other Comprehensive Income [OCI]		
Actuarial (gain)/loss on Plan Obligations	15.88	3.75
Difference between Actual Return and Interest Income on Plan Assets-(gain)/loss	**-**	**-**
Amount recognized in OCI for the current year	**15.88**	**3.75**

Actual return on Plan Assets

The key assumptions used in the actuarial valuation as provided by independent actuary are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Discount Rate	7.14%	5.15%
Future Salary Increase	5.00%	5.00%
Attrition rate	13% to 24%	8% to 46%
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate Table	Indian Assured Lives Mortality (2012-14) Ultimate Table

Notes:

1. The estimate of the future salary increase takes into account inflation, seniority, promotion and other relevant factors.
2. Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.
3. Experience adjustments

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below 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 following table summarizes the impact on defined benefit obligation arising due to increase / decrease in key actuarial assumptions by 50 basis points:

As at March 31, 2023

Defined Benefit Obligation	Discount rate	Salary increase rate
Impact of decrease	4.19	(4.42)
Impact of increase	(4.01)	4.58

As at March 31, 2022

Defined Benefit Obligation	Discount rate	Salary increase rate
Impact of decrease	3.33	(3.47)
Impact of increase	(3.20)	3.58

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of-the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

Additional disclosures required under Ind AS 19

Particulars	As at March 31, 2023	As at March 31, 2022
Average Duration of Defined Benefit Obligations (in years)	4.80	4.60
Projected undiscounted expected benefit outgo (mid year cash flows) (in Rs. lakhs)	-	
Year 1	46.43	48.04
Year 2	28.14	29.68
Year 3	25.92	27.51
Year 4	25.96	21.13
Year 5	29.15	17.28
Year 6 to 10	77.32	61.60
Expected Benefit Payments for the next annual reporting year (Rs. In lakhs)	46.43	48.04

31.3 Leave encashment

The key assumptions used in the actuarial valuation as provided by independent actuary are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Discount Rate	7.14%	5.15%
Future Salary Increase	5.00%	5.00%

31.4 The date on which the Code on Social Security, 2020 (the "Code') relating to employee benefits shall become effective is yet to be notified and the related rules are yet to be finalized. The Company will evaluate the code and its rules, assess the impact, if any, and account for the same when they become effective.

32 Segment Reporting:

The Executive Chairman of the Company takes decision in respect of allocation of resources and assesses the performance basis the report/ information provided by functional heads and are thus considered to be Chief Operating Decision Maker ("CODM").

The Company operates under the principal business segment viz. "providing long term housing finance, loans against property and refinance loans". CODM views and monitors the operating results of its single business segment for the purpose of making decisions about resource allocation and performance assessment. Accordingly, there are no separate reportable segments in accordance with the requirements of Ind AS 108 'Operating segment' and hence, there are no additional disclosures to be provided other than those already provided in the consolidated financial statements. The Company's operations are predominantly confined in India.

33 Earnings and Expenditure in foreign currency - Rs. Nil (March 31, 2022: Rs. Nil)

34 Related party transactions

34.1 Details of related parties:

Description of relationship	Names of related parties
Key Management Personnel (KMP)	Mr. M Anandan, Executive Chairman
	Mr. P Balaji, Managing Director (from May 04, 2023)
	Mr. John Vijayan Rayappa, Chief Financial Officer (from May 04, 2023)
	Mr. Sanin Panicker, Company Secretary
	Mr. Shailesh J Mehta, Non-executive Director
	Mr. K M Mohandass, Independent Director
	Mr. S Krishnamurthy, Independent Director
	Mr. Krishnamurthy Vijayan, Independent Director
	Mr. K P Balaraj, Nominee Director
	Mr. Suman Bollina, Non-executive Director
	Mr. Sumir Chadha, Nominee Director
	Ms. Mona Kachhwaha, Independent Director
	Mr. V G Kannan, Independent Director
Individuals having Significant Influence	Mr. M Anandan, Executive chairman
Entities having Significant Influence	Westbridge Cross Over Fund LLC
Subsidiary	Aptus Finance India Private Limited

Note: Related party relationships are as identified by the Management and relied upon by the Auditors.

34.2 Details of related party transactions for the year

Rs. in lakhs

Transactions during the year	Names of related parties	For the year ended March 31, 2023	For the year ended March 31, 2022
Remuneration *	Mr. M Anandan		
	- Salary	1,252.84	1,000.82
Director commission and sitting fee	Mr. Shailesh J Mehta		
	- Commission	10.00	7.50
	- Sitting fee	1.80	2.95
Director commission and sitting fee	Mr. K M Mohandass		
	- Commission	10.00	7.50
	- Sitting fee	4.30	4.35
Director commission and sitting fee	Mr. S Krishnamurthy		
	- Commission	10.00	7.50
	- Sitting fee	3.70	5.40
Director commission and sitting fee	Mr. Krishnamurthy Vijayan		
	- Commission	10.00	7.50
	- Sitting fee	3.90	3.75
Director commission and sitting fee	Mr. Suman Bollina		
	- Commission	10.00	7.50
	- Sitting fee	1.60	2.10

Rs. in lakhs

Transactions during the year	Names of related parties	For the year ended March 31, 2023	For the year ended March 31, 2022
Director commission and sitting fee	Ms. Mona Kachhwaha		
	- Commission	10.00	7.50
	- Sitting fee	3.05	2.50
Director commission and sitting fee	Mr. V G Kannan		
	- Commission	10.00	7.50
	- Sitting fee	1.90	2.25

Details of related party transactions for the year

Rs. in lakhs

Transactions during the year	Names of related parties	For the year ended March 31, 2023	For the year ended March 31, 2022
Remuneration *	Mr. P Balaji		
	- Salary	145.46	116.62
Remuneration *	Mr. Sanin Panicker		
	- Salary	14.60	12.32
Rent paid	Mr. M Anandan	8.42	8.02
Proceeds from conversion of partly paid-up shares into fully paid-up shares	Mr. M Anandan	-	7,875.45
Support cost recovered	Aptus Finance India Private Limited	1,426.19	1,300.15
Investment during the year #	Aptus Finance India Private Limited	99.99	95.23
Loans given during the year	Aptus Finance India Private Limited	33,500.00	14,800.00
Loans repaid during the year	Aptus Finance India Private Limited	6,000.00	16,100.00
Corporate guarantee given for Borrowings taken by the Subsidiary	Aptus Finance India Private Limited	9,000.00	18,500.00
Interest Income on Loan to Subsidiary	Aptus Finance India Private Limited	256.39	558.44
Commission on Financial Guarantee	Aptus Finance India Private Limited	56.23	53.55

Rs. in lakhs

Balances as at year end	Names of related parties	As at March 31, 2023	As at March 31, 2022
Investment#	Aptus Finance India Private Limited	15,386.05	15,286.06
Loans outstanding	Aptus Finance India Private Limited	28,000.00	500.00
Corporate guarantee given for Borrowings taken by the Subsidiary and outstanding	Aptus Finance India Private Limited	24,319.61	27,929.95

Note:

* As the future liabilities of gratuity and leave encashment are provided on actuarial basis for the Company as a whole, the amounts pertaining to key managerial personnel is not separately ascertainable and therefore not included above.

Includes Investment in subsidiary arising out of financial guarantee obligations.

35 Financial Instruments

35.1 Capital management

The Company actively manages its capital to meet regulatory norms and current and future business needs, considering the risks in its businesses, expectations of rating agencies, shareholders and investors, and the available options of raising capital. Its capital management framework is administered by the risk committee of Company. During the current year, there has been no change in objectives, policies or processes for managing capital.

The Company is subject to the capital adequacy requirements of the National Housing Bank ('NHB') / Reserve Bank of India ('RBI'). As per the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021, the Company is required to maintain a minimum ratio of total capital to risk adjusted assets as determined by a specified formula, at least half of which must be Tier 1 capital, which is generally shareholders' equity.

The Company has complied with all regulatory requirements related to regulatory capital and capital adequacy ratios as prescribed by NHB / RBI.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities.

Below is the Capital Risk Adequacy Ratio maintained and calculated as per NHB/RBI guidelines in the respective year by the Company and as per regulatory return filed with NHB in the respective years.

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Tier I Capital	295,671.01	273,188.20
Tier II Capital	3,022.81	711.87
Total Capital	**298,693.82**	**273,900.07**
Risk Weighted assets	**385,978.56**	**319,928.65**
Capital Adequacy Ratio	77.38%	85.61%
Tier I Capital %	76.60%	85.39%
Tier II Capital %	0.78%	0.22%

Below is the further breakup of the Tier I and Tier II Capital as at March 31, 2023 and March 31, 2022

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Tier I Capital :		
Paid up Equity share capital	9,960.61	9,938.36
Special Reserve (Section 36(1)(viii) Income Tax Act, 1961	24,112.68	18,297.28
Statutory Reserve Us.29C of the NHB Act, 1987	5,659.18	2,985.22
Share premium	173,716.03	172,126.46
Credit balance in Profit and Loss Account	96,191.74	72,194.18
ESOP Reserve	813.03	437.70
Deferred Revenue Expenditure	(73.61)	(60.38)
Deferred Tax Assets	(1,687.95)	(2,046.76)
Other Intangible Assets	(84.06)	(61.65)
50% of First loss guarantee given on securitised assets	(373.96)	(622.21)
Subsidiary loan outstanding in excess of 10% of Owned fund	(12,562.68)	-
Net Tier I Capital	**295,671.01**	**273,188.20**
Tier II Capital :		
General provisions and loss reserves (including provisions for standard assets)	3,396.77	1,334.08
50% of First loss guarantee given on securitised assets	(373.96)	(622.21)
Net Tier II Capital	**3,022.81**	**711.87**
Total Capital	**298,693.82**	**273,900.07**

35.2 Categories of Financial Instruments

Rs. in lakhs

Particulars	As at March 31, 2023			As at March 31, 2022		
	Measured at			Measured at		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets						
Cash and Cash equivalents	-	-	42,291.71	-	-	39,612.30
Bank Balance other than cash and cash equivalents	-	-	729.03	-	-	3,510.33
Loans	-	-	592,827.48	-	-	441,054.74
Investments	-	-	20,533.47	10,165.19	-	15,286.06
Other Financial assets	-	-	2,444.80	-	-	1,944.23
Total Financial Assets	**-**	**-**	**658,826.49**	**10,165.19**	**-**	**501,407.66**
Financial liabilities						
Debt securities	-	-	38,272.67	-	-	38,211.45
Borrowings (other than debt securities)	-	-	308,835.58	-	-	195,680.54
Trade payables	-	-	827.40	-	-	494.24
Lease liabilities	-	-	975.95	-	-	780.13
Other financial liabilities	-	-	1,986.64	-	-	2,165.24
Total Financial liabilities	**-**	**-**	**350,898.24**	**-**	**-**	**237,331.60**

35.3 Fair Value Measurements

Fair Value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value disclosure are required in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

(a) Fair Value of financial instruments recognised and measured at fair value

Rs. in lakhs

Particulars	Level 1	Level 2	Level 3	Total
As at March 31, 2023				
Financial assets				
Investments	-	-	-	-

Particulars	Level 1	Level 2	Level 3	Total
As at March 31, 2022				
Financial assets				
Investments	10,165.19	-	-	10,165.19

(b) Fair value of financial instruments not measured at fair value

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions.

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 cash equivalents, bank balances other than cash and cash equivalents, other financial assets, trade payables and other financial liabilities without a specific maturity. Such amounts have been classified as Level 3 except for cash and cash equivalents and bank balances other than cash and cash equivalents which have been classified as Level 1.

Loans

The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, probability of default and loss given default estimates. Where such information is not available, the Company uses historical experience and other information used in its collective impairment models.

Fair values of lending portfolios are calculated using a portfolio-based approach. The Company then calculates and extrapolates the fair value to the entire portfolio, using discounted cash flow models that incorporate interest rate estimates considering all significant characteristics of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating probability of defaults and loss given defaults

Debt securities & Borrowings (other than debt securities)

The fair values of Debt Securities and Borrowings (other than Debt securities) are estimated by discounted cash flow models that incorporate interest cost estimates considering all significant characteristics of the borrowing. They are classified as Level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments 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.

Rs. in lakhs

Particulars	As at March 31, 2023					As at March 31, 2022				
	Carrying Value	Fair Value hierarchy				Carrying Value	Fair Value hierarchy			
		Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3	Total
Financial assets										
Cash and cash equivalents	42,291.71	42,291.71	-	-	42,291.71	39,612.30	39,612.30	-	-	39,612.30
Bank Balance other than cash and cash equivalents	729.03	729.03	-	-	729.03	3,510.33	3,510.33	-	-	3,510.33
Loans	592,827.48	-	-	595,218.07	595,218.07	441,054.74	-	-	444,465.85	444,465.85
Investments	20,533.47	5,147.42	-	15,386.05	20,533.47	15,286.06	-	-	15,286.06	15,286.06
Other Financial assets	2,444.80	-	-	2,444.80	2,444.80	1,944.23	-	-	1,944.23	1,944.23
Total Financial Assets	**658,826.49**	**48,168.16**	**-**	**613,048.92**	**661,217.08**	**501,407.66**	**43,122.63**	**-**	**461,696.14**	**504,818.77**
Financial liabilities										
Trade Payables	827.40	-	-	827.40	827.40	494.24	-	-	494.24	494.24
Debt Securities	38,272.67	-	-	38,149.52	38,149.52	38,211.45	-	-	37,811.63	37,811.63
Borrowings (Other than Debt Securities)	308,835.58	-	-	309,015.88	309,015.88	195,680.54	-	-	195,217.51	195,217.51
Lease Liabilities	975.95	-	-	975.95	975.95	780.13	-	-	780.13	780.13
Other financial liabilities	1,986.64	-	-	1,986.64	1,986.64	2,165.24	-	-	2,165.24	2,165.24
Total Financial Liabilities	**350,898.24**	**-**	**-**	**350,955.39**	**350,955.39**	**237,331.60**	**-**	**-**	**236,468.75**	**236,468.75**

35.4 Market risk management

Market Risk is the risk of loss in on-balance sheet and off-balance sheet positions arising from movements in market place, in particular, changes in interest rates, exchange rates and equity. In line with the regulatory requirements, the Company has in place a Board approved Market Risk Management and Asset Liability Management ("ALM") policy in place. The Policy provides the framework for assessing market risk, in particular, tracking of events happening in market place, changes in policies / guidelines of government and regulators, exchange rate movement, equity market movements, money market movements etc.

35.5 Interest rate risk management

Interest rate risk is managed through ALM policy framed by the Company. The ALM policy is administered through the ALCO (Asset Liability Management Committee) which monitors the following on a monthly basis:

- Borrowing cost of the Company as on a particular date
- Interest rate scenario existing in the market
- Gap in cash flows at the prevalent interest rates
- Effect of Interest rate changes on the Gap in the cash flows
- Fixing appropriate interest rate to be charged to the customer based on the above factors

Interest rate sensitivity analysis

The sensitivity analysis has been determined for borrowings where interest rates are variable, assuming the amount outstanding at the end of the reporting year was outstanding for the whole year. A 50 basis points increase or decrease in interest rates is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Rs. in lakhs

Sensitivity analysis as at March 31, 2023	Carrying value	Fair value	Sensitivity to fair value	
			0.50% increase	0.50% decrease
Loans	592,827.48	595,218.07	586,067.70	604,618.16
Debt Securities	38,272.67	38,149.52	37,516.04	38,133.62
Borrowings (Other than Debt Securities)	308,835.58	309,015.88	297,955.91	313,188.63

Sensitivity analysis as at March 31, 2022	Carrying value	Fair value	Sensitivity to fair value	
			0.50% increase	0.50% decrease
Loans	441,054.74	444,465.85	437,262.79	451,873.04
Debt Securities	38,211.45	37,811.63	37,149.71	37,791.62
Borrowings (Other than Debt Securities)	195,680.54	195,217.51	192,646.11	197,866.09

35.6 Credit risk

Credit risk in the Company arises due to default by customers on their contractual obligations which results to financial losses. Credit Risk is a major risk in the Company and the Company's asset base comprises loans for affordable housing and loans against property. Credit Risk in the Company stems from outright default due to inability or unwillingness of a customer to meet commitments in relation to lending, settlement and other financial transactions. The essence of credit risk assessment in the Company pivots around the early assessment of stress, either in a portfolio or an account, and taking appropriate measures.

35.6.1 Credit risk management

Credit risk in the Company is managed through a framework that sets out policies and procedures covering the measurement and management of credit risk. There is a clear segregation of duties between transaction originators in the business function and approvers in the credit risk function. Board approved credit policies and procedures mitigate the Company's prime risk which is the default risk. There is a Credit Risk Management Committee in the

Company for the review of the policies, process and products on an ongoing basis, with approval secured from the Board as and when required. There is a robust Credit Risk Management set-up in the Company at various levels.

1. There are Credit teams to ensure implementation of various policies and processes through random customer visits and assessment, training of branch staff on application errors, liaison with other institutions to obtain necessary information/ loan closure documents, as the case may be, and highlight early warning signals and industry developments enabling pro-active field risk management.
2. The credit sanction is done through a delegation matrix where credit sanctioning powers are defined for respective levels.
3. Portfolio analysis and reporting is used to identify and manage credit quality and concentration risks.
4. Credit risk monitoring for the Company is broadly done at two levels: account level and portfolio level. Account monitoring aims to identify weak accounts at an incipient stage to facilitate corrective action. Portfolio monitoring aims towards managing risk concentration in the portfolio as well as identifying stress in certain occupations, markets and states.

35.6.2 Significant increase in credit risk

The Company monitors all financial assets that are subject to 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 measures the loss allowance based on lifetime rather than Stage 1 (12-month) Expected Credit Loss (ECL). Pending the adoption of scoring models to assess the change in credit status at an account level and at portfolio level, the Company has adopted SICR (Significant Increase in Credit risk) criteria based on Days Past Due (DPD). The following table lists the staging criteria used in the Company: Staging Criterion

Stage-1: 0 up to 30 days past due

Stage-2: 31 up to 90 days past due

Stage-3: 91 and above days past due

Stage 2 follows the rebuttable presumption stated in Ind AS 109, that credit risk has increased significantly since initial recognition no later than when contractual payments are more than 30 days past due.

The Company also considers other qualitative factors and repayment history and considers guidance issued by the Institute of Chartered accountants of India (ICAI) for staging of advances to which moratorium benefit has been extended under the COVID regulatory package issued by RBI and as approved by the Board.

35.6.3 Measurement of ECL

The key inputs used for measuring ECL on term loans issued by the Company are:

Probability of default (PD): The PD is an estimate of the likelihood of default over a given time horizon (12 months). It is estimated as at a point in time. To compute Expected Credit Loss (ECL) the portfolio is segregated into 3 stages viz. Stage 1, Stage 2 and Stage 3 on the basis of Days Past Dues. The Company uses 12 month PD for the stage 1 borrowers and lifetime PD for stage 2 and 3 to compute the ECL.

Loss given default (LGD): LGD is an estimation of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from eligible collateral.

Exposure at default (EAD): 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 expected drawdowns on committed facilities.

Probability of Default

To arrive at Probability of Default, 'Vintage Analysis' was done considering monthly defaults of borrower since origination.

The analysis considered Monthly Default Rates starting from inception until the end of observation period i.e. December 2022 to calculate default rates for each vintage month. Cumulative PD was calculated from the marginal PDs for each vintage month. Simple Average and Weighted Average PD was computed for each Month on Book (MOB) period starting from MOB 0 until MOB "n" (end of observation period). The Company has used Simple average to eliminate the bias that can be possible due to weighted average effect.

Loss Given Default

LGD was calculated using First time NPA (FTN) date and recovery data for each of these FTN dates. FTN date was taken from inception until the latest period. For each pool, recovery data was mapped to the subsequent months until current period from the respective default month i.e. recovery data was retrieved and plotted against the flow of month i.e. Months on Book MOB 0, MOB 1, MOB 2, MOB 3 till MOB (n) against each default month. Considering time value of money, recoveries in each month was discounted to arrive at the value as of FTN date. Average Interest Rates charged for each disbursement year was used as the Effective Interest Rates (EIR) for the loans.

Marginal Recovery rates was computed for each month as Discounted Recovery amount for a given month divided by the total outstanding amount for the given FTN date. Cumulative recovery rates were computed for each FTN date and LGD for corresponding FTN date was computed by using the formula (1- Recovery Rate). Weighted average LGD was computed for the entire observation period, weights being the total outstanding amount for each FTN date.

Exposure at Default :

EAD is the total outstanding balance at the reporting date including principal and accrued interests at the reporting date. EAD calculation for all portfolios is as under:

Stage 1 Assets:

- [(The total outstanding balance drawn) + (Undrawn Portion*CCF undrawn)].

Stage 2 Assets:

- [(The total outstanding balance drawn) + (Undrawn Portion*CCF undrawn)].

Stage 3 Assets:

- [(The total outstanding balance drawn) + (Undrawn Portion*CCF undrawn)].

Credit Conversion Factor (CCF) for undrawn portion has been taken at 100% based on historical experience and other information available with the Company.

The Company measures ECL as the product of PD , LGD and EAD estimates for its Ind AS 109 specified financial obligations.

Credit Risk Concentrations

In order to manage concentration risk, the Company, considering the regulatory limits, focuses on maintaining a diversified portfolio across housing loans and loans against property. An analysis of the Company's credit risk concentrations is provided in the following tables which represent gross carrying amounts of each class.

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Loans (at amortised cost) - Gross amount		
Concentration by products		
Housing Loans	370,715.83	273,891.92
Loans against property (including Loans subordinated as Credit Enhancements for assets de-recognised)	228,109.66	170,642.68
Total Advances	**598,825.49**	**444,534.60**

35.6.4 The tables below analyse the movement of the loss allowance during the year per class of assets.

Rs. in lakhs

Loss allowance on Loans at amortised cost	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance as at March 31, 2023	3,374.51	1,058.15	1,565.35	5,998.01
Loss allowance as at March 31, 2022	1,330.20	865.76	1,283.90	3,479.86
Movement for the year ended March 31, 2023	2,044.31	192.39	281.45	2,518.15

The table below provides an analysis of the gross carrying amount of Loans by past due status.

Rs. in lakhs

Particulars	As at March 31, 2023		As at March 31, 2022	
	Gross carrying	Loss allowance	Gross carrying	Loss allowance
Loans				
0 to 30 days	566,466.60	3,374.51	402,402.01	1,330.20
31 up to 90 days	26,302.70	1,058.15	37,067.07	865.76
90 days and above	6,056.19	1,565.35	5,065.53	1,283.90
Total	**598,825.49**	**5,998.01**	**444,534.61**	**3,479.86**

Note:

The count of borrowers for 90 days and above is 924 as at March 31, 2023 (March 31, 2022 count of borrowers is 634)

35.6.5 Collateral held as security and other credit enhancements

The Company holds collateral or other credit enhancements to mitigate credit risk associated with financial assets. The main types of collateral and the types of assets these are associated with are listed in the table below.

Particulars	Type of Collateral held
Housing Loans	Mortgage of the immovable property
Loan Against Properties	Mortgage of the immovable property

Although collateral can be an important mitigation of credit risk, it is the Company's practice to lend on the basis of the customer's ability to meet the obligations out of cash flow resources other than placing primary reliance on collateral and other credit risk enhancements.

The Company obtains first and exclusive charge on all collateral that it obtains for the loans given. The loans are secured by collateral at the time of origination. The value of the property at the time of origination will be arrived by obtaining two valuation reports from in-house valuers.

Immovable Property is the collateral for Housing and non-housing loans. Security Interest in favour of the Company is created by Mortgage through deposit of title deeds

The Company does not obtain any other form of credit enhancement other than the above. All the Company's term loans are secured by way of tangible Collateral.

Any surplus remaining after settlement of outstanding debt by way of sale of collateral is returned to the customer / borrower.

35.6.6 Offsetting financial assets and financial liabilities

The Company has not recognised any financial asset or liability on a net basis.

35.6.7 Financial Guarantee

The Company has issued Corporate Guarantees of Rs. 24,319.61 lakhs (March 31, 2022 -Rs. 27,929.95 lakhs) to Banks and external lenders on behalf of the subsidiary - Aptus Finance India Private Limited. Based on the financial performance of the subsidiary, the Company does not expect the guarantee liability to devolve on the Company.

35.7 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

Exposure to liquidity risk

The Company manages and measures liquidity risk as per its ALM policy and the ALCO (Asset Liability Management Committee of the Company) is responsible for managing the liquidity risk. The Company not only measures its current liquidity position on an ongoing basis but also forecasts how liquidity position may emerge under different assumptions. The liquidity position is tracked through maturity or cash flow mismatches across buckets spanning all maturities.

35.7.1 Following are the contractual maturities of financial liability/financial assets at the reporting date. Loans, debt securities and borrowings include estimated interest receipts / payments.

Rs. in lakhs

As at March 31, 2023	1 day to 30/31 days (One Month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
Financial assets											
Cash and cash equivalents	32,109.71	8,050.00	2,051.00	-	-	-	-	-	-	-	42,291.71
Bank Balance other than cash and cash equivalents	2.27	-	-	-	-	539.00	-	-	-	-	541.27
Loans	14,141.97	14,336.67	14,320.04	46,347.33	92,225.07	254,842.28	226,907.67	204,293.71	191,754.38	39,419.50	1,098,588.63
Investments	-	-	-	-	-	-	5,147.42	-	-	15,386.05	20,533.47
Other Financial assets	2,175.85	-	-	-	-	268.95	-	-	-	-	2,444.80
Total (A)	**48,510.80**	**22,386.67**	**16,371.04**	**46,347.33**	**92,225.07**	**255,650.23**	**232,055.09**	**204,293.71**	**191,754.38**	**54,805.55**	**1,164,399.88**
Financial liabilities											
Trade payables	827.40	-	-	-	-	-	-	-	-	-	827.40
Debt securities	143.84	11,120.78	128.77	171.23	530.35	29,704.19	-	-	-	-	41,799.14
Borrowings (other than debt securities)	5,877.89	3,660.13	8,013.35	21,924.88	42,439.40	146,924.48	98,260.09	38,486.57	19,179.94	799.02	385,565.75
Lease liabilities	47.48	47.31	47.14	129.07	224.07	475.65	159.25	38.38	-	-	1,168.35
Other financial liabilities	1,986.64	-	-	-	-	-	-	-	-	-	1,986.64
Total (B)	**8,883.25**	**14,828.22**	**8,189.26**	**22,225.18**	**43,193.82**	**177,104.32**	**98,419.34**	**38,524.95**	**19,179.94**	**799.02**	**431,347.29**
Net Financial Assets / Liabilities (A-B)	**39,627.55**	**7,558.45**	**8,181.78**	**24,122.15**	**49,031.25**	**78,545.92**	**133,635.75**	**165,768.76**	**172,574.44**	**54,006.53**	**733,052.59**

As on March 31, 2022	1 day to 30/31 days (One Month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
Financial assets											
Cash and cash equivalents	22,021.40	17,723.61	-	-	-	-	-	-	-	-	39,745.01
Bank Balance other than cash and cash equivalents	-	2,612.64	-	-	233.90	815.70	-	-	-	-	3,662.24
Loans	12,146.64	7,985.03	7,992.71	23,930.99	47,740.40	188,883.31	180,994.58	168,168.65	172,022.12	64,693.93	874,558.35
Investments	10,165.19	-	-	-	-	-	-	-	-	15,286.06	25,451.25
Other Financial assets	1,695.30	-	-	-	-	248.93	-	-	-	-	1,944.23
Total (A)	**46,028.53**	**28,321.28**	**7,992.71**	**23,930.99**	**47,974.30**	**189,947.94**	**180,994.58**	**168,168.65**	**172,022.12**	**79,979.99**	**945,361.08**
Financial liabilities											
Trade payables	494.24	-	-	-	-	-	-	-	-	-	494.24
Debt securities	143.84	1,147.91	143.84	441.10	1,355.66	30,635.80	11,143.49	-	-	-	45,011.62
Borrowings (other than debt securities)	2,269.12	1,697.16	17,752.67	12,604.63	23,500.50	80,567.13	54,529.67	23,281.56	21,528.47	-	237,730.93
Lease liabilities	42.30	41.93	40.06	116.75	200.70	419.11	20.02	5.50	-	-	886.37
Other financial liabilities	2,165.24	-	-	-	-	-	-	-	-	-	2,165.24
Total (B)	**5,114.74**	**2,887.01**	**17,936.56**	**13,162.48**	**25,056.85**	**111,622.04**	**65,693.19**	**23,287.06**	**21,528.47**	**-**	**286,288.40**
Net Financial Assets / Liabilities (A-B)	**40,913.79**	**25,434.28**	**(9,943.85)**	**10,768.51**	**22,917.45**	**78,325.90**	**115,301.39**	**144,881.58**	**150,493.65**	**79,979.99**	**659,072.68**

35.8 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. Operational risk is associated with human error, system failures and inadequate procedures and controls. It is the risk of loss arising from the potential that inadequate information system; technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems may result in unexpected losses or reputation problems. Operational risk exists in all products and business activities.

The Company recognizes that operational risk event types that have the potential to result in substantial losses includes Internal fraud, External fraud, employment practices and workplace safety, clients, products and business practices, business disruption and system failures, damage to physical assets, and finally execution, delivery and process management.

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.

36 Earnings per share

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year after considering the share split.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares after considering the share split mentioned.

Rs. in lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit After Tax (A)	42,458.66	30,822.86
Weighted Average Number of Equity Shares (Face Value Rs. 2 Each) - Basic (B)	497,566,892	490,558,122
Add: Effect of dilutive potential equity shares		
- Employee stock options	1,406,780	2,806,581
Weighted Average Number of Equity Shares (Face Value Rs. 2 Each) - Diluted (C)	**498,973,672**	**493,364,703**
Earnings Per Share - Basic (Rs.) (A / B)	**8.53**	**6.28**
Earnings Per Share - Diluted (Rs.) (A / C)	**8.51**	**6.25**

37 Disclosure pursuant to Schedule V Of Clause A.2 Regulation 53(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Rs. in lakhs

Particulars	Amount outstanding	Maximum amount outstanding during the year
As at March 31, 2023		
Loans and Advances in the nature of Loans to Subsidiary		
Aptus Finance India Private Limited		
- Principal outstanding	28,000.00	28,000.00
- Interest accrued but not due	-	240.41
As at March 31, 2022		
Loans and Advances in the nature of Loans to Subsidiary		
Aptus Finance India Private Limited		
- Principal outstanding	500.00	13,300.00
- Interest accrued but not due	-	253.41

38 Corporate Social Responsibility expenditure:

Rs. In Lakhs

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
a)	Amount required to be spent by the company during the year	588.46	418.00
b)	Amount of expenditure incurred	147.10	200.18
c)	Shortfall at the end of the year*	441.36	217.82
d)	total of previous years shortfall	Nil	Nil
e)	reason for shortfall **		
f)	Nature of CSR activities	Promoting Healthcare and Education	Promoting Healthcare and Education
g)	details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	Nil	Nil
e)	where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	Nil	Nil

* The Company has provided for the shortfall in CSR expenditure as at March 31, 2023 and March 31,2022.

** The Company was unable to identify suitable CSR initiatives in alignment with the initiatives already undertaken by the Company, the business of the Company and the areas in which it operates.

(i) CSR projects undertaken by the Company falling under the definition of "On-going Projects" are given below. The Company has transferred Unspent amount on such projects within a period of 30 days from the end of the financial year FY2022-23 to a separate special bank account.

Rs. in Lakhs

Project Name	Unspent Amount transferred to Bank
Construction of class rooms for Mahila Vidyalaya Nursery & Primary School	4.46
Construction of classrooms and compound wall for Vijnana Bharathi School of Bharateeya Vidya Kendram, Arakuvalley, Vizag.	14.89
Early Detection of Development Deficiency in small children aged between 1 month to 3 years through Varshini Illam trust	14.97
Conversion of Anganwadis to smart ++ Anganwadis Through Sanitation First (NGO)	11.88
Construction of new auditorium in Government Girls High school, Ayyapakkam, Tiruvallur.	65.00
Construction of kitchen with better amenities in Government Higher Secondary School, Semmangudi, Thiruvarur District	22.00
Laying of Roads and construction of new library in Pandur village.	36.00
Providing subsidized dialysis to underprivileged Kidney patients Through Tamilnadu Kidney Research foundation	66.60
Total	**235.80**

(ii) The Unspent amount apart from ongoing projects mentioned above amounting to INR 205.53 lakhs is required to be transferred to any of the funds mentioned in the Schedule VII of the Companies Act, 2013 within six months from the end of the financial year March 31, 2023.The Company has transferred amount of INR 167.90 lakhs pertaining to shortfall at the end of FY2021-22 within six months from the end of March 31, 2022 to the schedule VII funds.

(iii) There is no amount required to be contributed to specified fund u/s 135 (6) by the Company.

39 Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

The company has Securitised certain loans, however the company has not transferred substantially all risks and rewards, hence these assets have not been de-recognised.

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amount of transferred assets measured at amortised cost	9,335.67	3,843.41
Carrying amount of associated liabilities measured at amortised cost	8,232.40	933.48
Fair value of assets	9,301.06	3,882.23
Fair value of associated liabilities	8,232.40	933.48
Net position at Fair Value	1,068.66	2,948.75

40 Maturity analysis of assets and liabilities

Rs. in lakhs

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial Assets						
Cash and cash equivalents	42,291.71	-	42,291.71	39,612.30	-	39,612.30
Bank balances other than (a) above	0	729.03	729.03	2,836.80	673.53	3,510.33
Loans	59,956.30	532,871.18	592,827.48	30,234.61	410,820.13	441,054.74
Investments	-	20,533.47	20,533.47	10,165.19	15,286.06	25,451.25
Other financial assets	2,175.85	268.95	2,444.80	1,695.30	248.93	1,944.23
Non-financial Assets						
Current tax assets (net)	-	434.73	434.73	-	-	-
Deferred tax assets (net)	-	1,687.95	1,687.95	-	2,046.76	2,046.76
Property, plant and equipment	-	371.29	371.29	-	339.75	339.75
Intangible assets	-	84.07	84.07	-	61.65	61.65
Right-of-use assets	-	1,072.10	1,072.10	-	795.12	795.12
Other non-financial assets	168.89	-	168.89	80.06	-	80.06
Assets held for sale	-	231.75	231.75	-	156.54	156.54
TOTAL ASSETS	**104,592.75**	**558,284.52**	**662,877.27**	**84,624.25**	**430,428.48**	**515,052.74**
LIABILITIES						
Financial Liabilities						
Trade payables	827.40	-	827.40	494.24	-	494.24
Debt securities	10,330.28	27,942.39	38,272.67	790.76	37,420.69	38,211.45
Borrowings (other than debt securities)	60,411.16	248,424.42	308,835.58	45,617.57	150,062.97	195,680.54
Lease liabilities	467.35	508.60	975.95	397.88	382.25	780.13
Other financial liabilities	1,986.64	-	1,986.64	2,165.24	-	2,165.24
Non-Financial Liabilities						
Current tax liabilities (Net)	-	-	-	344.13	-	344.13
Provisions	-	457.89	457.89	-	403.08	403.08
Other non-financial liabilities	457.51	-	457.51	384.36	-	384.36
TOTAL LIABILITIES	**74,480.34**	**277,333.30**	**351,813.64**	**50,194.18**	**188,268.99**	**238,463.17**
NET ASSETS / (LIABILITIES)	**30,112.41**	**280,951.21**	**311,063.63**	**34,430.08**	**242,159.48**	**276,589.57**

41 Share-based payments

Employee share option plan

41.1 Details of the employee share option plan

(a) In the Board Meeting held on February 11, 2021, the Board approved the issue of up to 55,22,500 options under the Scheme titled "Aptus Employees Stock Option Scheme 2021" (hereinafter referred to as Aptus ESOS, 2021).

The Schemes allow the issue of options to employees of the Company. Each option comprises one underlying equity share.

As per the Scheme, the Nomination and Remuneration Committee ("The Committee") grants the options to the employees deemed eligible and also governs the operation of the scheme.

The difference between the fair price of the the options granted on the date of grant of option and the exercise price of the option representing Stock compensation expense is expensed over the vesting period.

(b) Employee stock options details as on the balance sheet date:

Particulars	Aptus ESOS 2021	Grant 8 under Aptus ESOS 2015	Grant 8 under Aptus ESOS 2015
Date of Grant	May 20, 2021	August 07, 2015	May 17, 2017
Date of Board approval	February 11, 2021	August 07, 2015	May 17, 2017
Date of shareholders approval	May 06, 2021	August 07, 2015	August 07, 2015
Number of options granted	5,522,500	7,500,000	750,000
Method of settlement	Equity	Equity	Equity
Vesting period	20.05.2022 to 20.05.2025	31.03.2016 to 31.03.2019	31.03.2018 to 31.03.2021
Manner of vesting	In a graded manner over a 4 year period with 25% of the grants vesting in each year		
Exercise price per option	140.00	15.00	26.00
Price of Underlying share at the time of the Option Grant	140.00	11.25	22.20

(c) Movement in share options during the year are as follows:

Particulars	Aptus ESOS 2021	Grant 7 under Aptus ESOS 2015	Grant 8 under Aptus ESOS 2015	Total
Options outstanding as at April 1, 2021	-	1,150,000	187,500	1,337,500
Add: Options granted during the year	5,522,500	-	-	5,522,500
Less: Options forfeited/lapsed during the year	(157,500)	-	-	-157,500
Less: Options exercised during the year	-	(1,150,000)	(187,500)	-1,337,500
Options outstanding as at March 31, 2022	5,365,000	-	-	5,365,000
Add: Options granted during the year	-	-	-	-
Less: Options forfeited/lapsed during the year	(1,267,844)	-	-	-1,267,844
Less: Options exercised during the year	(1,112,156)	-	-	-1,112,156
Options outstanding as at March 31, 2023	2,985,000	-	-	2,985,000

During the FY 2022-23 the Company has granted 7,42,500 options which were subsequently cancelled on 04th May 2023. On 04th May 2023 the Company has granted fresh options of 26,37,500 at exercise price of Rs.247 per option which will be expensed off prospectively.

41.2 Fair value of share options granted

During the current year, no options were granted under the Aptus ESOS 2021 scheme. The fair value of options have been estimated on the date of the grant using Black-Scholes model by an external firm of registered merchant banker. The key assumptions used in the model for calculating fair value are as below:

Assumptions	Date of grant		
	20-May-21	07-08-2015 **	17-05-2017 **
Risk Free Interest Rate	4.06% to 5.58%	8.04% to 8.26%	8.04% to 8.26%
Expected Life (in years)	1.5 to 4.5	2.65 to 5.65	3 to 6
Expected Annual Volatility of Shares	13.28% - 14.71%	43.15%	35.99%
Expected Dividend Yield	0%	0%	0%
Price of Underlying share at the time of the Option Grant	140.00	56.26	111.02
Fair Value of the Option (Rs.)			
1st Stage	14.44	13.61	29.67
2nd Stage	20.47	17.21	36.87
3rd Stage	27.30	20.60	43.37
4th Stage	34.64	23.64	49.29

** Price of Underlying share at the time of Option grant and fair value of the option (Rs.) has been adjsuted on account of share split

41.3 Expense arising from share based payment transaction recognized in profit or loss statement as employee benefit expense are as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employee benefit expense	458.56	437.70

42 Disclosure pursuant to RBI notification no. RBI/2020-21/60 DOR.NBFC (HFC).CC.No.118/03.10.136/2020-21 dated October 22, 2020 and RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards

RBI has issued Notification no. RBI/2020-21/60 DOR.NBFC (HFC).CC.No.118/03.10.136/2020-21 dated October 22, 2020 and RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 in respect of recognition of impairment on financial instruments starting from financial year 2020-21 for Housing Finance Companies. The Company has complied with the requirements of Ind AS and the guidelines and policies approved by the Board in this regard.

Any shortfall in ECL provision compared to the requirements as per IRAC norms are apportioned by the Company to Impairment Reserve at reporting periods. Such balance can be utilised / withdrawn by the Company only with prior permission of the Reserve Bank of India as per the said Circular. The shortfall in ECL provision compared to IRACP requirement as at March 31, 2023 is Rs. Nil (As at March 31, 2022 Rs. Nil). The balance in the impairment reserve as at March 31, 2023 is Rs. 610.36 lakhs (As at March 31, 2022 Rs. 610.36 lakhs) (Refer Note 20.1 and Note 20.2.4).

As at March 31, 2023 | **Rs. in lakhs**

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	566,466.60	3,374.51	563,092.09	1,945.42	1,429.09
	Stage 2	26,302.70	1,058.15	25,244.55	238.29	819.86
	Stage 3	-	-	-	-	-
Subtotal		**592,769.30**	**4,432.66**	**588,336.64**	**2,183.71**	**2,248.95**
Non-Performing Assets (NPA)						
Substandard	Stage 3	5,383.90	1,408.30	3,975.60	820.02	588.28
Doubtful - up to 1 year	Stage 3	672.29	157.05	515.24	173.42	(16.37)
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**6,056.19**	**1,565.35**	**4,490.84**	**993.44**	**571.91**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**6,056.19**	**1,565.35**	**4,490.84**	**993.44**	**571.91**
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	9,819.27	10.91	9,808.36	-	10.91
	Stage 2	18.00	0.59	17.41	-	0.59
	Stage 3	5.00	2.33	2.67	-	2.33
Subtotal		**9,842.27**	**13.83**	**9,828.44**	**-**	**13.83**
Total	Stage 1	576,285.87	3,385.42	572,900.45	1,945.42	1,440.00
	Stage 2	26,320.70	1,058.74	25,261.96	238.29	820.45
	Stage 3	6,061.19	1,567.68	4,493.51	993.44	574.24
	Total	**608,667.76**	**6,011.84**	**602,655.92**	**3,177.15**	**2,834.69**

As at March 31, 2022 Rs. in lakhs

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	402,402.00	1,330.19	401,071.81	1,262.31	67.89
	Stage 2	37,067.08	865.77	36,201.31	582.57	283.19
	Stage 3	-	-	-	-	-
Subtotal		**439,469.08**	**2,195.96**	**437,273.12**	**1,844.88**	**351.08**
Non-Performing Assets (NPA)						
Substandard	Stage 3	4,654.78	1,181.21	3,473.57	760.26	420.95
Doubtful - up to 1 year	Stage 3	410.75	102.70	308.05	106.32	(3.62)
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**5,065.53**	**1,283.91**	**3,781.62**	**866.58**	**417.33**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**5,065.53**	**1,283.91**	**3,781.62**	**866.58**	**417.33**
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	8,849.81	3.66	8,846.15	-	3.66
	Stage 2	8.00	0.23	7.77	-	0.23
	Stage 3	-	-	-	-	-
Subtotal		**8,857.81**	**3.89**	**8,853.92**	**-**	**3.89**
Total	Stage 1	411,251.81	1,333.85	409,917.95	1,262.31	71.55
	Stage 2	37,075.08	866.00	36,209.08	582.57	283.42
	Stage 3	5,065.53	1,283.91	3,781.62	866.58	417.33
	Total	**453,392.42**	**3,483.76**	**449,908.66**	**2,711.45**	**772.30**

43 Change in liabilities arising from financing activities

Rs. in lakhs

Particulars	1-Apr-22	Cash flows	Other *	31-Mar-23
Debt securities	38,211.45	-	61.22	38,272.67
Borrowings (other than debt securities)	195,680.54	113,534.89	(379.85)	308,835.58
Lease liabilities	780.13	(555.08)	750.90	975.95
Total liabilities from financing activities	**234,672.12**	**112,979.81**	**432.27**	**348,084.20**

	1-Apr-21	Cash flows	Other *	31-Mar-22
Debt securities	38,144.13	-	67.32	38,211.45
Borrowings (other than debt securities)	178,592.76	16,872.05	215.73	195,680.54
Lease liabilities	709.05	(475.43)	546.51	780.13
Total liabilities from financing activities	**217,445.94**	**16,396.62**	**829.56**	**234,672.12**

* Other column includes the effect of interest accrued but not paid on borrowing, amortisation of processing fees, recognition of liabilities on account of new lease etc.

44 Leases

The Company has lease contracts for buildings used for the branches. Leases of such assets generally have lease terms between 3 and 9 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

The Company also has certain leases for buildings with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of lease liabilities included under financial liabilities and the movements during the year:

Movement of Lease Liability

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	780.13	709.07
Add: Additions during the year	673.17	478.03
Add / Less: Accretion of Interest	77.73	68.46
Less: Payments during the year	(555.08)	(475.43)
Closing Balance	**975.95**	**780.13**
Current	467.35	397.88
Non Current	508.60	382.25

Lease liabilities are recognised at weighted average incremental borrowing rate ranging from 8% to 10%

The maturity analysis of lease liabilities are disclosed in Note 35.7.1.

The following are the amounts recognised in the Statement of profit and loss:

Rs. in lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation expense on right-of-use assets	484.67	437.61
Interest expense on lease liabilities	77.73	68.46
Expense relating to short-term leases (included in other expenses)	-	-
Total	**562.40**	**506.07**

Rs. in lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Total cash outflow for leases	**555.08**	**475.43**

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

45. Events after reporting period

There have been no events after the reporting date that require disclosure in these financial statements.

46 Disclosure as required by National Housing Bank

The following disclosures have been given in terms of National Housing Bank's notification no. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 and in terms of the circular no. NHB/ND/DRS/Pol-No.35/2010-11 dated October 11, 2010. Further, the disclosures which are for regulatory and supervisory purpose, have been made so as to comply with NHB's Policy Circular No. NHB(ND)/DRS/Policy Circular No. 89/2017-18 dated June 14, 2018 which requires Housing Finance Companies to continue to follow the extant provisions of National Housing Bank Act, 1987 and Housing Finance Companies (NHB) Directions, 2010 including framework on prudential norms and other related circulars issued in this regard by NHB from time to time and the same have been compiled by the

Management in accordance with Accounting Standards prescribed under section 133 of the Companies Act, 2013, read with the Companies (Accounting Standards) Rules, 2006, as amended (Indian GAAP) and relied upon by the auditors.

46.1 Schedule to the Balance Sheet

Rs. in lakhs

Particulars	As at March 31, 2023		As at March 31, 2022	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
Liabilities side:				
1. Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:				
(a) Debentures				
- Secured	38,272.67	-	38,211.45	-
- Unsecured	-	-	-	-
(other than falling within the meaning of public deposits)				-
(b) Deferred credits	-	-	-	-
(c) Term loans	300,603.18	-	189,755.92	-
(d) Inter-corporate loans and borrowings	-	-	-	-
(e) Commercial Paper	-	-	-	-
(f) Public Deposits	-	-	-	-
(g) Other Loans	-	-	-	-
- Securitisation loans	8,232.40	-	933.48	-
- Working capital loans	-	-	4,991.14	-
2. Break-up of (1)(f)above (outstanding public deposits inclusive of interest accrued thereon but not paid)				
(a) In the form of Unsecured debentures	-	-	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
(c) Other public deposits	-	-	-	-

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Assets side:		
3. Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
(a) Secured (refer note 6)	598,825.49	444,534.60
(b) Unsecured	-	-
4. Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities		
(i) Lease assets including lease rentals under sundry debtors:		
a) Financial lease	-	-
b) Operating lease	-	-

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
(ii) Stock on hire including hire charges under sundry debtors:		
a) Assets on Hire	-	-
b) Repossessed Assets	-	-
(iii) Other loans counting towards asset financing activities		
a) Loans where Assets have been repossessed	-	-
b) Loans other than (a) above	-	-
5. Break-up of Investments:		
Current Investments:		
I. Quoted:		
i. Shares		
a) Equity	-	-
b) Preference	-	-
ii. Debentures and Bonds	-	-
iii. Units of Mutual Funds	-	10,165.19
iv. Government Securities	5,147.42	-
v. Others (please specify)	-	-
II. Unquoted:		
i. Shares	-	-
a) Equity	-	-
b) Preference	-	-
ii. Debentures and Bonds	-	-
iii. Units of Mutual Funds	-	-
iv. Government Securities	-	-
v. Others (please specify)		
Long Term Investments:		
I. Quoted:		
i. Shares	-	-
a) Equity	-	-
b) Preference	-	-
ii. Debentures and Bonds	-	-
iii. Units of Mutual Funds	-	-
iv. Government Securities	-	-
v. Others (please specify)		
II. Unquoted:		
i. Shares	-	-
a) Equity	15,386.05	15,286.06
b) Preference	-	-
ii. Debentures and Bonds	-	-
iii. Units of Mutual Funds	-	-
iv. Government Securities	-	-
v. Others (please specify)		

6. Borrower group-wise classification of assets financed as in (3) and (4) above:

Rs. in lakhs

Category	As at March 31, 2023 (Net of Provisions)			As at March 31, 2022 (Net of Provisions)		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related parties						
(a) Subsidiaries	27,888.00	-	27,888.00	500.00	-	500.00
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	564,939.48	-	564,939.48	440,554.74	-	440,554.74
	592,827.48	**-**	**592,827.48**	**441,054.74**	**-**	**441,054.74**

7. Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted) :

Rs. in lakhs

Category	Market Value / Break up or fair value or Net Asset Value as on March 31, 2023	Book Value as on March 31, 2023 (Net of provisions)	Market Value / Break up or fair value or Net Asset Value as on March 31, 2022	Book Value as on March 31, 2022 (Net of provisions)
1. Related parties				
(a) Subsidiaries	38,095.30	15,386.05	30,193.35	15,286.06
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	-	-	-	-
	38,095.30	**15,386.05**	**30,193.35**	**15,286.06**

8. Other Information

Rs. in lakhs

Particulars	As at March 31, 2023		As at March 31, 2022	
	Related Parties	Other than Related Parties	Related Parties	Other than Related Parties
i. Gross Non-Performing Assets (Stage 3 assets)	-	6,056.19	-	5,065.53
ii. Net Non-Performing Assets (Stage 3 assets)	-	4,490.84	-	3,781.63
iii. Assets Acquired in Satisfaction of Debt	-	-	-	-

46.2 Capital to Risk Assets Ratio (CRAR)

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Tier I Capital	295,671.01	273,188.20
Tier II Capital	3,022.81	711.87
Total Capital	**298,693.82**	**273,900.07**
Total Risk Assets	**385,978.56**	**319,928.65**
Capital Ratios		
CRAR - Tier I Capital (%)	76.60%	85.39%
CRAR - Tier II Capital (%)	0.78%	0.22%
CRAR (%)	**77.38%**	**85.61%**
Amount of subordinated debt raised as Tier- II Capital	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-

46.3 Reserve Fund u/s 29C, of NHB Act 1987

The movement in the Reserve Fund created under Section 29C of NHB Act, 1987 is disclosed under Note 20.1 (b) to the Financial Statements.

46.4 Investments

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Value of Investments		
i) Gross Value of Investments		
(a) In India	20,533.47	25,451.25
(b) Outside India	-	-
ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
iii) Net Value of Investments		
(a) In India	20,533.47	25,451.25
(b) Outside India	-	-
Movement of provisions held towards depreciation on investments		
i) Opening Balance	-	-
ii) Add: Provisions made during the year	-	-
iii) Less: Write-off / Written-back of excess provisions during the year	-	-
iv) Closing balance	-	-

46.5 Derivatives

The Company has not entered into any Derivative transactions.

Forward Rate Agreement (FRA) / Interest Rate Swap (IRS): Nil

Exchange Traded Interest Rate (IR) Derivative: Nil

Disclosures on Risk Exposure in Derivatives: Not applicable

46.6 i) Securitised Assets

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Number of Special Purpose Vehicle (SPV) sponsored by the HFC for Securitisation transactions*	1	1
Total amount of securitised assets as per books of the SPVs sponsored	8,232.40	933.48
Total amount of exposures retained by the HFC towards the Minimum Retention Ratio (MRR) as on the date of balance sheet		
a) Off-balance sheet exposures towards Credit Enhancements		
· First Loss	-	-
· Others	-	-
b) On-balance sheet exposures towards Credit Enhancements		
· First Loss – Cash collateral	-	233.89
· Others – Overcollateral	747.91	1,010.52
Amount of exposures to securitisation transactions other than MRR		
a) Off-balance sheet exposures towards Credit Enhancements		
· Exposure to own securitizations	-	-
· Exposure to third party securitisations	-	-
b) On-balance sheet exposures towards Credit Enhancements		
· Exposure to own securitizations	-	-
· Exposure to third party securitisations	-	-

* Represents the SPVs relating to outstanding securitisation transactions

ii) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction: Nil

iii) Details of Assignment transactions undertaken by HFC: Nil

iv) Details of non-performing financial assets purchased / sold: Nil

46.7 Asset Liability Management

Maturity Pattern of certain items of Assets and Liabilities as at March 31, 2023:

Rs. in lakhs

Particulars	1 day to 7 days	8 to 14 days	15 days to 30/31 days	Over one month up to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities											
Borrowings from Bank (including from NHB)	-	-	4,391.94	2,164.97	6,583.38	15,893.28	31,377.59	115,295.52	82,963.31	50,165.59	**308,835.58**
Market Borrowings	-	-	-	10,330.28	-	-	-	27,942.39	-	-	**38,272.67**
Assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
Advances	-	5,083.10	3,893.80	4,053.20	7,586.20	12,777.25	26,562.75	105,736.90	116,533.69	310,600.59	**592,827.48**
Investments	-	-	-	-	-	-	-	-	-	20,533.47	**20,533.47**

Maturity Pattern of certain items of Assets and Liabilities as at March 31, 2022:

Rs. in lakhs

Particulars	1 day to 7 days	8 to 14 days	15 days to 30/31 days	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities											
Borrowings from Bank (incl. from NHB)	-	-	1,449.64	887.69	16,859.29	9,161.85	17,259.10	63,692.73	47,082.61	39,287.63	**195,680.54**
Market Borrowings	-	-	-	790.76	-	-	-	27,360.83	10,059.86	-	**38,211.45**
Assets											
Advances	1,531.09	1,940.02	2,820.87	2,042.82	2,069.18	6,365.64	13,464.99	64,735.77	81,211.19	264,873.17	**441,054.74**
Investments	10,165.19	-	-	-	-	-	-	-	-	15,286.06	**25,451.25**

In case of Housing loans, where the loan is not completely disbursed and it is in Pre-EMI stage, the Company has estimated the EMI commencement date based on the technical evaluation and other information available as on date. Accordingly, the maturity pattern for such loans has been considered based on the estimated EMI commencement date.

46.8 A. Exposure to Real Estate Sector

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Direct Exposure		
(i) Residential Mortgages *		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	570,825.49	444,034.60
(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	-	-
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
a. Residential	-	-
b. Commercial Real Estate	-	-
(b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
Total Exposure to Real Estate Sector	**570,825.49**	**444,034.60**

* Includes exposures to Non-Housing loans secured by residential mortgages amounting to Rs. 1,84,785.96 lakhs (March 31, 2022 - Rs. 1,70,142.68 lakhs)

B. Exposure to Capital Market: Nil

C. Details of financing of Parent Company products:

These details are not applicable since the Company is not a subsidiary of any company.

D. Details of Single Borrower Limit (SBL)/ Group Borrower Limit (GBL) exceeded by the HFC:

The Company has not exceeded Single Borrower Limit (SBL) / Group Borrower Limit (GBL) during the financial year ended March 31, 2023.

E. Unsecured Advances: Nil

F. Exposure to group companies engaged in real estate business: Nil

46.9 Other Regulator Registrations

Regulator	Registration No.
1. Ministry of Company Affairs	CIN: L65922TN2009PLC073881
2. National Housing Bank	Certificate Registration No. 05.0084.10 dated May 31, 2010

46.10 Disclosure of Penalties imposed by NHB and other regulators

(i) During FY 2022-23, there were no penalties imposed by NHB or RBI and any other regulator/ supervisor/ enforcement authority.

(ii) The Company has not received any adverse comments in writing by NHB or other Regulators on regulatory compliances, with a specific communication to disclose the same to the public.

46.11 Related party transactions

Details of the related parties, nature of the relationship with whom Company has entered transactions, remuneration of directors and balances in related party account at the year end, are given in Note no. 34. There were no material transaction with related parties and all these transactions with related parties were carried out in ordinary course of business at arm's length price.

46.12 Group Structure

The Company has only one wholly owned subsidiary - Aptus Finance India Private Limited. There are no other entities in the group.

46.13 Ratings assigned by Credit Rating Agencies

Deposits Instruments	Ratings assigned	
	As at March 31, 2023	As at March 31, 2022
Non-Convertible Debentures	ICRA AA- [Double A minus] CARE AA- [Double A minus]	ICRA AA- [Double A minus] CARE A+ [Single A plus]
Bank Term Loans	ICRA AA- [Double A minus] CARE AA- [Double A minus]	ICRA AA- [Double A minus] CARE A+ [Single A plus]

46.14 Net Profit or Loss for the period, prior period items and changes in accounting policies

During the year,

(a) no prior period items occurred which has impact on Statement of Profit and loss,

(b) no change in Accounting policy,

(d) there is no withdrawal from reserve fund.

46.15 Revenue Recognition

There are no circumstances in which revenue recognition has been postponed by the Company pending the resolution of significant uncertainties.

46.16 Consolidated Financial Statements (CFS)

The Company has a wholly owned Subsidiary and the Consolidated financial statements is prepared in accordance with Ind AS 110.

46.17 Provisions and Contingencies (Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss Account)

Rs. in lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
1. Provisions for depreciation on Investment	-	-
2. Provision towards NPA	281.45	861.55
3. Provision made towards current income taxes	11,881.98	9,371.41
4. Provision for standard assets (with details like teaser loan, CRE, CRE-RH etc.)		
- Housing loans (Non-CRE)	1,596.22	988.39
- Non-housing loans (Non-CRE)	978.33	607.54
5. Provision for undrawn commitments	9.94	(3.03)
6. Provision for stock of acquired properties	352.38	52.18

Break up of Loan & Advances and Provisions thereon Rs. in lakhs

Particulars	Housing		Non-Housing	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Standard Assets				
a) Total Outstanding Amount	367,151.72	271,061.07	225,617.58	168,408.01
b) Provisions made	2,722.45	1,358.16	1,710.21	837.79
Sub-Standard Assets				
a) Total Outstanding Amount	3,126.07	2,612.21	2,257.83	2,042.57
b) Provisions made	846.91	727.76	561.39	453.44
Doubtful Assets – Category-I				
a) Total Outstanding Amount	438.04	218.64	234.25	192.11
b) Provisions made	106.02	56.00	51.03	46.70
Doubtful Assets – Category-II				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Doubtful Assets – Category-III				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Loss Assets				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
TOTAL				
a) Total Outstanding Amount	**370,715.83**	**273,891.92**	**228,109.66**	**170,642.68**
b) Provisions made	**3,675.38**	**2,141.93**	**2,322.63**	**1,337.93**

Notes:

1) The total outstanding amount mean principal + accrued interest + other adjustments to arrive at the amortised cost.

2) The Category of Doubtful Assets is as under

Period for which the assets has been considered as doubtful	Category
Up to one year	Category-I
One to three years	Category-II
More than three years	Category-III

46.18 Draw Down from Reserves

During the financial year ended March 31, 2023, there were no draw down from Reserves.

46.19 Concentration of Loans & Advances

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Total Loans & Advances to twenty largest borrowers	595.85	535.12
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	0.10%	0.12%

46.20 Concentration of Exposures (including off-balance sheet exposure)

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Total Exposure to twenty largest borrowers/customers	595.85	535.12
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	0.10%	0.12%

46.21 Concentration of NPAs

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Total Exposure to top ten NPA accounts	257.23	234.23

46.22 Sector-wise NPAs

Sector	Percentage of NPAs to Total Advances in that Sector	
	As at March 31, 2023	As at March 31, 2022
A. Housing Loans:		
1. Individuals	0.96%	1.03%
2. Builders/Project Loans	0.00%	0.00%
3. Corporates	0.00%	0.00%
4. Others (specify)	0.00%	0.00%
B. Non-Housing Loans:		
1. Individuals	1.09%	1.31%
2. Builders/Project Loans	0.00%	0.00%
3. Corporates	0.00%	0.00%
4. Others (specify)	0.00%	0.00%

46.23 Movement of NPAs

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
(I) Net NPAs to Net Advances(%)	0.76%	0.86%
(II) Movement of Gross NPAs		
a) Opening balance	5,065.53	2,468.06
b) Additions during the year	4,474.73	4,378.01
c) Reductions during the year	(3,484.07)	(1,780.54)
d) Closing balance	6,056.19	5,065.53
(III) Movement of Net NPAs		
a) Opening balance	3,781.63	1,774.94
b) Additions during the year	3,287.63	3,149.58
c) Reductions during the year	(2,578.42)	(1,142.89)
d) Closing balance	4,490.84	3,781.63
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	1,283.90	693.12
b) Provisions made during the year	1,187.10	1,228.43
c) Write-off / write-back of excess provisions	(905.65)	(637.65)
d) Closing balance	1,565.35	1,283.90

46.24 Overseas Assets - Nil

46.25 Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms) - Nil

46.26 Customer Complaints

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) No. of complaints pending at the beginning of the year	-	-
b) No. of complaints received during the year	501	347
c) No. of complaints redressed during the year	501	347
d) No. of complaints pending at the end of the year	-	-

46.27 Disclosure on frauds pursuant to Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016

There were no instances of fraud reported during the years ended March 31, 2023 and March 31, 2022.

46.28 Percentage of outstanding loans granted against the collateral of gold jewellery to their outstanding total assets - Nil (March 31, 2022: Nil)

46.29 Details on Principal Business Criteria

Principal Business Criteria for the Company to be classified as "Housing Finance Company" as per the Paragraph 4.1.17 of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21, February 17, 2021 is given below:

Particulars	As at March 31, 2023	As at March 31, 2022
Criteria - I		
a) Financial Assets / Total Assets (Net of Intangible Assets)	93.16%	91.33%
b) Income from financial assets / Gross Income	93.94%	95.14%
Criteria - II		
Percentage of housing finance assets to total assets (netted off by intangible assets) (Refer note below)	55.53%	52.98%
Percentage of individual housing finance assets to total assets (netted off by intangible assets) (Refer note below)	55.53%	52.98%

Note: The amortised costs of housing finance assets and individiual housing finance assets amounting to Rs. 3,67,040.46 lakhs (As at March 31, 2022 Rs.2,71,749.98 lakhs) measured using effective interest rate method is considered for computation of principal business criteria net off ECL provisions.

46.30 Disclosure on Liquidity Risk Management

(a) Funding concentration based on significant counterparty*(both deposits and borrowings):

Rs. in lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Number of Significant Counterparties*	15	13
Balance as at year end	340,433.14	225,810.69
% of Total Deposits	0.00%	0.00%
% of Total liabilities	96.77%	94.69%

*Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

(b) Top 20 large deposits:

Not applicable. The Company has not accepted public deposits.

(c) Total of top 10 borrowings

Rs. in lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Total of top 10 borrowings	301,846.72	218,334.83
% of Total Borrowings	86.96%	93.35%

(d) Funding concentration based on significant instrument/product#:

Rs. in lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Term loans	300,603.18	189,755.92
Securitisation loans	8,232.40	933.48
Working capital loans	-	4,991.14
Non-Convertible Debentures	38,272.67	38,211.45
% of Total liabilities	98.66%	98.08%

#Significant instrument/product as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

(e) Stock Ratios

Rs. in lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Commercial papers as a % of total public funds, total liabilities and total assets	-	-
(ii) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets	-	-
(iii) Other short-term liabilities, if any as a % of total liabilities	21.17%	21.05%
(iv) Other short-term liabilities, if any as a % of total assets	11.24%	9.75%

(f) Institutional set-up for liquidity risk management

The Board of Directors of the Company have adopted a Risk Management Policy. The Board adopted policy contains the framework and guidelines for Risk management. The changes brought in the Liquidity Risk Management Framework vide its Circular No. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 November 04, 2019 are also being covered as part of the Risk Management Policy which will be reviewed by the Board periodically for compliance and implementation.

The Board shall have the overall responsibility for management of liquidity risk by reviewing the implementation of the Risk Management Policy. The Company has also constituted Risk Management Committee and Asset-Liability Management Committee (ALCO) to carry out the functions as listed out in the said circular.

46.31 Details of resolution plan implemented under the resolution framework for COVID 19 related stress as per RBI Circular dated August 6, 2020 and May 05, 2021 are as given below;

Rs. In Lakhs

Type of Borrower	Exposure to accounts classified as standard consequent to implementation off resolution plan - position as at the end of the previous half year i.e. September 30, 2022	Of(A), aggregate debt that slipped into NPA during the half year end March 31, 2023	Of(A), amount written off during the half year ended March 31, 2023	Of(A), amount paid by the borrowers during the half year end March 31, 2023	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at the end of this half year i.e. March 31, 2023
	(A)	(B)	(C)	(D)	
Personal Loans	2,266.70	207.53	-	27.81	2031.36
Corporate persons	-	-	-	-	-
of which MSMEs	-	-	-	-	-
Others	1,293.63	129.45	-	140.08	1024.10
Total	**3,560.34**	**336.98**	**0.00**	**167.89**	**3,055.46**

46.32 The Company has adopted all the norms issued under 'Prudential norms on Income recognition, Asset classification, and provisioning pertaining to advances – clarifications' issued by the Reserve Bank of India (RBI) vide circular no.DOR.STR.REC.68/21.04.048/2021-22 dated November 12, 2021. Such alignment has resulted in the transition of sub 90 DPD assets as additional non-performing assets as of March 31, 2023, and provided as per norms.

46.33 The listed Non-Convertible Debentures of the Company secured by way of specific charge on assets under hypothecation and specified immovable property. The total asset cover is more than one hundred percent of the principal amount of the said debentures.

46.34 Disclosure pursuant to RBI notification dated September 24, 2021 on "Transfer of Loan Exposures" are given below:

(a) The Company has not transferred or acquired, any loans not in default during the year ended March 31, 2023.

(b) The Company has not transferred or acquired, any stressed loans during the year ended March 31, 2022.

46.35 Remuneration of Directors - Pecuniary relationship of Non-executive Directors.

Remuneration paid to Directors is reflected in Note no.34 "Related Party Transactions". There is no pecuniary relationship or transactions of Non-Executive Directors with the Company or its Directors., Senior Management or Group Companies

46.36 Disclosure pursuant to Reserve Bank of India Circular DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 and DOR.NBFC (PD) CC. No.102/03.10.001 /2019-20 dated November 4, 2019 pertaining to Liquidity Risk Management Framework for Non-Banking Financial Companies.

As per the Guidelines on Liquidity Risk Management Framework for NBFCs issued by RBI vide notification no. RBI/2019-20/88 DOR. NBFC (PD) CC. No.102/03.10.001/2019-20, HFCs are required to maintain Liquidity Coverage Ratio (LCR) from December 1, 2020. Under the said guidelines, all non-deposit taking HFCs with asset size of INR 5,000 crore and above but less than INR 10,000 crore are required to maintains a minimum LCR of 30%.

The total assets of the Company has crossed INR 5,000 crores as at March 31, 2022, the Company has presented the LCR related disclosures for the month of March 2022 only i.e. the period for which the guideline became applicable to the Company.

The Company has implemented the guidelines on Liquidity Risk Management Framework prescribed by the Reserve Bank of India requiring maintenance of Liquidity Coverage Ratio (LCR), which aim to ensure that a HFC maintains an adequate level of unencumbered High Quality Liquid Assets (HQLA) that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario. Compliance with LCR is monitored by Asset Liability Management Committee (ALCO) of the Company.

Qualitative Information:

Main drivers to the LCR numbers :

All significant outflows and inflows determined in accordance with RBI guidelines are included in the prescribed LCR computation.

Composition of HQLA:

The HQLA maintained by the Company comprises cash balance maintained in current account and callable fixed deposits with Scheduled Commercial Banks.

Concentration of funding sources:

The Company maintains diversified sources of funding comprising term loans, Securitisation loans and NCDs. The funding pattern is reviewed regularly by the management.

Other inflows and outflows in the LCR calculation that are not captured in the LCR common template but which the institution considers to be relevant for its liquidity profile

Nil

Quantitative Disclosure on Liquidity Coverage Ratio (LCR) for year ended 31 March 2023 is given below:

(In Rs. lakhs)

Sr No.	Particulars	31 March 2023	
		Total unweighted value	Total Weighted Value
High Quality Liquid Assets			
1	Total High Quality Liquid Assets (HQLA)		
	- Cash and Bank balances	1,688.98	1,688.98
	- Government Securities	5,000.00	5,000.00
	Total HQLA	**6,688.98**	**6,688.98**
Cash outflows			
2	Secured wholesale funding	7,163.00	8,237.45
3	Additional requirements, of which		
	(i) Credit and liquidity facilities	11,053.80	12,711.87
4	Other contractual funding obligations	433.11	498.08
5	Other contingent funding obligations	923.42	1,061.93
6	**Total Cash outflows**	**19,573.33**	**22,509.33**
Cash inflows			
7	Inflows from fully performing exposures	12,500.00	9,375.00
8	Other cash inflows	30,000.00	22,500.00
9	**Total Cash inflows (to be capped at 75% of cash outflows)**	**16,882.00**	**16,882.00**
			Total Adjusted Value
10	Total HQLA	**6,688.98**	**6,688.98**
11	Total Net Cash Outflows	**2,691.33**	**5,627.33**
12	Liquidity Coverage Ratio (%)		**119%**
	Minimum LCR		**50%**
	Whether complied with minimum LCR norms		**Yes**

Notes:

1. Weighted values have been calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.
2. The above LCR disclosures are based on the data available with the Company which has been relied upon by the auditors.

47 The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

The Company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

48 The disclosure on the following matters required under Schedule III as amended are not made, as the same are not applicable or relevant for the Company.

a) The Company has not traded or invested in crypto currency or virtual currency during the financial year.

b) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act 1988 (45 of 1988) and rules made thereunder.

c) The Company has not been declared willful defaulter by any bank or financial institution or Government or any other Government authority.

d) The Company has not entered into any scheme of arrangement.

e) No satisfaction of charges are pending to be filed with the ROC.

f) There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.

g) The Company has no transactions with Companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

h) The Company does not possess any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the company during the financial year ended March 31, 2023 and March 31, 2022.

i) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2023 and March 31, 2022

49 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year classification / presentation.

As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
ICAI Firm Regn No.006711N/N500028

Sheshu Samudrala
Partner
Membership No: 235031

Place : Chennai
Date : May 04, 2023

For and on behalf of the Board of Directors of
Aptus Value Housing Finance India Limited

M Anandan
Executive Chairman
DIN: 00033633

P Balaji
Managing Director
DIN: 07904681

John Vijayan Rayappa
Chief Financial Officer

Sanin Panicker
Company Secretary
Membership No: A32834

Place : Chennai
Date : May 04, 2023

Independent Auditors' Report

To the Members of
Aptus Value Housing Finance India Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Aptus Value Housing Finance India Limited ("Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year ended March 31, 2023, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 as amended ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2023, the Consolidated Profit (including other comprehensive income), the Consolidated Changes in Equity and Consolidated Cash Flows for the year then ended.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group 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 Consolidated Financial Statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of the financial statements and financial information referred to in the "Other Matters" paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the Consolidated 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 Matters	Auditor's Response
Impairment on Financial Instruments based on Expected Credit Loss model	
Ind AS 109 Financial instruments requires the Group to provide for impairment of its financial instruments. Management estimates impairment provision using Expected Credit loss model (ECL) for the loan exposure as per the Board approved policy. ECL involves an estimation and a significant degree of judgement by the management for development of ECL model and its corresponding application in the ECL model. These judgement and estimates include: • Estimating the behavioral life of the product • Data inputs in relation to ECL model • Application of the macroeconomic factors on a forward-looking basis. • Modification of assets in terms of restructuring • Determination of loan book segmentation based on homogeneity, probability of defaults, loss given defaults and exposure at default.	The procedures performed by us in respect of the Holding company, and by auditors of the Subsidiary in respect of the subsidiary, included the following: Considered the Group's accounting policies for the impairment of financial instruments and their compliance with Ind AS 109 and the provisioning framework approved by the Board of Directors. We also performed end to end process walkthroughs to identify the key systems, applications and controls used in the ECL processes. Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation. We tested the operating effectiveness of the controls for staging of loans and advances based on their past-due status.

Key Audit Matters	Auditor's Response
• Management Overlay based on risk assessment and qualitative factors. • Compliance with RBI circulars and assess the level of credit impairment of financial instrument. • Disclosures as required by IND AS 109 and RBI Circular	Tested a sample of performing (stage 1) loans to assess whether any Significant Increase in Credit Risk indicators were present requiring them to be classified under higher stages. We tested the arithmetical accuracy of computation of ECL provision performed by the Company. We assessed the disclosures included in the Ind-AS standalone financial statements with respect to such allowance / estimate.
IT Systems and Controls	
The Group's key financial accounting and reporting processes are highly dependent on information systems, such that there exists a risk that, gaps in the IT control environment could result in the financial accounting and reporting records being misstated. The IT infrastructure is critical for effective and efficient functioning of the Company's business operations as well as for timely and accurate financial reporting. As the IT systems and processes continue to mature in view of the evolving business and regulatory landscape, changes in the technology environment have been carried out by the Company. IT general controls include user access management and change management across applications, networks, database, and operating systems. Due to the pervasive nature and complexity of the IT environment as well as its significance in relation to accurate and timely financial reporting we have identified this area a key audit matter.	Our audit procedures include assessment and identification of key IT applications, and further verifying, testing, and reviewing the design and operating effectiveness of the IT system on the basis of reports /returns and other financial and non-financial information generated from the system on a test check basis. Our audit procedures included: • Obtained an understanding of the IT control environment, IT policies during the audit period. • Testing IT general controls related to User and Application controls, Change Management Controls and Data backup. Where we identified the need to perform additional procedures, we performed alternative procedures.

Information other than the Financial Statements and Auditors' Report thereon

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual report, but does not include the Consolidated Financial Statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the Consolidated 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 Consolidated Financial Statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Company's annual report, if we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance.

The above information is not made available to us as at the date of this Auditor's report. We have nothing to report in this regard.

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

The Holding 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 Consolidated 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 Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated 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 consolidated financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- We did not audit the financial statement and other financial information, in respect of subsidiary, whose financial statements include total assets Rs.981.37 Crores as at March 31, 2023, total income of Rs.172.67 Crores for the year ended 31st March 2023 and net cash inflows of Rs.14.80 Crores for the year ended to date. These financial statements and other financial information have been audited by other independent auditors whose reports have been furnished to us by the management. Our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the reports of such auditor.
- Our opinion on the consolidated financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

I. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of subsidiary, as referred in the 'Other Matters' paragraph above we report, to the extent applicable, that:

a) We/the other auditors whose report we have relied upon 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 of the aforesaid consolidated financial statements;

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

c) The Consolidated Balance Sheet, the Consolidated statement of Profit and Loss (including other comprehensive income), the Consolidated statement of changes in equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid consolidated financial statements comply with the Companies Accounting Standards specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group Companies, incorporated in India, are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act;

f) With respect to the adequacy of internal financial controls with reference to the Consolidated Financial Statements of the Holding Company, its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

g) In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of the subsidiary company incorporated in India which was not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary company incorporated in India to their directors 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 and based on the consideration of the report of the other auditors on separate financial statements and also the other financial information of the subsidiary, as noted in the 'Other matter' paragraph:

i. The Company has disclosed the impact of pending litigations on its consolidated financial position of the Group – Refer to Note 28.2 to the Consolidated financial statements;

ii. The Group 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.

iv. a) The Management has represented that, to the best of its knowledge and belief, no funds which are material either individually or in aggregate have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided in d (i) and d (ii) above, contain any material misstatement.

v. As stated in Note 20.2.6 to the Consolidated financial statements,

- The interim dividend declared and paid by the holding company during the year and until the date of this report is in compliance with section 123 of the Act.
- The Board of Directors of the holding company at their meeting held on 4th May 2023, have declared the interim dividend for the year ended 31st March 2023. The amount of dividend declared is in accordance with section 123 of the Act, as applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Group with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For TR CHADHA & CO LLP
Chartered Accountants
ICAI Firm registration number: 006711N/N500028

Sheshu Samudrala
Partner
Membership Number: 235031
UDIN: 23235031BGWCUV1210

Place: Chennai
Date: May 04, 2023

'ANNEXURE A'

to the Independent Auditor's Report of Even date on the consolidated Financial Statements of Aptus Value Housing Finance India Limited (the Company)

Report on the Internal Financial Controls with reference to the consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Consolidated financial statements of Aptus Value Housing Finance India Limited ("the Company") and its subsidiary (the company and its subsidiary together referred to as "the Group") as of March 31, 2023 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company and its subsidiary's internal financial controls with reference to consolidated financial statements based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements, both applicable to an audit of Internal Financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to these Consolidated Financial Statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary company have maintained in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to consolidated financial statements criteria established by the Holding 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to these Consolidated Financial Statements of the Holding Company, insofar as it relates to the Holding Company's subsidiary, is based on the corresponding reports of the auditors of such subsidiary, incorporated in India.

For TR CHADHA & CO LLP
Chartered Accountants
ICAI Firm registration number: 006711N/N500028

Sheshu Samudrala
Partner
Membership Number: 235031
UDIN: 23235031BGWCUV1210

Place: Chennai
Date: May 04, 2023

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheet

as at March 31, 2023

Rs. in lakhs

	Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
	ASSETS			
1	**Financial Assets**			
(a)	Cash and cash equivalents	4	44,678.92	40,519.95
(b)	Bank balances other than (a) above	5	1322.21	4,074.24
(c)	Loans	6	6,59,230.97	507,874.52
(d)	Investments	7	5,147.42	10,165.19
(e)	Other financial assets	8	2,835.68	2,054.62
	TOTAL FINANCIAL ASSETS		**7,13,215.20**	**564,688.52**
2	**Non-financial Assets**			
(a)	Current tax assets (net)	16B	508.55	-
(b)	Deferred tax assets (net)	9	1,969.95	2,263.53
(c)	Property, plant and equipment	10A	371.29	339.75
(d)	Intangible assets	10B	84.07	61.65
(e)	Right-of-use assets	10C	1,072.10	795.12
(f)	Other non-financial assets	11	175.57	99.13
(g)	Assets held for sale	12	231.75	156.54
	TOTAL NON-FINANCIAL ASSETS		**4,413.28**	**3,715.72**
	TOTAL ASSETS		**717,628.48**	**568,404.24**
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	**Financial Liabilities**			
(a)	Payables			
	Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	29A	8.37	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	29B	865.37	789.67
(b)	Debt securities	13	39,005.31	41,024.83
(c)	Borrowings (other than debt securities)	14	339,600.85	231,037.87
(d)	Lease liabilities	42	975.95	780.13
(e)	Other financial liabilities	15	2,188.42	2,047.30
	TOTAL FINANCIAL LIABILITIES		**382,644.27**	**275,679.80**
2	**Non-Financial Liabilities**			
(a)	Current tax liabilities (Net)	16	-	311.07
(b)	Provisions	17	462.29	409.93
(c)	Other non-financial liabilities	18	588.80	387.19
	TOTAL NON-FINANCIAL LIABILITIES		**1,051.09**	**1,108.19**
3	**EQUITY**			
(a)	Equity share capital	19	9,960.61	9,938.36
(b)	Other equity	20	323,972.51	281,677.89
	TOTAL EQUITY		**333,933.12**	**291,616.25**
	TOTAL LIABILITIES AND EQUITY		**717,628.48**	**568,404.24**
	Significant accounting policies	**2 & 3**		
	The accompanying notes form an integral part of the consolidated financial statements.			

As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
ICAI Firm Regn No.006711N/N500028

Sheshu Samudrala
Partner
Membership No: 235031

Place : Chennai
Date : May 04, 2023

For and on behalf of the Board of Directors of
Aptus Value Housing Finance India Limited

M Anandan
Executive Chairman
DIN: 00033633

P Balaji
Managing Director
DIN: 07904681

John Vijayan Rayappa
Chief Financial Officer

Sanin Panicker
Company Secretary
Membership No: A32834

Place : Chennai
Date : May 04, 2023

Consolidated Statement of Profit and Loss
for the year ended March 31, 2023

Rs. in lakhs

	Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
1	Revenue from operations			
(a)	Interest income	21A	105,840.05	79,166.75
(b)	Net gain on fair value changes	21B	849.20	532.81
(c)	Fees and commission income	21C	2,646.49	1,768.81
	Total Revenue from operations		**109,335.74**	**81,468.37**
2	Other income	22	3,564.13	2,553.33
3	**Total Income (1+2)**		**112,899.87**	**84,021.70**
4	**Expenses**			
(a)	Finance costs	23	27,591.20	20,858.64
(b)	Employee benefits expense	24	12,131.36	8,435.52
(c)	Depreciation and amortisation expense	10D	721.30	661.19
(d)	Impairment on financial instruments	25	3,412.35	3,447.28
(e)	Other expenses	26	3,671.69	2,617.48
	Total expenses		**47,527.90**	**36,020.11**
5	**Profit before tax (3-4)**		65,371.97	48,001.59
6	**Tax expense**	**27**		
	- Current tax		14,772.94	11,550.85
	- Deferred tax charge / (credit)	9	297.57	(563.27)
	Total tax expense		**15,070.51**	**10,987.58**
7	**Profit for the year (5-6)**		**50,301.46**	**37,014.01**
8	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurement gain / (loss) on defined benefit plan	31.2	(15.88)	(3.75)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		4.00	0.94
	Other Comprehensive Income, net of income tax		(11.88)	(2.81)
9	**Total Comprehensive Income for the year (7+8)**		**50,289.58**	**37,011.20**
10	**Earnings per share (Equity shares, par value Rs. 2 each):**			
	(a) Basic (in Rs.)	36	10.11	7.58
	(b) Diluted (in Rs.)	36	10.08	7.53
	Significant accounting policies	**2 & 3**		
	The accompanying notes form an integral part of the consolidated financial statements.			

As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
ICAI Firm Regn No.006711N/N500028

For and on behalf of the Board of Directors of
Aptus Value Housing Finance India Limited

Sheshu Samudrala
Partner
Membership No: 235031

M Anandan
Executive Chairman
DIN: 00033633

P Balaji
Managing Director
DIN: 07904681

John Vijayan Rayappa
Chief Financial Officer

Sanin Panicker
Company Secretary
Membership No: A32834

Place : Chennai
Date : May 04, 2023

Place : Chennai
Date : May 04, 2023

Consolidated Statement of Changes in Equity for the year ended March 31, 2023

A. Equity Share capital

Rs. in lakhs

Particulars	Amount
Balance as at April 1, 2021	**9,493.33**
Changes in equity share capital during the year	
(a) Fresh issuance of equity shares pursuant to initial public offerings ('IPO') during the year	283.29
(b) Partly paid shares called up	135.00
(c) Issue of equity shares under employee stock option plan (Refer Note 41)	26.74
Balance as at March 31, 2022	**9,938.36**
Changes in equity share capital during the year	
(a) Partly paid shares called up	-
(b) Issue of equity shares under employee stock option plan (Refer Note 41)	22.25
Balance as at March 31, 2023	**9,960.61**

B. Other Equity

Rs. in lakhs

Particulars	Reserves and Surplus							Other Comprehensive Income	Total
	Securities Premium	Employee Stock Option Reserve	Statutory Reserve under Section 29C of National Housing Bank Act, 1987 (Statutory Reserve - I)	Special Reserve	Statutory Reserve under Section 45-IC of Reserve Bank of India Act, 1934 (Statutory Reserve - II)	Impair-ment Reserve	Retained Earnings	Remeasurement gain / (loss) on defined benefit plan	
Balance as at April 1, 2021	**116,276.43**	**72.86**	**1,885.20**	**13,233.29**	**1,785.39**	**761.93**	**54,467.19**	**(30.47)**	**188,451.82**
Profit (loss) for the year (net of tax)	-	-	-	-	-	-	37,014.01	-	37,014.01
Other Comprehensive Income for the year (net of tax)	-	-	-	-	-	-	-	(2.81)	(2.81)
Premium on fresh issuance of equity shares pursuant to initial public offerings ('IPO') during the year	49,716.71								49,716.71
Premium on ESOP exercised during the year	194.50	-	-	-	-	-	-	-	194.50
Premium on partly paid equity share converted into fully paid equity shares during the year	7,740.45								7,740.45
Share based payments to employees during the year	-	437.70	-	-	-	-	-	-	437.70
Appropriations to Reserves	-	-	1,100.02	5,063.99	1,248.93	-	(7,412.94)	-	-
Share issue expenses during the year	(1,874.49)	-	-	-	-	-	-	-	(1,874.49)
Transfer to securities premium on ESOP exercised during the year	72.86	(72.86)	-	-	-	-	-	-	-
Balance as at March 31, 2022	**172,126.46**	**437.70**	**2,985.22**	**18,297.28**	**3,034.32**	**761.93**	**84,068.26**	**(33.28)**	**281,677.89**
Profit (loss) for the year (net of tax)	-	-	-	-	-	-	50,301.46	-	50,301.46
Other Comprehensive Income for the year (net of tax)	-	-	-	-	-	-	-	(11.88)	(11.88)
Dividend paid	-	-	-	-	-	-	(9,959.86)	-	(9,959.86)
Premium on partly paid equity share converted into fully paid equity shares during the year	-	-	-	-	-	-	-	-	-
Premium on ESOP exercised during the year	1,506.34	-	-	-	-	-	-	-	1,506.34
Share based payments to employees during the year	-	458.56	-	-	-	-	-	-	458.56
Appropriations to Reserves	-	-	2,673.88	5,815.40	1,580.39	-	(10,069.67)	-	-
Transfer to securities premium on ESOP exercised during the year	83.23	(83.23)	-	-	-	-	-	-	-
Balance as at March 31, 2023	**173,716.03**	**813.03**	**5,659.10**	**24,112.68**	**4,614.71**	**761.93**	**114,340.19**	**(45.16)**	**323,972.51**

Notes:

Refer Note 20.2 for description of nature and purpose of each reserve.

Significant accounting policies (Refer Note 2 & 3)

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
ICAI Firm Regn No.006711N/N500028

Sheshu Samudrala
Partner
Membership No: 235031

Place : Chennai
Date : May 04, 2023

For and on behalf of the Board of Directors of
Aptus Value Housing Finance India Limited

M Anandan
Executive Chairman
DIN: 00033633

P Balaji
Managing Director
DIN: 07904681

John Vijayan Rayappa
Chief Financial Officer

Sanin Panicker
Company Secretary
Membership No: A32834

Place : Chennai
Date : May 04, 2023

Consolidated Cash Flow Statement
for the year ended March 31, 2023

Rs. in lakhs

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
Cash flows from operating activities				
Profit before tax		65,371.97		48,001.59
Adjustments for:				
Finance costs	27,591.20		20,858.64	
Interest on fixed deposits with banks	(2,664.12)		(1,059.26)	
Net gain on fair value changes	(849.20)		(532.81)	
Interest on Government securities	(114.80)			
Depreciation and amortisation expense	721.30		661.19	
Impairment on financial instruments	3,412.35		3,447.28	
Share based payments to employees	458.56		437.70	
		28,555.29		23,812.74
Operating profit before working capital changes		93,927.26		71,814.33
Movements in working capital:				
(Increase) / Decrease in loans	154,844.01		(112,574.56)	
(Increase) / Decrease in other financial assets	(781.06)		(892.47)	
(Increase) / Decrease in other non-financial assets	(76.45)		52.76	
Increase / (Decrease) in trade payables	112.93		601.31	
Increase / (Decrease) in other financial liabilities	141.12		712.54	
Increase / (Decrease) in provisions	36.48		74.71	
Increase / (Decrease) in other non-financial liabilities	201.61	(155,209.38)	120.43	(111,905.28)
Cash flow from (used in) operations		(61,282.12)		(40,090.95)
Finance cost paid		(27,836.98)		(20,577.04)
Direct Taxes paid		(15,591.80)		(11,684.68)
Net cash flow from / (used in) operating activities (A)		**(104,710.90)**		**(72,352.67)**
Cash flows from investing activities				
Capital expenditure on PP&E and intangible assets	(330.94)		(365.24)	
Sale of Fixed Assets	-		27.50	
Deposits placed with / (withdrawn from) banks, net	3,622.64		(2,568.17)	
Interest received on bank deposits	1,793.50		1,059.26	
Interest received on Government securities	11.27			
Purchases of investments	(158,752.70)		(102,591.16)	
Redemption of investments	163,874.00		97,742.83	
Income received from investments	849.20		491.17	
Net cash flow from / (used in) investing activities (B)		**11,066.97**		**(6,203.81)**
Cash flows from financing activities				
Proceeds from issue of equity shares (including securities premium)	1,528.60		58,096.69	
Dividend paid	(9,959.86)			
Share issue expenses	-		(1,874.49)	
Proceeds from issue of debt securities	-		-	
Repayment of debt securities	(2,083.33)		(2,083.33)	
Proceeds from borrowings (other than debt securities)	195,400.00		137,800.00	
Repayment of borrowings (other than debt securities)	(86,527.42)		(114,661.01)	
Payment of lease liabilities	(477.35)		(406.95)	
Interest paid on lease liabilities	(77.74)		(68.47)	
Net cash flow from financing activities (C)		**97,802.90**		**76,802.44**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**4,158.97**		**(1,754.04)**
Cash and cash equivalents at the beginning of the year		40,519.95		42,273.99
Cash and cash equivalents at the end of the year (Refer Note 4)		44,678.92		40,519.95

Components of cash and cash equivalents	**As at March 31, 2023**	**As at March 31, 2022**
Cash on hand	202.24	304.14
Balances with banks - In current accounts	3,873.95	5,069.19
Balances with banks - In deposit accounts - Original maturity less than 3 months	40,602.73	35,146.62
Total cash and cash equivalents	**44,678.92**	**40,519.95**
Significant accounting policies (Refer Note 2 & 3)		
The accompanying notes form an integral part of the consolidated financial statements.		

As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
ICAI Firm Regn No.006711N/N500028

Sheshu Samudrala
Partner
Membership No: 235031

For and on behalf of the Board of Directors of
Aptus Value Housing Finance India Limited

M Anandan
Executive Chairman
DIN: 00033633

P Balaji
Managing Director
DIN: 07904681

John Vijayan Rayappa
Chief Financial Officer

Sanin Panicker
Company Secretary
Membership No: A32834

Place : Chennai
Date : May 04, 2023

Place : Chennai
Date : May 04, 2023

1. Corporate Information

Aptus Value Housing Finance India Limited ('Holding Company') was incorporated on December 11, 2009 with the primary objective of carrying on the business of providing long term housing finance to meet the housing needs of the low and middle income segment in the country. The Holding Company with CIN: L65922TN2009PLC073881, is a Public Limited Company domiciled in India. The Registered Office of the Holding Company is located at No. 8B, Doshi Towers, 8th Floor, No: 205, Poonamallee High Road, Kilpauk, Chennai 600010, Tamil Nadu.

The Holding Company received the certificate of registration from the National Housing Bank (NHB) on May 31, 2010 to commence the business of Housing Finance without accepting public deposits. The certificate of commencement of business was received from the Registrar of Companies on June 25, 2010.

Aptus Finance India Private Limited ('the Subsidiary Company') was incorporated on September 18, 2015 as a subsidiary of Aptus Value Housing Finance India Limited with the primary objective of carrying on the business of providing finance in the form of loan against immovable properties. The Subsidiary Company with CIN: U74900TN2015PTC102252, is a Private Limited Company domiciled in India.

The Subsidiary Company received the certificate of registration from the Reserve Bank of India ('RBI') on December 16, 2016 to commence the business of Non-Banking Financial Institution without accepting public deposits. It is a non-deposit taking systemically important Non-Banking Financial Company ('NBFC-ND- SI'). The group is also engaged in providing loans for non-housing finance activities in the form of Loan Against Properties (LAP) through the Company's subsidiary, Aptus Finance India Private Limited.

The above two companies are collectively referred to as the "Group".

2. Significant accounting policies

A. Basis of preparation and presentation

The consolidated financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 and relevant amendment rules issued thereafter ("Ind AS") on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below, the relevant provisions of the Companies Act, 2013 (the "Act") and the guidelines issued by the NHB to the extent applicable.

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

Amounts in the consolidated financial statements are presented in Indian Rupees in lakhs rounded off to two decimal places as permitted by Schedule III to the Act, except when otherwise indicated.

The consolidated financial statement were approved for issue in accordance with a resolution of the directors on May 04, 2023.

Basis of Consolidation

The consolidated financial statements have been prepared in respect of the Group as at March 31, 2023.

Control is evidenced when the Group has power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee), is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Historical Audited Consolidated Financial Statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Holding Company and its subsidiary (profits or losses resulting from intra-entity transactions that are recognised in assets, such as fixed assets, are eliminated in full). Intra-entity losses may indicate an impairment that requires recognition in the Historical Audited Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

Profit or loss and each component of Other Comprehensive Income ("OCI") are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to bring the accounting policies in line with the Company's accounting policies. All intra-entity assets, liabilities, equity, income, expenses and cash flows relating to transactions between Group are eliminated in full on consolidation.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts on the date when control is lost
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

Particulars of consolidation

The below mentioned subsidiary has been considered for consolidation:

Name of the Company	Percentage of voting Power as on				
	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
Aptus Finance India Private Limited	100%	100%	100%	100%	100%

B. Presentation of Consolidated Financial Statements

The Group presents its consolidated balance sheet in order of liquidity. 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 39.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in the normal course of business, event of default or insolvency or bankruptcy of the Group and/or its counterparties.

C. Principles of consolidation

The Consolidated Financial Statements relate to the Holding Company and its subsidiary company.

The Consolidated Financial Statements have been prepared on the following basis:

(i) The financial statements of the Subsidiary Company used in the consolidation are drawn up to the same reporting date as that of the Holding Company.

(ii) The financial statements of the Holding Company and its Subsidiary Company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions.

(iii) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

(iv) Aptus Finance India Private Limited, a wholly owned subsidiary has been considered in the preparation of the Consolidated Summary Statements.

2.1 Financial Instruments

2.1.1 Financial instruments – initial recognition

2.1.1.1 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 Group becomes a party to the contractual provisions of the instrument. Loans are recognised when fund transfers are initiated to the customers' account or cheques for disbursement have been prepared by the Group (as per the terms of the agreement with the borrowers). The Group recognises debt securities and borrowings when funds reach the Group.

2.1.1.2 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 Fair value through profit and loss ("FVTPL"), transaction costs are added to, or subtracted from, this amount.

2.1.1.3 Measurement categories of financial assets and liabilities

The Group 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 or FVTPL or Fair Value through Other Comprehensive Income ("FVOCI").

2.1.2 Financial assets and liabilities

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

The Group measures Bank balances, Loans, and other financial investments at amortised cost if the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest ("SPPI") on the principal amount outstanding.

The details of these conditions are outlined below.

2.1.2.1.1 Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

2.1.2.1.2 The SPPI test

As a second step of its classification process the Group assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set. In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

2.1.2.2 Financial assets or financial liabilities held for trading

The Group classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit making. Held-for-trading assets and liabilities are recorded and measured in the balance sheet at fair value. Changes in fair value are recognised in net gain on fair value changes. Interest and dividend income or expense is recorded in net gain on fair value changes according to the terms of the contract, or when the right to payment has been established.

2.1.2.3 Equity instruments at FVOCI

The Group subsequently measures all equity investments at fair value through profit or loss, unless the Group's management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32, Financial Instruments: Presentation, and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in Other Comprehensive Income ("OCI"). Equity instruments at FVOCI are not subject to an impairment assessment.

2.1.2.4 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. 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 Group'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.

2.1.3 Reclassification of financial assets and liabilities

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

2.1.4 Derecognition of financial assets and liabilities

2.1.4.1 Derecognition of financial assets due to substantial modification of terms and conditions

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes unless they are deemed to pass through OCI. When assessing whether or not to derecognise a loan to a customer, amongst others, the Group considers the following factors: Change in counterparty. If the modification is such that the instrument would no longer meet the SPPI criterion. If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

2.1.4.2 Derecognition of financial assets other than due to substantial modification

A financial asset is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

A transfer only qualifies for derecognition if either, the Group has transferred substantially all the risks and rewards of the asset or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. Control is considered to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

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

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

In case when transfer of a part of financial asset qualifies for derecognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is derecognised as a gain or loss on decrease of such financial asset.

2.1.4.3 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.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.1.5 Impairment of financial assets

2.1.5.1 Overview of the ECL principles

The Group records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitments, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

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

The 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 Group 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 Group categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1:

When loans are first recognised, the Group 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 Group 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 Group records an allowance for the LTECLs.

Staging rules set have been applied to the product categories to bucket them into either Stage 1, Stage 2 or Stage 3.

Stages	Days past dues	ECL
Stage 1	Up to 30 days	12 month ECL
Stage 2	31 up to 90 days	Lifetime ECL
Stage 3	91 days and above	Lifetime ECL

In addition to days past due, the Group also considers other qualitative factors in determining significant increase in credit risks since origination.

2.1.5.2 The calculation of ECLs

The Group calculates ECLs 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 key elements of the ECL are summarised below:

PD:

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

EAD:

The Exposure at Default is an estimate of the exposure at a future default date (in case of Stage 1 and Stage 2), 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. In case of Stage 3 loans EAD represents exposure when the default occurred.

LGD:

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

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 Group 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 Group records an allowance for the LTECLs. PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

<u>Significant increase in credit risk</u>

The Group monitors all financial assets 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 Group will measure the loss allowance based on lifetime rather than 12mECLs.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group 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 Group 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 Group's historical experience and expert credit assessment including forward-looking information.

Stage 3:

For loans considered credit-impaired, the Group 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%.

<u>Credit-impaired financial assets</u>

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;
- a breach of contract such as a default or past due event;

- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- 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 Group assesses whether debt instruments that are financial assets measured at amortised cost are credit-impaired at each reporting date.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default includes unlikeliness to pay indicators and a back-stop if amounts are overdue for 90 days or more.

Loan commitment:

When estimating LTECLs for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan. For an undrawn loan commitment, ECLs are calculated and presented under provisions.

Forward looking information

In its ECL models, the Group relies on a broad range of forward looking information as economic inputs. 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 made as temporary adjustments.

Estimates and associated assumptions applied in preparing the financial statements, especially for the expected credit loss on advances, are based on historical experience and other emerging/ forward looking factors including those arising on account of the COVID-19 pandemic. The Group has used early indicators of moratorium and delayed payment metrics observed along with an estimation of potential stress on probability of defaults and exposure at default due to COVID-19 situation in developing the estimates and assumptions to assess the expected credit loss on loans.

2.1.5.3 Write-off

Loans and debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains. Any subsequent recoveries are credited to impairment on financial instruments in the statement of profit and loss.

2.1.6 Financial Guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by an entity are initially measured at their fair values and, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109;
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

2.2 Recognition of Interest Income

2.2.1 The effective interest rate method

Interest income is recorded using the effective interest rate ("EIR") method for all financial instruments measured at amortised cost, debt instrument measured at FVOCI and debt instruments designated at FVTPL. The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

2.2.2 Interest Income

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

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Group 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 Group reverts to calculating interest income on a gross basis.

2.2.3 Fees and Commission Income

Fees and commission Income include fees other than those that are an integral part of EIR. The fees included in this part of the Group's statement of profit or loss include among other things fees charged for servicing a loan including cheque bounce charges, field visit charges, pre-closure charges etc which are recognised upon realisation.

2.2.4 Dividend Income

Dividend income (including from FVOCI investments) is recognised when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

2.3 Leases

The Group's Right-of-Use ("ROU") assets consist of leases for buildings. The Group 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 Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from the use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short-term leases and low value leases. The Group applies the short-term lease recognition exemption to its short-term leases of buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

ii) Lease liabilities

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

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

2.4 Employee benefits

Post-employment benefits and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement of actuarial gains and losses is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service costs are recognised in profit or loss on the earlier of:

(i) The date of the plan amendment or curtailment, and

(ii) The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- interest expense; and
- remeasurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

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

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that 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.

Liabilities recognised in respect of leave encashment and other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. The Group records the leave encashment liability based on actuarial valuation computed using projected unit credit method.

Share-based payments

Stock options are granted to the employees under the stock option scheme. The costs of stock options granted to the employees (equity-settled awards) of the Group are measured at the fair value of the equity instruments granted. For each stock option, the measurement of fair value is performed on the grant date. The grant date is the date on which the Group and the employees agree to the stock option scheme. The fair value so determined is revised only if the stock option scheme is modified in a manner that is beneficial to the employees.

This cost is recognised, together with a corresponding increase in Employee Stock Options Reserve in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

If the options vests in instalments (i.e. the options vest pro rata over the service period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.

2.5 Taxes

Income tax expense represents the sum of the current tax and deferred tax.

Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. 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 countries where the Group operates and generates taxable income.

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. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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:

- In respect of taxable temporary differences associated with investments in subsidiaries, where 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, 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 taxable entity and the same taxation authority. 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, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

2.6 Property, plant and equipment ("PP&E") and intangible assets

PP&E is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates. Depreciation on the following categories of PP&E (other than Freehold Land) has been provided on the straight-line method, the useful lives of which have been assessed as under, based on technical assessment, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Particulars	Estimated Life	Life as per Schedule II
Office Equipment	3 years	5 years
Servers (under office equipment)	3 years	6 years
Furniture and Fixtures	3 years	10 years
Vehicles	3 years	8 years
Leasehold improvements	Primary lease period or 3 years, whichever is lower	Not applicable

Freehold Land is not depreciated, but subjected to impairment assessment. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of PP&E is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

Intangible Assets

The Group's intangible assets represent computer software.

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Intangible assets acquired separately are measured on initial recognition at cost. Subsequently, they are carried at cost less accumulated amortisation and impairment losses if any, and are amortised over their estimated useful life on the straight-line basis over a 3-year period or the license period whichever is lower.

The carrying amount of the assets is reviewed at each Balance sheet date to ascertain impairment based on internal or external factors.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon 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.

2.7 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. 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 groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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 in to 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.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

2.8 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability). When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

2.9 Assets held for Sale

Assets acquired by the Company under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 has been classified as assets held for sale, as their carrying amounts will be recovered principally through a sale of asset. These assets are recognised on obtaining physical possession of the assets which are in the nature of residential properties. In accordance with Ind AS 105, the assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell.

2.10 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before 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.

2.10.1 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.11 Earnings per share ("EPS")

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate (Refer Note 19(b)). Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

2.12 Segment Reporting

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the 'management approach' as defined in Ind AS 108, the Chief Operating Decision Maker ("CODM") evaluates the Group's performance based on an analysis of various performance indicators by business segments and geographic segments.

As per the requirements of Ind AS 108 'Operating Segments', based on evaluation of financial information for allocation of resources and assessing performance, the Group has identified a single segment, viz. "providing long term housing finance, loans against property and refinance loans". Accordingly, there are no separate reportable segments as per Ind AS 108.

2.13 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 Group.

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 Group 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.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- **Level 1 financial instruments** –Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- **Level 2 financial instruments**–Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.
- **Level 3 financial instruments** –Those that include one or more unobservable input that is significant to the measurement as whole.

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

The Group evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

3A Significant accounting judgements, estimates and assumptions

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

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

3A 1. De-recognition of Financial instruments

The Group enters into securitisation transactions where financial assets are transferred to a structured entity for a consideration. The financial assets transferred qualify for derecognition only when substantial risk and rewards are transferred.

This assessment includes judgements reflecting all relevant evidence including the past performance of the assets transferred and credit risk that the Group has been exposed to. Based on this assessment, the Group believes that the credit enhancement provided pursuant to the transfer of financial assets under securitisation are higher than the loss incurred on the similar portfolios of the Group hence it has been concluded that securitisation transactions entered by the Group does not qualify for de-recognition since substantial risk and rewards of the ownership has not been transferred. The transactions are treated as financing arrangements and the sale consideration received is treated as borrowings.

3A 2. Fair value of financial instruments

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

3A 3. 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 Group'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 estimates include:

- The Group'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 temporary adjustments as qualitative adjustment or overlays based on broad range of forward looking information as economic inputs

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

3A 4. Provisions and other contingent liabilities

When the Group can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Group records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

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

Notes forming part of Consolidated Financial Statements
for the year ended March 31, 2023

4 Cash and cash equivalents

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	202.24	304.14
Balances with banks - In current accounts	3,873.95	5,069.19
Balances with banks - In deposit accounts - Original maturity less than 3 months	40,602.73	35,146.62
	44,678.92	**40,519.95**

5 Bank Balances other than cash and cash equivalents

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
In deposit accounts - Original maturity more than 3 months	808.37	3,328.78
Earmarked balances with banks	513.84	745.46
	1,322.21	**4,074.24**

6 Loans

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Secured Term loans carried at amortised cost	666,310.47	511,973.08
Total Term loans (gross)	**666,310.47**	**511,973.08**
Less: Impairment loss allowance	7,079.50	(4,098.56)
Total Term loans (net)	**659,230.97**	**507,874.52**

Notes:

(i) All term loans are originated in India.

(ii) Term Loans are secured by deposit of original title deeds of immovable properties with the Group and/or equitable mortgage of title deeds.

(iii) Refer Note 43 for securitised term loans not derecognised in their entirety.

(iv) There are no outstanding loan to Public Institution.

(v) Term loans do not include any loans given to employees of the Group.

6.1 Summary of changes in the gross carrying amount and the corresponding ECL allowances in relation to term loans:

6.1.1 Reconciliation of gross carrying amount is given below:

Rs. in lakhs

Particulars	For the year ended March 31, 2023				For the year ended March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross Carrying amount opening balance	461,170.04	44,619.38	6,183.66	511,973.08	357,619.75	40,014.76	2,761.96	400,396.47
New assets originated / Increase in existing assets (Net)	231,746.74	798.00	467.07	233,011.81	163,766.03	570.26	241.76	164,578.05
Exposure de-recognised / matured / repaid	(69,606.27)	(6,749.30)	(2,318.85)	(78,674.42)	(44,868.87)	(6,567.97)	(1,564.60)	(53,001.44)
Transfer to Stage 1	20,521.75	(19,477.68)	(1,044.07)	-	10,787.96	(10,454.34)	(333.62)	-
Transfer to Stage 2	(15,259.08)	16,058.86	(799.78)	-	(24,201.61)	24,245.19	(43.58)	-
Transfer to Stage 3	(1,754.55)	(3,451.85)	5,206.40	-	(1,933.22)	(3,188.52)	5,121.74	-
Gross carrying amount closing balance	**626,818.63**	**31,797.41**	**7,694.43**	**666,310.47**	**461,170.04**	**44,619.38**	**6,183.66**	**511,973.08**

Note:

The Company, in the normal course collects the dues by cheques / mandates and where there is a default, the Company generally takes reasonable steps such as issuance of demand notice and initiates arbitration or in the alternative proceeds under SARFAESI Act, where the immovable property is offered as a collateral security for recovery of overdue principal and interest in respect of such loans

6.1.2 Reconciliation of ECL on term loans is given below:

Rs. in lakhs

Particulars	For the year ended March 31, 2023				For the year ended March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	1,512.94	1,020.69	1,564.93	4,098.56	433.05	224.38	759.03	1,416.46
New assets originated / Increase in existing assets (Net)	2,613.85	988.83	1,245.38	4,848.06	1,094.05	913.51	1,467.99	3,475.55
Exposure de-recognised / matured / repaid	(773.96)	(503.42)	(589.74)	(1,867.12)	(96.24)	(62.32)	(634.89)	(793.45)
Transfer to Stage 1	669.71	(410.55)	(259.17)	-	117.29	(41.28)	(76.01)	-
Transfer to Stage 2	(235.14)	436.74	(201.60)	-	(32.29)	35.54	(3.25)	-
Transfer to Stage 3	(61.10)	(151.60)	212.70	-	(2.92)	(49.14)	52.06	-
Impact on account of exposures transferred during the year between stages	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**3,726.30**	**1,380.69**	**1,972.50**	**7,079.50**	**1,512.94**	**1,020.69**	**1,564.93**	**4,098.56**

7 Investments

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
At fair value through profit and loss		
Quoted: Investment in Mutual Funds	-	10,165.19
At amortised cost		
Investment in Government Securities	5,147.42	-
	5,147.42	**10,165.19**

8 Other Financial assets

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Considered Good, Unsecured - At Amortised Cost		
Security deposits	270.21	550.43
Travel advances to employees	1.40	0.60
Accrued income	2,564.07	1,503.59
	2,835.68	**2,054.62**

9 Deferred tax assets / (liabilities) (Net)

Rs. in lakhs

Components of deferred tax asset / (liability)	As at April 01, 2022	(Charged) / Credited to Profit and Loss	(Charged) / Credited to OCI	As at March 31, 2023
Tax effect of items constituting deferred tax assets:				
Provision for compensated absences, gratuity and other employee benefits	100.47	7.65	4.00	112.12
Impairment Loss Allowance	1,161.61	911.18	-	2,072.79
Difference between written down value of PPE and intangible assets as per books and as per Section 32 of Income-tax Act, 1961	125.69	7.25	-	132.94
Deferred processing fee relating to loans	1,304.96	(294.15)	-	1,010.81
Others	212.07	(217.02)	-	(4.96)
Tax effect of items constituting deferred tax assets	**2,904.80**	**414.91**	**4.00**	**3,323.70**
Tax effect of items constituting deferred tax (liabilities):				
On Provision for doubtful advances allowed under section 36(1)(viia) of Income-tax Act, 1961	(346.17)	(564.98)	-	(911.16)
Deferred processing fee relating to debt securities and borrowings other than debt securities	(295.10)	(147.49)	-	(442.59)
Others	-	-	-	-
Tax effect of items constituting deferred tax (liabilities)	(641.27)	(712.47)	-	(1,353.75)
Net deferred tax assets / (liabilities)	**2,263.53**	**(297.57)**	**4.00**	**1,969.95**

Rs. in lakhs

Components of deferred tax asset / (liability)	As at April 01, 2021	(Charged) / Credited to Profit and Loss	(Charged) / Credited to OCI	As at March 31, 2022
Tax effect of items constituting deferred tax assets:				
Provision for compensated absences, gratuity and other employee benefits	81.36	18.17	0.94	100.47
Impairment Loss Allowance	423.39	738.22	-	1,161.61
Difference between written down value of PPE and intangible assets as per books and as per Section 32 of Income-tax Act, 1961	127.41	(1.72)	-	125.69
Deferred processing fee relating to loans	1,621.03	(316.07)	-	1,304.96
Others	13.42	198.66	-	212.07
Tax effect of items constituting deferred tax assets	**2,266.61**	**637.26**	**0.94**	**2,904.80**
Tax effect of items constituting deferred tax (liabilities):				
On Provision for doubtful advances allowed under section 36(1)(viia) of Income-tax Act, 1961	(221.09)	(125.09)	-	(346.17)
Deferred processing fee relating to debt securities and borrowings other than debt securities	(329.61)	34.51	-	(295.10)
Others	(16.59)	16.59	-	-
Tax effect of items constituting deferred tax (liabilities)	**(567.29)**	**(73.99)**	**-**	**(641.27)**
Net deferred tax assets / (liabilities)	**1,699.32**	**563.27**	**0.94**	**2,263.53**

10A Property, plant and equipment

Rs. in lakhs

Particulars		As at March 31, 2023	As at March 31, 2022
Carrying amounts of :			
a)	Freehold Land	64.57	64.57
b)	Leasehold improvements	51.95	24.49
c)	Furniture and fixtures	20.99	14.24
d)	Vehicles	75.95	121.93
e)	Office Equipment	157.83	114.52
		371.29	**339.75**

Rs. in lakhs

Particulars	Freehold Land	Leasehold improvements	Furniture and fixtures	Vehicles	Office Equipments	Total
Cost / Deemed cost						
Balance at April 1, 2021	64.57	258.73	106.50	60.45	501.81	992.06
Additions during the year		9.50	25.27	137.93	95.01	267.71
Disposals						
Balance at March 31, 2022	**64.57**	**268.23**	**131.77**	**136.53**	**596.82**	**1,197.92**
Additions during the year	-	45.04	47.34	-	125.80	218.18
Disposals	-	(8.26)	(0.04)	-	(7.61)	(15.91)
Balance at March 31, 2023	**64.57**	**305.01**	**179.07**	**136.53**	**715.01**	**1,400.19**
Accumulated depreciation						
Balance at April 1, 2021	-	209.00	93.10	60.45	381.34	743.89
Depreciation expense for the year	-	34.74	24.43	16.00	100.97	176.13
Elimination on disposals of assets	-	-	-	(61.85)	-	(61.85)
Balance at March 31, 2022	**-**	**243.74**	**117.53**	**14.60**	**482.31**	**858.17**
Depreciation expense for the year	-	17.58	40.59	45.98	81.54	185.69
Elimination on disposals of assets	-	(8.26)	(0.04)	-	(6.66)	(14.96)
Balance at March 31, 2023	**-**	**253.06**	**158.08**	**60.58**	**557.19**	**1,028.90**
Net book value						
Balance at March 31, 2023	**64.57**	**51.95**	**20.99**	**75.95**	**157.83**	**371.29**
Balance at March 31, 2022	**64.57**	**24.49**	**14.24**	**121.93**	**114.52**	**339.75**

Note:

(i) Freehold Land with a carrying value of Rs. 64.57 lakhs (March 31, 2022 - Rs. 64.57 lakhs) has been hypothecated to secure Non-convertible debentures issued by the Group.

10B Intangible assets

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amounts of :		
a) Computer software	84.07	61.65
	84.07	**61.65**

Rs. in lakhs

Particulars	Computer software	Total
Cost / Deemed cost		
Balance at April 1, 2021	330.52	330.52
Additions during the year	82.32	82.32
Balance at March 31, 2022	**412.84**	**412.84**
Additions during the year	73.36	73.36
Balance at March 31, 2023	**486.20**	**486.20**
Accumulated amortisation		
Balance at April 1, 2021	303.74	303.74
Amortisation expense during the year	47.45	47.45
Balance at March 31, 2022	**351.19**	**351.19**
Amortisation expense during the year	50.94	50.94
Balance at March 31, 2023	**402.13**	**402.13**
Net book value		
Balance at March 31, 2023	**84.07**	**84.07**
Balance at March 31, 2022	**61.65**	**61.65**

10C Right-of-use assets

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amounts in respect of :		
a) Leased buildings (Refer Note 42)	1,072.10	795.12
	1,072.10	**795.12**

Rs. in lakhs

Particulars	Leased buildings	Total
Cost / Deemed cost		
Balance at April 1, 2021	1,311.83	1,311.83
Additions during the year	552.05	552.05
Balance at March 31, 2022	**1,863.88**	**1,863.88**
Additions during the year	761.65	761.65
Balance at March 31, 2023	**2,625.53**	**2,625.53**
Accumulated depreciation		
Balance at April 1, 2021	631.14	631.14
Depreciation expense for the year	437.61	437.61
Balance at March 31, 2022	**1,068.75**	**1,068.75**
Depreciation expense for the year	484.67	484.67
Balance at March 31, 2023	**1,553.42**	**1,553.42**
Net book value		
Balance at March 31, 2023	**1,072.10**	**1,072.10**
Balance at March 31, 2022	**795.12**	**795.12**

10D Depreciation and Amortisation expense

Particulars	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on Property, plant and equipment	10A	185.69	176.13
Amortisation on Intangible assets	10B	50.94	47.45
Depreciation expense on right-of-use assets	10C	484.67	437.61
Total		**721.30**	**661.19**

11 Other non-financial assets

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Considered Good, Unsecured		
Capital advances	51.14	8.56
Prepaid expenses	75.36	79.50
Other advances	49.07	11.07
	175.57	**99.13**

12 Assets held for sale

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Gross Carrying amount	584.13	208.72
Less: ECL Provisions	(352.38)	(52.18)
Net Carrying amount	**231.75**	**156.54**

13 Debt Securities

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Secured Redeemable Non-Convertible Debentures - At Amortised cost (Within India)	39,005.31	41,024.83
	39,005.31	**41,024.83**

(a) Details of terms of redemption / repayment and security provided in respect of debt securities:

Particulars	Tenure	Call Option/Put Option date or Final Maturity Date	Balance Outstanding As at March 31, 2023 Rs. in lakhs	Balance Outstanding As at March 31, 2022 Rs. in lakhs
Templeton - 300 Crs - Tranche - I (Jun 2018)	84 Months	20-Jun-25	4,990.23	4,985.83
Templeton- Tranche - II (Aug 2018)	84 Months	20-Aug-25	12,473.74	12,462.74
IFC NCDs - Tranche - I (Jul 2016)	60 Months	15-May-23	3,443.58	3,435.18
IFC NCDs - Tranche - II (Feb 2017)	60 Months	15-May-23	3,435.39	3,426.28
IFC NCDs - Tranche - III (May 2017)	60 Months	15-May-23	3,451.31	3,441.75
IFC NCDs - Tranche - IV (Jan 2019)	84 Months	3-Nov-25	10,473.82	10,459.67
AK Capital	48 Months	7-May-23	316.23	1,560.48
AU Small Finance Bank Ltd	36 Months	7-Sep-23	421.01	1,252.90
Total			**39,005.31**	**41,024.83**
As at balance sheet date, interest rates (per annum) range for debt securities			9.35% to 10.36%	9.35% to 10.36%

14 Borrowings (Other than Debt Securities)

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Secured - At Amortised cost (Within India)		
Term loans		
Scheduled banks	223,961.69	127,081.75
Other Financial Institutions	97,599.81	87,602.46
Securitisation Loans	14,039.35	9,865.70
Working Capital Loans	4,000.00	6,487.96
	339,600.85	**231,037.87**

(a) Terms of repayment and tenure of term loans are as follows:

(i) Terms of repayment of term loan from Banks :

Rs. in lakhs

Bank Name	Tenure of Loan	Earliest installment date	Principal repayment mode (instalments)	Balance Outstanding	
				As at March 31, 2023	As at March 31, 2022
Axis Bank	48/84/180 Months	27-Mar-21	Quarterly	26,449.72	24,585.10
Bank of Baroda	84 Months	31-Jul-19	Monthly/ Quarterly	20,972.86	4,475.34
Bank of India	84 Months	31-Jan-21	Quarterly	3,119.51	3,845.80
Bank of Maharastra	72 Months	22-Mar-23	Monthly	19,998.06	-
Catholic Syrian Bank	60 Months	29-Mar-20	Quarterly/Half Yearly	8,860.10	1,493.16
Federal Bank	60/84 Months	28-Feb-18	Monthly/Quarterly/ Halfyearly	21,142.58	19,865.46
HDFC Bank	60/72/84 Months	22-Jul-18	Monthly/Quarterly	34,268.47	29,242.01
ICICI Bank	72 Months	31-Mar-16	Quarterly	3,231.06	37.31
Indian Bank	84 Months	31-Dec-21	Quarterly	5,000.59	6,599.58
Indus Ind Bank	48/72 Months	30-Apr-19	Monthly	5,242.68	6,856.35
Kotak Mahindra Bank	60 Months	21-Sep-19	Quarterly	9,427.71	2,081.48
KVB	60 Months	31-Aug-22	Quarterly	7,065.61	-
South Indian Bank	48/60 Months	31-Mar-20	Quarterly	9,971.21	1,643.17
State Bank of India	48/72 Months	28-Feb-21	Quarterly	43,199.97	19,935.04
Yes Bank	84 Months	30-Jan-21	Monthly	3,591.81	4,507.20
AU Small Finance Bank Ltd	60 Months	30-Dec-20	Monthly	1,419.75	1,914.75
Total				**222,961.69**	**127,081.75**
As at balance sheet date, interest rates (per annum) range for the term loans from banks/Fis				7.00 to 11.25%	7.00 to 11.25%

Loans aggregating to Rs. 24,319.61 lakhs as at March 31, 2023 (March 31, 2022 - Rs. 25,117 lakhs) has been guaranteed by Aptus Value Housing Finance India Limited, the Holding Company.

(ii) Terms of repayment of Cash Credit from Banks :

Rs. in lakhs

Bank Name	Tenure of Loan	Earliest installment date	Principal repayment mode (instalments)	Balance Outstanding	
				As at March 31, 2023	As at March 31, 2022
Axis Bank	NA	NA	On Demand	-	-
HDFC Bank	NA	NA	On Demand	-	-
South Indian Bank	NA	NA	On Demand	1,000.00	-
Federal Bank	NA	NA	On Demand	-	-
Total				**1,000.00**	**-**

(iii) Terms of repayment of Working Capital Demand Loan from Banks :

Rs. in lakhs

Bank Name	Tenure of Loan	Earliest installment date	Principal repayment mode (instalments)	Balance Outstanding	
				As at March 31, 2023	As at March 31, 2022
DCB Bank	89 Days	21-May-23	Bullet	1,500.00	3,996.82
ICICI Bank	180 Days	NA	Bullet	-	2,491.14
Yes Bank	180 Days	28-Jun-23	Bullet	2,500.00	-
Federal Bank	30 Days	NA	Bullet	-	-
Total				**4,000.00**	**6,487.96**
Grand Total of Loans from banks				**227,961.69**	**133,569.71**
As at balance sheet date, interest rates (per annum) range for the working capital demand loan from banks				7.00 to 11.25%	7.00 to 11.25%

(b) Details of repayment of term Loan from NHB :

Rs. in lakhs

Bank Name	Tenure of Loan	Earliest installment date	Principal repayment mode (instalments)	Balance Outstanding	
				As at March 31, 2023	As at March 31, 2022
National Housing Bank	120/132 Months	27-Mar-21	Quarterly	97,599.81	87,602.46
Total				**97,599.81**	**87,602.46**
As at balance sheet date, interest rates (per annum) range for the working capital demand loan from banks				5.95% to 7.70%	5.05% to 9.75%

(c) Terms of repayment of borrowings from Securitisation:

Rs. in lakhs

Investor Name as on balance sheet date	Tenure of Loan	Earliest installment date	Principal repayment mode (instalments)	Balance Outstanding	
				As at March 31, 2023	As at March 31, 2022
Auckland	60 Months	26-Jul-22	Monthly	8,232.40	-
Gryffindor	60 Months	15-Mar-19	Monthly	-	933.48
Artin	80 Months	15-Jul-19	Monthly	730.23	1,408.87
Zamorin	66 Months	25-Apr-21	Monthly	5,076.72	7,523.35
Total				**14,039.35**	**9,865.70**
As at balance sheet date, interest rates (per annum) range for the working capital demand loan from banks				7.50% to 12.50%	7.50% to 11.00%

15 Other financial liabilities

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
At Amortised Cost		
Advances from customers	267.15	93.79
Accrued employee benefits	876.90	759.35
Dividend Payable	2.27	-
Other payables	1,042.10	1,194.16
	2,188.42	**2,047.30**

16 Current tax liabilities (Net)

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Income Tax (net)	-	311.07
	-	**311.07**

16B Current tax assets (Net)

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Current tax assets (Net)	508.55	-
	508.55	**-**

17 Provisions

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits (Refer Note 31)		
Provision for gratuity	200.14	185.21
Provision for leave encashment	248.32	216.51
Provisions for Undrawn commitments	13.83	8.21
	462.29	**409.93**

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2023

17.1 Loan commitment

17.1.1 An analysis of changes in the gross carrying amount is as follows

Rs. In Lakhs | Rs. In Lakhs

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance of outstanding exposure	9,629.77	8.00	-	9,637.77	11,050.25	78.72	4.00	11,132.97
New exposure	10,223.18	18.00	5.00	10,246.18	8,849.81	8.00		8,857.81
Exposure derecognised or matured/lapsed	(8,845.82)	(8.00)	-	(8,853.82)	(10,074.88)	(235.04)	(43.09)	(10,353.01)
Transfers to Stage 1	-	-	-	-	33.51	(33.51)		-
Transfers to Stage 2	-	-	-	-	(194.33)	194.33		-
Transfers to Stage 3	-	-	-	-	(34.59)	(4.50)	39.09	-
Gross carrying amount closing balance	**11,007.13**	**18.00**	**5.00**	**11,030.13**	**9,629.77**	**8.00**	**-**	**9,637.77**

17.1.2 Reconciliation of ECL balance is given below:

Rs. In Lakhs | Rs. In Lakhs

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance of outstanding exposure	3.65	0.24	(0.00)	3.89	5.68	0.91	0.33	6.92
New exposure	10.92	0.59	2.33	13.84	3.66	0.23		3.89
Exposure derecognised or matured/lapsed	(3.66)	(0.24)	-	(3.90)	(5.76)	(0.68)	(0.48)	(6.92)
Transfers to Stage 1	-	-	-	-	0.50	(0.50)		-
Transfers to Stage 2	-	-	-	-	(0.34)	0.34		-
Transfers to Stage 3	-	-	-	-	(0.09)	(0.06)	0.15	-
Gross carrying amount closing balance	**10.91**	**0.59**	**2.33**	**13.83**	**3.65**	**0.24**	**(0.00)**	**3.89**

18 Other non-financial liabilities

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues	533.38	309.55
Deferred Income	55.42	77.64
	588.80	**387.19**

19 Equity Share capital

Rs. in lakhs

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
(i) Authorised share capital				
Equity shares of Rs. 2 each	530,000,000	10,600.00	530,000,000	10,600.00
(ii) Issued and Subscribed share capital				
Equity shares of Rs. 2 each - Fully paid-up	498,030,251	9,960.61	496,918,095	9,938.36
Equity shares of Rs. 2 each - Partly paid-up	-	-	-	-
	498,030,251	**9,960.61**	**496,918,095**	**9,938.36**

Notes:

(a) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	Opening Balance	Fresh issue	Conversion of partly paid into fully paid	ESOP	Closing Balance
Equity shares					
Year ended March 31, 2023					
- Number of shares	496,918,095	-	-	1,112,156	498,030,251
- Amount (Rs. in lakhs)	9,938.36	-	-	22.25	9,960.61
Year ended March 31, 2022					
- Number of shares	481,416,290	14,164,305	7,500,000	1,337,500	496,918,095
- Amount (Rs. in lakhs)	9,493.33	283.29	135.00	26.74	9,938.36

(b) During the current year, the Company has allotted 11,12,156 equity shares to eligible employees under Employee Stock Option Scheme 2021 at exercise price of INR 140 per equity share.

(c) Terms/rights attached to Equity Shares:

The Company has only one class of equity shares having a par value of Rs.2 each. Each holder is entitled to one vote per equity share. Dividends proposed by the Board of Directors, if any is subject to the approval of the shareholders at the Annual General Meeting except in case of interim dividend.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
M Anandan	96,164,165	19.31%	96,164,165	19.35%
Westbridge Cross Over Fund LLC	171,729,755	34.48%	171,729,755	34.56%

(e) Details of shareholding of Promoters:

Name of the promoter	As at March 31, 2023 No of shares	As at March 31, 2023 % of total shares	As at March 31, 2023 % change during the current year	As at March 31, 2022 No of shares	As at March 31, 2022 % of total shares	As at March 31, 2022 % change during the current year
M Anandan	96,164,165	19.31%	0.05%	96,164,165	19.35%	0.63%
Padma Anandan	22,500,000	4.52%	0.00%	22,500,000	4.53%	0.66%
Westbridge Cross Over Fund LLC	171,729,755	34.48%	0.08%	171,729,755	34.56%	1.11%
Total	**290,393,920**	**58.31%**	**0.13%**	**290,393,920**	**58.44%**	**2.40%**

Note: There are no shares held by Holding / Ultimate holding company and / or their subsidiaries / associates.

(f) Shares reserved for issue under options:

Refer Note 41 for details of shares reserved for issue under options.

20 Other Equity

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Securities premium reserve	173,716.03	172,126.46
Employee Stock Options Reserve	813.03	437.70
Statutory Reserve under Section 29C of National Housing Bank (NHB) Act, 1987 (Statutory Reserve - I)	5,659.18	2,985.22
Special Reserve under 36(1)(viii) of Income-tax Act, 1961	24,112.68	18,297.28
Statutory Reserve under Section 45-IC of Reserve Bank of India Act, 1934 (Statutory Reserve - II)	4,614.71	3,034.32
Impairment Reserve	761.93	761.93
Retained Earnings	114,340.11	84,068.26
Remeasurement gain / (loss) on defined benefit plan	(45.16)	(33.28)
	323,972.51	**281,677.89**

20.1 Movement in Other Equity

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Securities premium reserve (Refer Note 20.2.1)		
Balance at the beginning of the year	172,126.46	116,276.43
Add : Premium on ESOP exercised during the year	1,506.34	194.50
Add : Premium on fresh issuance of equity shares pursuant to initial public offerings ('IPO') during the year	-	49,716.71
Add : Premium on partly paid equity share converted into fully paid equity shares during the year	-	7,740.45
Add : Transfer from Employee Stock Options Reserve on ESOP exercised during the year	83.23	72.86
Less : Share issue expenses pursuant to initial public offerings ('IPO') during the year	-	(1,874.49)
Balance at the end of the year	**173,716.03**	**172,126.46**

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
(b) Employee Stock Options Reserve (Refer Note 20.2.2 & Note 41)		
Balance at the beginning of the year	437.70	72.86
Add: Share based payments to employees during the year	458.56	437.70
Less: Transfer to Securities Premium on options exercised during the year	(83.23)	(72.86)
Balance at the end of the year	**813.03**	**437.70**
(c) Statutory Reserve under Section 29C of National Housing Bank (NHB) Act, 1987 (Refer Note 20.2.3)		
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of NHB Act, 1987	2,985.22	1,885.20
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of the NHB Act, 1987	18,297.28	13,233.29
Addition/Appropriation/withdrawal during the year		
Add: a) Amount transferred u/s 29C of NHB Act, 1987	2,673.96	1,100.02
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory reserve u/s 29C of the NHB Act, 1987	5,815.40	5,063.99
Less: a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of provision u/s 29 C of NHB Act 1987	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of NHB Act, 1987	5,659.18	2,985.22
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of the NHB Act, 1987	24,112.68	18,297.28
	29,771.86	**21,282.50**
(d) Statutory Reserve under Section 45-IC of Reserve Bank of India Act, 1934 (Refer Note 20.2.4)		
Balance at the beginning of the year	3,034.32	1,785.39
Add: Transfer from retained earnings during the year	1,580.39	1,248.93
Balance at the end of the year	**4,614.71**	**3,034.32**
(e) Impairment Reserve (Refer Note 20.2.5 & Note 44)		
Balance at the beginning of the year	761.93	761.93
Add: Transfer from retained earnings during the year	-	-
Balance at the end of the year	**761.93**	**761.93**
(f) Retained Earnings (Refer Note 20.2.6)		
Balance at the beginning of the year	84,068.26	54,467.19
Add: Profit for the year	50,301.46	37,014.01
Less : Dividend paid	(9,959.86)	
Less: Transfer to Special reserve u/s 36(1)(viii) of Income-tax Act, 1961 (Refer Note 20.2.3)	(5,815.40)	(5,063.99)

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Less: Transfer to Special reserve u/s 29C of the NHB Act, 1987 (Refer Note 20.2.3)	(2,673.96)	(1,100.02)
Less: Transfer to Statutory Reserve u/s 45-IC of Reserve Bank of India Act, 1934 (Refer Note 20.2.4)	(1,580.39)	(1,248.93)
Less: Transfer to Impairment reserve (Refer 20.2.5)	-	-
Balance at the end of the year	**114,340.11**	**84,068.26**
(g) Remeasurement gain / (loss) on defined benefit plan		
Balance at the beginning of the year	(33.28)	(30.47)
Other Comprehensive Income for the year	(11.88)	(2.81)
Balance at the end of the year	**(45.16)**	**(33.28)**
Total	**323,972.51**	**281,677.89**

20.2 Nature and purpose of reserves:

20.2.1 Securities premium reserve

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013. During the year ended March 31, 2023, Securities premium was utilised to the extent of Rs. Nil (March 31, 2022 -Rs. 1874.49 lakhs on account of expenses incurred for the issue of Equity shares, in line with Section 52 of the Companies Act 2013).

20.2.2 Employee Stock Options Reserve

The amount represents reserve created to the extent of granted options based on the Employees Stock Option Schemes. Under Ind AS 102, fair value of the options granted is to be expensed out over the life of the vesting period as employee compensation costs reflecting period of receipt of service. Also refer note 41.

20.2.3 Statutory Reserve under Section 29C of National Housing Bank (NHB) Act, 1987 (Statutory Reserve - I)

As per Section 29C(1) of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profit after tax 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. During the year ended March 31, 2023, the company has transferred Rs. 5,815.40 lakhs (March 31, 2022 - Rs. 5,063.99 lakhs) in terms of section 36(1)(viii) to the Special Reserve.

The Company has transferred an amount of Rs. 2,673.88 lakhs during the year ended March 31, 2023 (March 31, 2022 - Rs. 1,100.02 lakhs) to Statutory Reserve u/s 29C of the National Housing Bank Act, 1987. Total amount clearly earmarked for the purposes of Statutory Reserve u/s 29C is Rs. 29,771.78 lakhs (March 31, 2022 - Rs. 21,282.50 lakhs) out of which Rs. 5,659.10 lakhs (March 31, 2022 - Rs. 2,985.22 lakhs) is distinctly identifiable above and the balance of Rs. 24,112.68 lakhs (March 31, 2022 - Rs. 18,297.28 lakhs) is included in the Special Reserve created u/s 36(1)(viii) of the Income-tax Act, 1961.

The Holding Company has resolved not to make withdrawals from the Special reserve created under Section 36(1)(viii) of the Income-tax Act, 1961.

20.2.4 Statutory Reserve under Section 45-IC of Reserve Bank of India Act, 1934 (Statutory Reserve - II)

Statutory reserve represents the reserve created as per Section 45-IC of the Reserve Bank of India Act, 1934, pursuant to which a Non-Banking Financial Company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and Loss account, before any dividend is declared.

20.2.5 Impairment Reserve

In terms of the requirement as per RBI notification no. RBI/2020-21/100 DOR.FIN.HFC. CC.No.120/03.10.136/2020-21 dated 17 February 2021, Housing Finance Companies (HFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS

109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The Parent Company overall impairment provision made under Ind AS is higher than the prudential floor (including the provision requirement specified in the notification referred to in Note 6) prescribed by RBI.

20.2.6 Retained earnings

Retained earnings are the profits/ (loss) that the Group has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings is a free reserve available to the Group and eligible for distribution to shareholders, in case where it is having positive balance representing net earnings till date. The amount that can be distributed by the Group as dividends to its Equity Shareholders is determined based on the financial statements of the Group and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported are not distributable in entirety and includes non-distributable items including unrealised gains, notional gains and any change in carrying amount of an asset or of a liability on measurement of the asset or liability at fair value, etc.

The Board of Directors has declared an interim dividend of Rs. 2 per share for equity share of face value of Rs. 2 at their meeting held on 28th Nov 2022 and paid subsequently on 15th Dec 2022.

21 Revenue from operations

Rs. in lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(A) Interest Income		
On financials assets measured at amortised cost		
Interest on term loans	103,061.13	78,107.49
Interest on fixed deposits with banks	2,664.12	1,059.26
Interest Income on Government Securities	114.80	-
	105,840.05	**79,166.75**
(B) Net gain on fair value changes		
Investment in mutual funds measured at FVTPL - trading portfolio		
Realised	849.20	491.17
Unrealised	-	41.64
	849.20	**532.81**
(C) Fees and commission Income	2,646.49	1,768.81
	109,335.74	**81,468.37**

22 Other income

Rs. in lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Charges for Marketing / Display	3,447.16	2,491.23
Other Non Operating Income	116.97	62.10
	3,564.13	**2,553.33**

23 Finance costs

Rs. in lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense on Financial liabilities measured at amortised cost		
- Debt securities	3,950.61	4,410.89
- Borrowings (other than debt securities)	23,562.86	16,379.27
- Others	77.73	68.48
	27,591.20	**20,858.64**

24 Employee benefits expense

Rs. in lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, bonus and commission	10,629.10	7,111.16
Employee Stock options expense (Refer Note 41)	458.56	437.70
Contributions to provident and other funds (Refer Note 31.1)	733.04	613.61
Gratuity expense (Refer Note 31.2)	43.55	36.10
Staff welfare expenses	267.11	236.95
	12,131.36	**8,435.52**

25 Impairment on Financial Instruments

Rs. in lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Expected Credit Loss Expense		
- On terms loans measured at amortised cost	3,691.00	2,942.42
- On undrawn commitment at amortised cost	(8.21)	1.29
Bad Debts Write off	(270.44)	504
	3,412.35	**3,447.28**

26 Other expenses

Rs. in lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Repairs and maintenance		
- Computers	30.22	34.91
- Others	0.64	1.19
Insurance	7.45	7.66
Information Technology expenses	246.42	79.24
Rates and taxes	541.10	377.15
Communication Costs	123.17	173.77
Travelling and conveyance	572.90	401.91
Office expenses	433.91	400.38
Printing and stationery	100.17	77.76
Commission to Directors	90.00	68.50
Sitting fees to non-whole time directors	25.25	29.30
Charges paid to rating agencies	116.35	71.60
Electricity Charges	50.96	40.07
Bank charges	85.53	70.49
Advertisement and publicity	52.25	31.34
Legal and professional	334.80	185.99
Secretarial And Compliance Expenses	35.20	-
Auditor's fees and expenses (Refer Note 26.1 & Note 26.2)	76.31	50.45
Corporate Social Responsibility Expenditure (Refer Note 37)	718.17	497.32
Miscellaneous expenses	30.89	18.45
	3,671.69	**2,617.48**

26.1 Auditor's fees and expenses

Rs. in lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) As Auditors:		
Statutory Audit fee	31.00	25.00
Limited Review fee	19.50	10.00
Others	15	8.45
Reimbursement of expenses	0.75	0.25
Sub-Total	**66.25**	**43.70**

26.2 Details of Subsidiary Auditor's fees and expenses

Rs. in lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
As auditors:		
Statutory Audit fee (including regulatory certificates)	7.00	5.00
Limited Review fee	3.00	1.25
Reimbursement of expenses	0.06	0.50
Sub-Total	**10.06**	**6.75**

27 Tax expense

Rs. in lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax expense	14,772.94	11,550.85
Deferred tax charge / (credit)	297.57	(563.27)
	15,070.51	**10,987.58**

27.1 Reconciliation of Effective tax rate

The income tax expense for the year can be reconciled to the accounting profit/ (loss) as follows:

Rs. in lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(A) Profit before tax	65,371.97	48,001.59
(B) Enacted tax rates in India (including surcharge and cess)	25.17%	25.17%
(C) Income tax on profit before tax based on the enacted rate	16,452.82	12,081.04
(D) Other than temporary differences		
- Effect of change in tax rate	-	-
- Effect of income that is exempt from taxation	-	-
- Effect of inadmissible expenses	134.87	193.14
- Effect of admissible deductions	(1,605.59)	(1,442.96)
- Effect of reversal of opening balance of deferred tax liability on Special Reserve created u/s 36(1)(viii) of Income Tax, Act	-	-
- Others	88.41	156.36
(E) Income tax expense recognised in Profit and Loss	**15,070.51**	**10,987.58**

The income tax rate used for the above reconciliations are the corporate tax rate payable by the Group in India on taxable profits under the Income-tax Act, 1961.

27.2 The Group had elected to exercise the option of a lower tax rate provided under Section 115BAA of the Income tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated September 20, 2019. Accordingly, the Company has recognised provision for income tax for the year ended March 31, 2023 and March 31, 2022 basis the rate provided in the said section.

28.1 i) Matters wherein management has concluded the Group's liability to be probable have accordingly been provided for in the books. Also refer note 17.

ii) Matters wherein management has concluded the Group's liability to be possible have accordingly been disclosed under Note 28.2 Contingent liabilities below.

iii) Matters wherein management is confident of succeeding in these litigations and have concluded the Group's liability to be remote. This is based on the relevant facts of judicial precedents and as advised by legal counsel which involves various legal proceedings and claims, in different stages of process.

28.2 Contingent Liabilities

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Corporate undertakings for securitisation of receivables for which the outflow would arise in the event of a shortfall, if any, in the cashflows of the pool of the securitised receivables.	-	-

Note:

The Group does not have any pending litigations which would impact its financial position.

29 A Micro, Small and Medium Enterprises

Based on the extent of information available with the Management, there are no transactions with Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) during the year ended March 31, 2023 and March 31, 2022. This has been relied upon by the Auditors.

29B Trade Payable Ageing details;

Rs. in lakhs

31-Mar-23	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed - MSME	8.37	-	-	-	8.37
(ii) Undisputed - Others	865.37	-	-	-	865.37
(iii) Disputed Dues - MSME	-	-	-	-	-
(iii) Disputed Dues - Others	-	-	-	-	-
Total	**873.74**	**-**	**-**	**-**	**873.74**

Rs. in lakhs

31-Mar-22	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed - MSME	-	-	-	-	-
(ii) Undisputed - Others	789.67	-	-	-	789.67
(iii) Disputed Dues - MSME	-	-	-	-	-
(iii) Disputed Dues - Others	-	-	-	-	-
Total	**789.67**	**-**	**-**	**-**	**789.67**

30 Commitments

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Loans sanctioned to Borrowers pending disbursement	16,618.88	14,738.85
	16,618.88	**14,738.85**

Disclosures under Accounting Standards

31 Employee benefit plans

31.1 Defined contribution plans

The Group makes Provident Fund contributions for qualifying employees to the Regional Provident Fund Commissioner. Under the Scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognized Rs. 567.03 lakhs (March 31, 2022 - Rs. 472.06 lakhs) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to the scheme by the Group are at rates specified in the rules of the scheme.

31.2 Defined benefit plans

The Group provides for gratuity, a defined benefit plan (the "gratuity plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The gratuity plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's last drawn salary and years of employment with the Holding Company. The Holding Company does not have a funded gratuity scheme for its employees.

The Group is exposed to various risks in providing the above gratuity benefit such as: interest rate risk, longetivity risk and salary risk.

Interest risk: A decrease in the bond interest rate will increase the plan liability.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary escalation risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Gratuity provision has been made based on the actuarial valuation done as at the year end using the Projected Unit Credit method. The details of actuarial valuation as provided by the Independent Actuary is as follows:

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Change in defined benefit obligations during the year		
Present value of obligation as at beginning of the year	183.15	164.24
Current service cost	33.80	31.07
Interest cost	8.35	7.31
Benefits paid	(41.84)	(23.22)
Actuarial (gains) / losses	15.88	3.75
Present value of obligation at end of the year	**199.34**	**183.15**
Change in fair value of assets during the year		
Plan Assets at the beginning of the year	-	-
Expected Return on Plan Assets	-	-
Actual Company Contributions	-	-
Actuarial (gains) / losses	-	-
Plan Assets at the end of the year	**-**	**-**
Liability recognized in the Balance Sheet		
Present value of obligation	199.34	183.15
Fair value of Plan Assets	-	-
Net Liability recognized in the Balance Sheet	**199.34**	**183.15**

Rs. in lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Expenses Recognised in the Statement of Profit and Loss:		
Current service cost	33.80	31.07
Past service cost	-	-
Net Interest on Net Defined Benefit Obligations	8.35	7.31
Expenses recognized in the statement of profit and loss	**42.15**	**38.38**
Amount Recognized for the current year in the Statement of Other Comprehensive Income [OCI]		
Actuarial (gain)/loss on Plan Obligations	15.88	3.75
Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss	-	-
Amount recognized in OCI for the current year	15.88	3.75
Actual return on Plan Assets	-	-

The key assumptions used in the actuarial valuation as provided by independent actuary are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Discount Rate	7.14%	5.15%
Future Salary Increase	5.00%	5.00%
Attrition rate	13% to 24%	8% to 46%
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate Table	Indian Assured Lives Mortality (2012-14) Ultimate Table

Notes:

1. The estimate of the future salary increase takes into account inflation, seniority, promotion and other relevant factors.
2. Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below 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 following table summarizes the impact on defined benefit obligation arising due to increase / decrease in key actuarial assumptions by 50 basis points:

As at March 31, 2023		
Defined Benefit Obligation	**Discount rate**	**Salary increase rate**
Impact of decrease	4.19	(4.42)
Impact of increase	(4.01)	4.58

As at March 31, 2022		
Defined Benefit Obligation	**Discount rate**	**Salary increase rate**
Impact of decrease	3.33	(3.47)
Impact of increase	(3.20)	3.58

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of-the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

Additional disclosures required under Ind AS 19;

Particulars	As at March 31, 2023	As at March 31, 2022
Average Duration of Defined Benefit Obligations (in years)	4.80	4.60
Projected undiscounted expected benefit outgo (mid year cash flows) (in Rs. Lakhs)		
Year 1	46.43	48.04
Year 2	28.14	29.68
Year 3	25.92	27.51
Year 4	25.96	21.13
Year 5	29.15	17.28
Year 6 to 10	77.32	61.60
Expected Benefit Payments for the next annual reporting period (Rs. In lakhs)	46.43	48.04

31.3 Compensated absences

The key assumptions used in the actuarial valuation as provided by independent actuary are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Discount Rate	7.14%	5.15%
Future Salary Increase	5.00%	5.00%

31.4 The date on which the Code on Social Security. 2020 (the "Code') relating to employee benefits during employment benefits will come into effect is yet to be notified and the related rules are yet to be finalized. The Company will evaluate the code and its rules, assess the impact, if any, and account for the same when they become effective.

32 Earnings and Expenditure in foreign currency - Nil (March 31, 2022: Nil)

33 Segment Reporting:

The Executive Chairman of the Group takes decision in respect of allocation of resources and assesses the performance basis the report/ information provided by functional heads and are thus considered to be CODM.

The Group operates under the principal business segment viz. "providing long term housing finance, loans against property and refinance loans". CODM views and monitors the operating results of its single business segment for the purpose of making decisions about resource allocation and performance assessment. Accordingly, there are no separate reportable segments in accordance with the requirements of Ind AS 108 'Operating segment' and hence, there are no additional disclosures to be provided other than those already provided in the consolidated financial statements. The Group's operations are predominantly confined in India.

34 Related party transactions

34.1 Details of related parties:

Description of relationship	Names of related parties
Key Management Personnel (KMP)	Mr. M Anandan, Executive Chairman
	Mr. P Balaji, Managing Director (from May 04, 2023)
	Mr. John Vijayan Rayappa, Chief Financial Officer (from May 04, 2023)
	Mr. Sanin Panicker, Company Secretary
	Ms. Jyoti Suresh Munot, Company Secretary (Up to May 03, 2023)
	Mr. Harshavardn, Company Secretary (From May 03, 2023)
	Mr. Shailesh J Mehta, Non-executive Director
	Mr. K M Mohandass, Independent Director
	Mr. S Krishnamurthy, Independent Director
	Mr. Krishnamurthy Vijayan, Independent Director
	Mr. K P Balaraj, Nominee Director
	Mr. Suman Bollina, Non-executive Director
	Mr. Sumir Chadha, Nominee Director
	Ms. Mona Kachhwaha, Non-executive Director
	Mr. V G Kannan, Independent Director
Individuals having Significant Influence	Mr. M Anandan, Executive Chairman
Entities having Significant Influence	Westbridge Cross Over Fund LLC
Wholly owned Subsidiary	Aptus Finance India Private Limited

Note: Related party relationships are as identified by the Management and relied upon by the Auditors.

34.2 Details of related party transactions for the year

Rs. in lakhs

Transactions during the year	Names of related parties	For the year ended March 31, 2023	For the year ended March 31, 2022
Remuneration *	Mr. M Anandan		
	- Salary	1,252.84	1,000.82
Director commission and sitting fee	Mr. Shailesh J Mehta		
	- Commission	10.00	7.50
	- Sitting fee	1.80	2.95
Director commission and sitting fee	Mr. K M Mohandass		
	- Commission	15.00	11.50
	- Sitting fee	5.70	6.15
Director commission and sitting fee	Mr. S Krishnamurthy		
	- Commission	15.00	11.50
	- Sitting fee	5.00	7.00
Director commission and sitting fee	Mr. Krishnamurthy Vijayan		
	- Commission	10.00	7.50
	- Sitting fee	3.90	3.75
Director commission and sitting fee	Mr. Suman Bollina		
	- Commission	15.00	11.50
	- Sitting fee	2.60	3.30
Director commission and sitting fee	Ms. Mona Kachhwaha		
	- Commission	10.00	7.50
	- Sitting fee	3.05	2.50
Director commission and sitting fee	Mr. V G Kannan		
	- Commission	7.50	7.50
	- Sitting fee	2.25	2.25

Transactions during the year	Names of related parties	For the year ended March 31, 2023	For the year ended March 31, 2022
Remuneration *	Mr. P Balaji		
	- Salary	145.46	116.62
Remuneration *	Mr. Sanin Panicker		
	- Salary	14.60	12.32
Remuneration *	Ms. Jyoti Suresh Munot		
	- Salary	1.68	1.63
Rent paid	Mr. M Anandan	8.42	8.02
Proceeds from converion of partly paid-up shares into fully paid-up shares	Mr. M Anandan	-	7,875.45

35 Financial Instruments

35.1 Capital management

The Group actively manages its capital to meet regulatory norms and current and future business needs, considering the risks in its businesses, expectations of rating agencies, shareholders and investors, and the available options of raising capital. Its capital management framework is administered by the risk committee of the Group. There has been no change in objectives, policies or processes for managing capital.

The Holding Company is subject to the capital adequacy requirements of the National Housing Bank ('NHB') / Reserve Bank of India ('RBI'). As per the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021, the Holding Company is required to maintain a minimum ratio of total capital to risk adjusted assets as determined by a specified formula, at least half of which must be Tier 1 capital, which is generally shareholders' equity.

The Holding Company has complied with all regulatory requirements related to regulatory capital and capital adequacy ratios as prescribed by NHB / RBI.

The Group sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities.

Below is the Capital Risk Adequacy Ratio maintained and calculated as per NHB / RBI guidelines in the respective year by the Holding Company and as per regulatory return filed with NHB in the respective years.

Rs. in Lakhs

Particulars	31-Mar-23	31-Mar-22
Tier I Capital	295,671.01	273,188.20
Tier II Capital	3,022.81	711.88
Total Capital	**298,693.82**	**273,900.08**
Risk Weighted assets	**385,978.56**	**319,928.65**
Capital Adequacy Ratio	77.38%	85.61%
Tier I Capital %	76.60%	85.39%
Tier II Capital %	0.78%	0.22%

Below is the further breakup of the Tier I and Tier II Capital as at March 31, 2023 and March 31, 2022

Rs. in Lakhs

Particulars	31-Mar-23	31-Mar-22
Tier I Capital :		
Paid up Equity share capital	9,960.61	9,938.36
Special Reserve (Section 36(1)(viii) Income Tax Act, 1961)	24,112.68	18,297.28
Statutory Reserve u/s.29C of the NHB Act, 1987	5,659.18	2,985.22
Share premium	173,716.03	172,126.46
Credit balance in Profit and Loss Account	96,191.74	72,194.18
ESOP Reserve	813.03	437.70
Deferred Revenue Expenditure	(73.61)	(60.38)
Deferred Tax Assets	(1,687.95)	(2,046.76)
Other Intangible Assets	(84.06)	(61.65)
50% of First loss guarantee given on securitised assets	(373.96)	(622.21)
Subsidiary loan outstanding in excess of 10% of Owned fund	(12,562.68)	-
Net Tier I Capital	**295,671.01**	**273,188.20**
Tier II Capital :		
General provisions and loss reserves (including provisions for standard assets)	3,396.77	1,334.08
50% of First loss guarantee given on securitised assets	(373.96)	(622.21)
Net Tier II Capital	**3,022.81**	**711.87**
Total Capital	**298,693.82**	**273,900.07**

35.2 Categories of Financial Instruments

Particulars	As at March 31, 2023			As at March 31, 2022		
	Measured at			Measured at		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets						
Cash and Cash equivalents	-	-	44,678.92	-	-	40,519.95
Bank Balance other than cash and cash equivalents	-	-	1,322.21	-	-	4,074.24
Loans	-	-	659,230.97	-	-	507,874.52
Investments	-	-	5,147.42	10,165.19	-	-
Other Financial assets	-	-	2,835.68	-	-	2,054.62
Total Financial Assets	**-**	**-**	**713,215.20**	**10,165.19**	**-**	**554,523.33**
Financial liabilities						
Trade Payables	-	-	873.74	-	-	789.67
Debt Securities	-	-	39,005.31	-	-	41,024.83
Borrowings (Other than Debt Securities)	-	-	339,600.85	-	-	231,037.87
Lease Liabilities	-	-	975.95	-	-	780.13
Other Financial Liabilities	-	-	2,188.42	-	-	2,047.30
Total Financial liabilities	**-**	**-**	**382,644.27**	**-**	**-**	**275,679.80**

35.3 Fair Value Measurements

Fair Value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value disclosure are required in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard.

(a) Fair Value of financial instruments recognised and measured at fair value

Rs. in lakhs

Particulars	As at March 31, 2023				As at March 31, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments	-	-	-	-	10,165.19	-	-	10,165.19

(b) Fair value of financial instruments not measured at fair value

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions.

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 cash equivalents, bank balances other than cash and cash equivalents, other financial assets, trade payables and other financial liabilities without a specific maturity. Such amounts have been classified as Level 3 except for cash and cash equivalents and bank balances other than cash and cash equivalents which have been classified as Level 1.

Loans

The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, probability of default and loss given default estimates. Where such information is not available, the Group uses historical experience and other information used in its collective impairment models.

Fair values of lending portfolios are calculated using a portfolio-based approach. The Group then calculates and extrapolates the fair value to the entire portfolio, using discounted cash flow models that incorporate interest rate estimates considering all significant characteristics of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating probability of defaults and loss given defaults.

Debt securities & Borrowings other than debt securities

The fair values of Debt Securities and Borrowings other than Debt securities are estimated by discounted cash flow models that incorporate interest cost estimates considering all significant characteristics of the borrowing. They are classified as Level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments 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.

Rs. in lakhs

Particulars	As at March 31, 2023					As at March 31, 2022				
	Carrying Value	Fair Value hierarchy				Carrying Value	Fair Value hierarchy			
		Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3	Total
Financial assets										
Cash and cash equivalents	44,678.92	44,678.92	-	-	44,678.92	40,519.95	40,519.95	-	-	40,519.95
Bank Balance other than cash and cash equivalents	1,322.21	1,322.21	-	-	1,322.21	4,074.24	4,074.24	-	-	4,074.24
Loans	659,230.97	-	-	662,208.52	662,208.52	507,874.52	-	-	511,473.00	511,473.00
Investments	5,147.42	5,147.42	-	-	5,147.42	-	-	-	-	-
Other Financial assets	2,835.68	-	-	2,835.68	2,835.68	2,054.62	-	-	2,054.62	2,054.62
Total Financial Assets	**713,215.20**	**51,148.55**	**-**	**665,044.20**	**716,192.75**	**554,523.33**	**44,594.19**	**-**	**513,527.62**	**558,121.81**
Financial liabilities										
Trade Payables	873.74	-	-	873.74	873.74	789.67	-	-	789.67	789.67
Debt Securities	39,005.31	-	-	38,875.10	38,875.10	41,024.83	-	-	40,625.55	40,625.55
Borrowings (Other than Debt Securities)	339,600.85	-	-	340,222.81	340,222.81	231,037.87	-	-	234,770.15	234,770.15
Lease Liabilities	975.95	-	-	975.95	975.95	780.13	-	-	780.13	780.13
Other financial liabilities	2,188.42	-	-	2,188.42	2,188.42	2,047.30	-	-	2,047.30	2,047.30
Total Financial Liabilities	**382,644.27**	**-**	**-**	**383,136.02**	**383,136.02**	**275,679.80**	**-**	**-**	**279,012.80**	**279,012.80**

35.4 Market risk management

Market Risk is the risk of loss in on-balance sheet and off-balance sheet positions arising from movements in market place, in particular, changes in interest rates, exchange rates and equity. In line with the regulatory requirements, the Group has in place a Board approved Market Risk Management and ALM policy in place. The Policy provides the framework for assessing market risk, in particular, tracking of events happening in market place, changes in policies / guidelines of government and regulators, exchange rate movement, equity market movements, money market movements etc.

35.5 Interest rate risk management

Interest rate risk is managed through ALM policy framed by the Group. The ALM policy is administered through the ALCO (Asset Liability Management Committee) which monitors the following on a monthly basis:

- Borrowing cost of the Group as on a particular date
- Interest rate scenario existing in the market
- Gap in cash flows at the prevalent interest rates

- Effect of Interest rate changes on the Gap in the cash flows
- Fixing appropriate interest rate to be charged to the customer based on the above factors

Interest rate sensitivity analysis

The sensitivity analysis below has been determined for borrowings where interest rates are variable, assuming the amount outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis points increase or decrease in interest rates is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Rs. in lakhs

Particulars	Carrying value	Fair value	Sensitivity to fair value	
			0.50% increase	0.50% decrease
Sensitivity analysis as at March 31, 2023				
Loans	659,230.97	662,208.52	651,894.49	672,796.38
Debt Securities	39,005.31	38,875.10	38,240.36	38,860.47
Borrowings (Other than Debt Securities)	339,600.85	340,222.81	328,810.57	344,751.35
Sensitivity analysis as at March 31, 2022				
Loans	507,874.52	511,473.00	503,498.76	519,665.40
Debt Securities	41,024.83	40,625.55	39,952.77	40,616.46
Borrowings (Other than Debt Securities)	231,037.87	234,770.15	231,361.59	237,266.50

35.6 Credit risk

Credit risk in the Group arises due to default by customers on their contractual obligations which results to financial losses. Credit Risk is a major risk in the Group and the Group's asset base comprises loans for affordable housing and loans against property. Credit Risk in the Group stems from outright default due to inability or unwillingness of a customer to meet commitments in relation to lending, settlement and other financial transactions. The essence of credit risk assessment in the Group pivots around the early assessment of stress, either in a portfolio or an account, and taking appropriate measures.

35.6.1 Credit risk management

Credit risk in the Group is managed through a framework that sets out policies and procedures covering the measurement and management of credit risk. There is a clear segregation of duties between transaction originators in the business function and approvers in the credit risk function. Board approved credit policies and procedures mitigate the Group's prime risk which is the default risk. There is a Credit Risk Management Committee in the Group for the review of the policies, process and products on an ongoing basis, with approval secured from the Board as and when required. There is a robust Credit Risk Management set-up in the Group at various levels.

1. There are Credit teams to ensure implementation of various policies and processes through random customer visits and assessment, training of branch staff on application errors, liaison with other institutions to obtain necessary information/loan closure documents, as the case may be, and highlight early warning signals and industry developments enabling pro-active field risk management.
2. The credit sanction is done through a delegation matrix where credit sanctioning powers are defined for respective levels.
3. Portfolio analysis and reporting is used to identify and manage credit quality and concentration risks.
4. Credit risk monitoring for the Group is broadly done at two levels: account level and portfolio level. Account monitoring aims to identify weak accounts at an incipient stage to facilitate corrective action. Portfolio monitoring aims towards managing risk concentration in the portfolio as well as identifying stress in certain occupations, markets and states.

35.6.2 Significant increase in credit risk

The Group monitors all financial assets that are subject to 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 Group measures the loss allowance based on lifetime rather than Stage 1 (12-month) Expected Credit Loss (ECL). Pending the adoption of scoring models to assess the change in credit status at an account level and at portfolio level, the Group has adopted SICR (Significant Increase in Credit risk) criteria based on Days Past Due (DPD).The following table lists the staging criteria used in the Group: Staging Criterion

Stage-1: 0 up to 30 days past due

Stage-2: 31 up to 90 days past due

Stage-3: 91 and above days past due

Stage 2 follows the rebuttable presumption stated in Ind AS 109, that credit risk has increased significantly since initial recognition no later than when contractual payments are more than 30 days past due.

The Group also considers other qualitative factors and repayment history and considers guidance issued by the Institute of Chartered accountants of India (ICAI) for staging of advances to which moratorium benefit has been extended under the COVID regulatory package issued by RBI and as approved by the Board.

35.6.3 Measurement of ECL

The key inputs used for measuring ECL on term loans issued by the Group are:

Probability of default (PD): The PD is an estimate of the likelihood of default over a given time horizon (12 months). It is estimated as at a point in time. To compute Expected Credit Loss (ECL) the portfolio is segregated into 3 stages viz. Stage 1, Stage 2 and Stage 3 on the basis of Days Past Dues. The Group uses 12 month PD for the stage 1 borrowers and lifetime PD for stage 2 and 3 to compute the ECL.

Loss given default (LGD): LGD is an estimation of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from eligible collateral.

Exposure at default (EAD): 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 expected drawdowns on committed facilities.

Probability of Default

To arrive at Probability of Default, 'Vintage Analysis' was done considering monthly defaults of borrower since origination.

The analysis considered Monthly Default Rates starting from inception until the end of observation period i.e. December 2022 to calculate default rates for each vintage month. Cumulative PD was calculated from the marginal PDs for each vintage month. Simple Average and Weighted Average PD was computed for each Month on Book (MOB) period starting from MOB 0 until MOB "n" (end of observation period). The Group has used Simple average to eliminate the bias that can be possible due to weighted average effect.

Loss Given Default

LGD was calculated using First time NPA (FTN) date and recovery data for each of these FTN dates. FTN date was taken from inception until December 2022. For each pool, recovery data was mapped to the subsequent months until December 2022 from the respective default month i.e. recovery data was retrieved and plotted against the flow of month i.e. Months on Book MOB 0, MOB 1, MOB 2, MOB 3 till MOB (n) against each default month. Considering time value of money, recoveries in each month was discounted to arrive at the value as of FTN date. Average Interest Rates charged for each disbursement year was used as the Effective Interest Rates (EIR) for the loans.

Marginal Recovery rates was computed for each month as Discounted Recovery amount for a given month divided by the total outstanding amount for the given FTN date. Cumulative recovery rates were computed for each FTN date and LGD for corresponding FTN date was computed by using the formula (1- Recovery Rate). Weighted average LGD was computed for the entire observation period, weights being the total outstanding amount for each FTN date.

Exposure at Default :

EAD is the total outstanding balance at the reporting date including principal and accrued interests at the reporting date. EAD calculation for all portfolios is as under:

Stage 1 Assets:

- [(The total outstanding balance drawn) + (Undrawn Portion*CCF undrawn)].

Stage 2 Assets:

- [(The total outstanding balance drawn) + (Undrawn Portion*CCF undrawn)].

Stage 3 Assets:

- [(The total outstanding balance drawn) + (Undrawn Portion*CCF undrawn)].

Credit Conversion Factor (CCF) for undrawn portion has been taken at 100% based on historical experience and other information available with the Group.

The Group measures ECL as the product of PD , LGD and EAD estimates for its Ind AS 109 specified financial obligations.

Credit Risk Concentrations

In order to manage concentration risk, the Group, considering the regulatory limits, focuses on maintaining a diversified portfolio across housing loans and loans against property. An analysis of the Group's credit risk concentrations is provided in the following tables which represent gross carrying amounts of each class.

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Loans (at amortised cost) - Gross amount		
Concentration by products		
Housing Loans	370,715.83	273,891.92
Loans against property (including Loans subordinated as Credit Enhancements for assets de-recognised)	295,594.64	238,081.16
Total Advances	**666,310.47**	**511,973.08**

35.6.4 The tables below analyse the movement of the loss allowance during the year per class of assets.

Rs. in lakhs

Loss allowance on Loans at amortised cost	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance as at March 31, 2023	3,726.30	1,380.70	1,972.50	7,079.50
Loss allowance as at March 31, 2022	1,512.94	1,020.69	1,564.93	4,098.56
Movement for the year ended March 31, 2023	2,213.36	360.01	407.57	2,980.94

The table below provides an analysis of the gross carrying amount of Loans by past due status.

Rs. in lakhs

Particulars	As at March 31, 2023		As at March 31, 2022	
	Gross carrying	Loss allowance	Gross carrying	Loss allowance
Receivables under Financing Activities - Gross amount				
0 to 30 days	626,818.63	3,726.30	461,170.04	1,512.94
31 up to 90 days	31797.41	1,380.69	44619.38	1,020.69
91 days and above	7,694.43	1,972.50	6,183.66	1,564.93
Total	**666,310.47**	**7,079.49**	**511,973.08**	**4,098.56**

Note:
The count of borrowers for 90 days and above is 1186 as at March 31, 2023 (March 31, 2022 count of borrowers is 807)

35.6.5 Collateral held as security and other credit enhancements

The Group holds collateral or other credit enhancements to mitigate credit risk associated with financial assets. The main types of collateral and the types of assets these are associated with are listed in the table below.

Particulars	Type of Collateral held
Housing Loans	Mortgage of the immovable property
Loan Against Properties	Mortgage of the immovable property

Although collateral can be an important mitigation of credit risk, it is the Group's practice to lend on the basis of the customer's ability to meet the obligations out of cash flow resources other than placing primary reliance on collateral and other credit risk enhancements.

The Group obtains first and exclusive charge on all collateral that it obtains for the loans given. The loans are secured by collateral at the time of origination. The value of the property at the time of origination will be arrived by obtaining two valuation reports from in-house valuers.

Immovable Property is the collateral for Housing and non-housing loans. Security Interest in favour of the Group is created by Mortgage through deposit of title deed which is registered wherever required by law.

The Group does not obtain any other form of credit enhancement other than the above. All the Group's term loans are secured by way of tangible Collateral.

Any surplus remaining after settlement of outstanding debt by way of sale of collateral is returned to the customer / borrower.

35.6.6 Offsetting financial assets and financial liabilities

The Group has not recognised any financial asset or liability on a net basis.

35.7 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

Exposure to liquidity risk

The Group manages and measures liquidity risk as per its ALM policy and the ALCO (Asset Liability Management Committee) is responsible for managing the liquidity risk. The Group not only measures its current liquidity position on an ongoing basis but also forecasts how liquidity position may emerge under different assumptions. The liquidity position is tracked through maturity or cash flow mismatches across buckets spanning all maturities.

35.7.1 Following are the contractual maturities of financial liability/financial assets at the reporting date. Loans, debt securities and borrowings include estimated interest receipts / payments.

Rs. in lakhs

As at March 31, 2023	1 day to 30/31 days (One Month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
Financial assets											
Cash and cash equivalents	34,577.92	8,050.00	2,051.00	-	-	-	-	-	-	-	44,678.92
Bank Balance other than cash and cash equivalents	2.27	-	-	-	-	539.00	-	593.18	-	-	1,134.45
Loans	17,928.96	16,825.95	13,141.60	49,812.63	99,160.71	296,085.68	271,653.13	228,399.24	205,372.53	39,588.34	1,237,968.77
Investments	-	-	-	-	-	-	5,147.42	-	-	0.00	5,147.42
Other Financial assets	2,565.03	-	-	-	-	268.95	-	-	-	1.50	2,835.48
Total (A)	**55,074.18**	**24,875.95**	**15,192.60**	**49,812.63**	**99,160.71**	**296,893.63**	**276,800.55**	**228,992.42**	**205,372.53**	**39,589.84**	**1,291,765.04**
Financial liabilities											
Trade payables	873.74	-	-	-	-	-	-	-	-	-	873.74
Debt Securities	154.49	11,436.99	131.82	594.81	530.35	29,704.19	-	-	-	-	42,552.63
Borrowings (Other than Debt Securities)	7,131.59	7,276.46	11,088.18	25,678.68	49,189.79	163,115.56	101,183.17	38,857.33	19,179.94	799.02	423,499.72
Lease Liabilities	47.48	47.31	47.14	129.07	224.07	475.65	159.25	38.38	-	-	1,168.35
Other financial liabilities	2,188.18	-	-	-	-	-	-	-	-	-	2,188.18
Total (B)	**10,395.48**	**18,760.76**	**11,267.14**	**26,402.56**	**49,944.21**	**193,295.40**	**101,342.42**	**38,895.71**	**19,179.94**	**799.02**	**470,282.62**
Net Financial Assets / Liabilities (A-B)	**44,678.70**	**6,115.19**	**3,925.46**	**23,410.07**	**49,216.50**	**103,598.23**	**175,458.13**	**190,096.71**	**186,192.59**	**38,790.82**	**821,482.41**

As at March 31, 2022	1 day to 30/31 days (One Month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
Financial assets											
Cash and cash equivalents	22,929.04	17,723.61	-	-	-	-	-	-	-	-	40,652.65
Bank Balance other than cash and cash equivalents	-	2,612.64	-	-	233.90	815.70	-	563.92	-	-	4,226.16
Loans	14,812.35	9,712.42	9,719.71	29,110.41	58,093.48	229,656.38	217,539.31	185,797.46	174,798.89	67,257.68	996,498.09
Investments	10,165.19	-	-	-	-	-	-	-	-	-	10,165.19
Other Financial assets	1,804.19	-	-	-	-	248.93	-	-	-	1.50	2,054.62
Total (A)	**49,710.77**	**30,048.67**	**9,719.71**	**29,110.41**	**58,327.38**	**230,721.01**	**217,539.31**	**186,361.38**	**174,798.89**	**67,259.18**	**1,053,596.71**
Financial liabilities											
Trade payables	717.55	-	-	-	-	-	-	-	-	-	717.55
Debt Securities	185.91	1,481.82	164.02	1,224.67	2,463.79	31,384.43	11,143.49	-	-	-	48,048.13
Borrowings (Other than Debt Securities)	3,269.19	4,059.67	18,976.20	15,551.54	29,561.13	99,316.10	62,864.89	24,722.85	21,528.47	-	279,850.04
Lease liabilities	42.30	41.93	40.06	116.75	200.70	419.11	20.02	5.50	-	-	886.37
Other financial liabilities	2,119.48	-	-	-	-	-	-	-	-	-	2,119.48
Total (B)	**6,334.43**	**5,583.43**	**19,180.28**	**16,892.96**	**32,225.62**	**131,119.64**	**74,028.40**	**24,728.35**	**21,528.47**	**-**	**331,621.57**
Net Financial Assets / Liabilities (A-B)	**43,376.34**	**24,465.24**	**(9,460.57)**	**12,217.45**	**26,101.76**	**99,601.37**	**143,510.91**	**161,633.03**	**153,270.42**	**67,259.18**	**721,975.14**

35.8 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. Operational risk is associated with human error, system failures and inadequate procedures and controls. It is the risk of loss arising from the potential that inadequate information system; technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems may result in unexpected losses or reputation problems. Operational risk exists in all products and business activities.

The Group recognizes that operational risk event types that have the potential to result in substantial losses includes Internal fraud, External fraud, employment practices and workplace safety, clients, products and business practices, business disruption and system failures, damage to physical assets, and finally execution, delivery and process management.

The Group 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.

36 Earnings per share

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year after considering the share split.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares after considering the share split.

Rs. in lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit After Tax (A)	50,301.46	37,014.01
Weighted Average Number of Equity Shares (Face Value Rs. 2 Each) - Basic (B)	**497,566,892**	**488,476,676**
Add: Effect of dilutive potential equity shares		
- Employee stock options	1,406,780	2,806,581
Weighted Average Number of Equity Shares (Face Value Rs. 2 Each) - Diluted (C)	**498,973,672**	**491,283,257**
Earnings Per Share - Basic (Rs.) (A / B)	**10.11**	**7.58**
Earnings Per Share - Diluted (Rs.) (A / C)	**10.08**	**7.53**

37 Corporate Social Responsibility expenditure:

Rs. In Lakhs

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
a)	Amount required to be spent by the company during the year	715.72	497.78
b)	Amount of expenditure incurred	147.10	220.18
c)	Shortfall at the end of the year*	568.62	277.60
d)	total of previous years shortfall	Nil	Nil
e)	reason for shortfall**		
f)	Nature of CSR activities	Promoting Healthcare and Education	Promoting Healthcare and Education
g)	details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	Nil	Nil
e)	where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	Nil	Nil

* The Company has provided for the shortfall in CSR expenditure as at March 31, 2023 and March 31,2022.

** The Company was unable to identify suitable CSR initiatives in alignment with the initiatives already undertaken by the Company, the business of the Company and the areas in which it operates.

(i) CSR projects undertaken by the Company falling under the definition of "On-going Projects" are given below. The Company has transferred Unspent amount on such projects within a period of 30 days from the end of the financial year FY2022-23 to a separate special bank account.

Rs. in Lakhs

Project Name	Unspent Amount transferred to Bank
Construction of class rooms for Mahila Vidyalaya Nursery & Primary School	4.46
Construction of classrooms and compound wall for Vijnana Bharathi School of Bharateeya Vidya Kendram, Arakuvalley, Vizag.	14.89
Early Detection of Development Deficiency in small children aged between 1 month to 3 years through Varshini Illam trust	14.97
Conversion of Anganwadis to smart ++ Anganwadis Through Sanitation First (NGO)	11.88
Construction of new auditorium in Government Girls High school, Ayyapakkam, Tiruvallur.	65.00
Construction of kitchen with better amenities in Government Higher Secondary School, Semmangudi, Thiruvarur District	22.00
Laying of Roads and construction of new library in Pandur village.	36.00
Providing subsidized dialysis to underprivileged Kidney patients through Tamilnadu Kidney Research foundation	66.60
Total	**235.80**

(ii) The Unspent amount apart from ongoing projects mentioned above amounting to INR 205.53 lakhs is required to be transferred to any of the funds mentioned in the Schedule VII of the Companies Act, 2013 within six months from the end of the financial year March 31, 2023.The Company has transferred amount of INR 167.90 lakhs pertaining to shortfall at the end of FY2021-22 within six months from the end of March 31, 2022 to the schedule VII funds.

(ii) There is no amount required to be contributed to specified fund u/s 135 (6) by the Company.

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2023

38 Additional Information as required by paragraph 2 of the General Instruction for preparation of Consolidated Financial Statements to Division III-Schedule III to the Companies Act, 2013.

As at March 31, 2023

Name of the entity	Net Assets (i.e total assets less total liabilities)		Share in Profit and Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Assets	Amount (Rs. in lakhs)	As a % of Consolidated Profit and loss	Amount (Rs. in lakhs)	As a % of Consolidated other comprehensive income	Amount (Rs. in lakhs)	As a % of consolidated Total comprehensive income	Amount (Rs. in lakhs)
Parent Company								
Aptus Value Housing Finance India Limited	88.59%	295,837.82	84.29%	42,399.51	100.00%	(11.88)	84.29%	42,387.63
Indian Subsidiary								
Aptus Finance India Private Limited	11.41%	38,095.30	15.71%	7,901.95	0.00%	-	15.71%	7,901.95
Total	**100%**	**333,933.12**	**100%**	**50,301.46**	**100%**	**(11.88)**	**100%**	**50,289.58**

As at March 31, 2022

Name of the entity	Net Assets (i.e total assets less total liabilities)		Share in Profit and Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Assets	Amount (Rs. in lakhs)	As a % of Consolidated Profit and loss	Amount (Rs. in lakhs)	As a % of Consolidated other comprehensive income	Amount (Rs. in lakhs)	As a % of consolidated Total comprehensive income	Amount (Rs. in lakhs)
Parent Company								
Aptus Value Housing Finance India Limited	89.65%	261,422.90	83.13%	30,769.34	100.00%	(2.81)	83.13%	30,766.53
Indian Subsidiary								
Aptus Finance India Private Limited	10.35%	30,193.35	16.87%	6,244.67	0.00%	-	16.87%	6,244.67
Total	**100%**	**291,616.25**	**100%**	**37,014.01**	**100%**	**(2.81)**	**100%**	**37,011.20**

39 Maturity analysis of assets and liabilities

Rs. in lakhs

Assets	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets						
Cash and cash equivalents	44,678.92	-	44,678.92	40,519.94	0.01	40,519.95
Bank Balance other than cash and cash equivalents	-	1,322.21	1,322.21	2,836.80	1,237.44	4,074.24
Loans	71,512.05	587,718.92	659,230.97	37,997.70	469,876.82	507,874.52
Investments	-	5,147.42	5,147.42	10,165.19	-	10,165.19
Other Financial assets	2,565.03	270.65	2,835.68	1,804.19	250.43	2,054.62
Non-financial Assets						
Current tax assets (net)	-	508.55	508.55	-	-	-
Deferred tax assets (Net)	-	1,969.95	1,969.95	-	2,263.53	2,263.53
Property, plant and equipment	-	371.29	371.29	-	339.75	339.75
Intangible assets	-	84.07	84.07	-	61.65	61.65
Right-of-use assets	-	1,072.10	1,072.10	99.13	795.12	795.12
Other non-financial assets	175.57	-	175.57	-	-	99.13
Assets held for sale	-	231.75	231.75	-	156.54	156.54
TOTAL ASSETS	**118,931.57**	**598,696.91**	**717,628.48**	**93,422.95**	**474,981.29**	**568,404.24**
LIABILITIES						
Financial Liabilities						
Trade Payables	873.74	-	873.74	717.55	72.12	789.67
Debt Securities	11,062.92	27,942.39	39,005.31	2,892.73	38,132.10	41,024.83
Borrowings (Other than Debt Securities)	88,649.86	250,950.99	339,600.85	56,473.31	174,564.56	231,037.87
Lease Liabilities	467.35	508.60	975.95	397.88	382.25	780.13
Other financial liabilities	2,188.42	-	2,188.42	2,047.30	-	2,047.30
Non-Financial Liabilities						
Current tax liabilities (Net)	-	-	-	311.07	-	311.07
Provisions	-	462.29	462.29	-	409.93	409.93
Other non-financial liabilities	588.80	-	588.80	387.19	-	387.19
TOTAL LIABILITIES	**103,831.10**	**279,864.27**	**383,695.36**	**63,227.03**	**213,560.96**	**276,787.99**
NET ASSETS / (LIABILITIES)	**15,100.47**	**318,832.63**	**333,933.12**	**30,195.92**	**261,420.33**	**291,616.25**

40 Change in liabilities arising from financing activities

Rs. in lakhs

	1-Apr-22	Cash flows	Other *	31-Mar-23
Debt securities	41,024.83	(2,083.33)	63.81	39,005.31
Borrowings (other than debt securities)	231,037.87	108,872.58	(309.60)	339,600.85
Lease liabilities	780.13	(555.09)	750.91	975.95
Total liabilities from financing activities	**272,842.83**	**106,234.16**	**505.12**	**379,582.11**
	1-Apr-21	**Cash flows**	**Other ***	**31-Mar-22**
Debt securities	43,018.39	(2,083.33)	89.77	41,024.83
Borrowings (other than debt securities)	207,779.05	23,138.99	119.83	231,037.87
Lease liabilities	709.05	(475.42)	546.50	780.13
Total liabilities from financing activities	**251,506.49**	**20,580.24**	**756.10**	**272,842.83**

* Other column includes the effect of interest accrued but not paid on borrowing, amortisation of processing fees, recognition of liabilities on account of new lease etc.

41 Share-based payments

Employee share option plan

41.1 Details of the employee share option plan

(a) In the Board Meeting held on February 11, 2021, the Board approved the issue of up to 55,22,500 options under the Scheme titled "Aptus Employees Stock Option Scheme 2021" (hereinafter referred to as Aptus ESOS, 2021).

The Schemes allow the issue of options to employees of the Company. Each option comprises one underlying equity share.

As per the Scheme, the Nomination and Remuneration Committee ("The Committee") grants the options to the employees deemed eligible and also governs the operation of the scheme.

The difference between the fair price of the the options granted on the date of grant of option and the exercise price of the option representing Stock compensation expense is expensed over the vesting period.

(b) Employee stock options details as on the balance sheet date:

Particulars	Aptus ESOS 2021	Grant 8 under Aptus ESOS 2015*	Grant 8 under Aptus ESOS 2015*
Date of Grant	May 20, 2021	August 07, 2015	May 17, 2017
Date of Board approval	February 11, 2021	August 07, 2015	May 17, 2017
Date of shareholders approval	May 06, 2021	August 07, 2015	August 07, 2015
Number of options granted	5,522,500	7,500,000	750,000
Method of settlement	Equity	Equity	Equity
Vesting period	20.05.2022 to 20.05.2025	31.03.2016 to 31.03.2019	31.03.2018 to 31.03.2021
Manner of vesting	In a graded manner over a 4 year period with 25% of the grants vesting in each year		
Exercise price per option	140.00	15.00	26.00
Price of Underlying share at the time of the Option Grant	140.00	11.25	22.20

* Number of options granted and exercise price per option has been adjusted on account of share split.

(c) Movement in share options during the year are as follows:

Particulars	Aptus ESOS 2021	Grant 7 under Aptus ESOS 2015	Grant 8 under Aptus ESOS 2015	Total
Options outstanding as at April 1, 2021	-	1,150,000	187,500	1,337,500
Add: Options granted during the year	5,522,500	-	-	5,522,500
Less: Options forfeited/lapsed during the year	(157,500)	-	-	(157,500)
Less: Options exercised during the year	-	(1,150,000)	(187,500)	(1,337,500)
Options outstanding as at March 31, 2022	5,365,000	-	-	5,365,000
Add: Options granted during the year	-	-	-	-
Less: Options forfeited/lapsed during the year	(1,267,844)	-	-	(1,267,844)
Less: Options exercised during the year	(1,112,156)	-	-	(1,112,156)
Options outstanding as at March 31, 2023	2,985,000	-	-	2,985,000

During the FY 2022-23 the Company has granted 7,42,500 options which were subsequently cancelled on 04th May 2023. On 04th May 2023 the Company has granted fresh options of 26,37,500 at exercise price of Rs.247 per option which will be expensed off prospectively.

41.2 Fair value of share options granted

During the current year, 55,22,500 shares were granted under the Aptus ESOS 2021 scheme. The fair value of options have been estimated on the date of the grant using Black-Scholes model by an external firm of registered merchant banker. The key assumptions used in the model for calculating fair value are as below:

Assumptions	Date of grant		
	20-May-21	07-08-2015**	17-05-2017**
Risk Free Interest Rate	4.06% to 5.58%	8.04% to 8.26%	8.04% to 8.26%
Expected Life (in years)	1.5 to 4.5	2.65 to 5.65	3 to 6
Expected Annual Volatility of Shares	13.28% - 14.71%	43.15%	35.99%
Expected Dividend Yield	0%	0%	0%
Price of Underlying share at the time of the Option Grant	140.00	56.26	111.02
Fair Value of the Option (Rs.)			
1st Stage	14.44	13.61	29.67
2nd Stage	20.47	17.21	36.87
3rd Stage	27.30	20.60	43.37
4th Stage	34.64	23.64	49.29

41.3 Expense arising from share based payment transaction recognized in profit or loss statement as employee benefit expense are as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employee benefit expense	458.56	437.70

42 Leases

The Group has lease contracts for buildings used for the branches. Leases of such assets generally have lease terms between 3 and 9 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

The Group also has certain leases for buildings with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of lease liabilities included under financial liabilities and the movements during the year:

Movement of Lease Liability Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	780.13	709.07
Add: Additions during the year	673.17	478.03
Add / Less: Accretion of Interest	77.73	68.46
Less: Payments during the year	(555.08)	(475.43)
Closing Balance	**975.95**	**780.13**
Current	467.35	397.88
Non Current	508.60	382.25

Lease liabilities are recognised at weighted average incremental borrowing rate ranging from 8% to 10%

The maturity analysis of lease liabilities are disclosed in Note 35.7.1.

The following are the amounts recognised in the Statement of profit and loss:

Rs. in lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation expense of right-of-use assets	484.67	437.61
Interest expense on lease liabilities	77.73	68.46
Expense relating to short-term leases (included in other expenses)	-	-
Total	**562.40**	**506.07**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Total cash outflow for leases	555.08	475.43

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

43 Transferred financial assets that are not derecognised

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

The company has Securitised certain loans, however the company has not transferred substantially all risks and rewards, hence these assets have not been de-recognised.

Rs. in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amount of transferred assets measured at amortised cost	17,767.67	15,554.41
Carrying amount of associated liabilities measured at amortised cost	14,039.35	9,865.70
Fair value of assets	17,733.06	15,593.23
Fair value of associated liabilities	14,039.35	9,865.70
Net position at Fair Value	3,693.71	5,727.53

44 Disclosure pursuant to RBI notification no. RBI/2020-21/60 DOR.NBFC (HFC).CC.No.118/03.10.136/2020-21 dated October 22, 2020 and RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards

RBI had issued Notification no. RBI/2020-21/60 DOR.NBFC (HFC).CC.No.118/03.10.136/2020-21 dated October 22, 2020 and RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 in respect of recognition of impairment on financial instruments starting from financial year 2020-21 for Housing Finance Companies. The Company has complied with the requirements of Ind AS and the guidelines and policies approved by the Board in this regard.

Any shortfall in ECL provision compared to the requirements as per IRAC norms are apportioned by the Company to Impairment Reserve at reporting periods. Such balance can be utilised / withdrawn by the Company only with prior permission of the Reserve Bank of India as per the said Circular. The shortfall in ECL provision compared to IRACP requirement as at March 31, 2023 is Rs. Nil (As at March 31, 2022 Rs. Nil). The balance in the impairment reserve as at March 31, 2023 is Rs. 761.93 lakhs (As at March 31, 2022 Rs. 761.93 lakhs) (Refer Note 20.1 and Note 20.2.5).

As at March 31, 2023 Rs. in lakhs

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	626,818.63	3,726.30	623,092.33	2,338.21	1,388.09
	Stage 2	31,797.41	1,380.69	30,416.72	281.92	1,098.77
	Stage 3	-	-	-	-	-
Subtotal		**658,616.04**	**5,106.99**	**653,509.05**	**2,620.13**	**2,486.86**
Non-Performing Assets (NPA)						
Substandard	Stage 3	6,784.41	1,761.60	5,022.81	960.16	801.44
Doubtful - up to 1 year	Stage 3	910.02	210.90	699.12	222.50	(11.60)
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**7,694.43**	**1,972.50**	**5,721.93**	**1,182.66**	**789.84**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**7,694.43**	**1,972.50**	**5,721.93**	**1,182.66**	**789.84**
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	9,819.27	10.91	9,808.36	-	10.91
	Stage 2	18.00	0.59	17.41	-	0.59
	Stage 3	5.00	2.33	2.67	-	2.33
Subtotal		**9,842.27**	**13.83**	**9,828.44**	**-**	**13.83**
Total	Stage 1	636,637.90	3,737.21	632,900.69	2,338.21	1,399.00
	Stage 2	31,815.41	1,381.28	30,434.13	281.92	1,099.36
	Stage 3	7,699.43	1,974.83	2.67	1,182.66	792.17
	Total	**676,152.74**	**7,093.32**	**663,337.49**	**3,802.79**	**3,290.53**

As at March 31, 2022 Rs. in lakhs

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	461,170.04	1,512.93	459,657.11	1,503.32	9.61
	Stage 2	44,619.39	1,020.68	43,598.71	692.89	327.79
	Stage 3	-	-	-	-	-
Subtotal		**505,789.43**	**2,533.61**	**503,255.82**	**2,196.21**	**337.40**
Non-Performing Assets (NPA)						
Substandard	Stage 3	5,623.87	1,426.23	4,197.63	870.30	555.93
Doubtful - up to 1 year	Stage 3	559.79	138.73	421.06	136.48	2.24
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**6,183.66**	**1,564.96**	**4,618.69**	**1,006.78**	**558.18**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**6,183.66**	**1,564.96**	**4,618.69**	**1,006.78**	**558.18**
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	8,849.81	3.66	8,846.15	-	3.66
	Stage 2	8.00	0.23	7.77	-	0.23
	Stage 3	-	-	-	-	-
Subtotal		**8,857.81**	**3.89**	**8,853.92**	**-**	**3.89**
Total	Stage 1	470,019.84	1,516.59	468,503.26	1,503.32	13.27
	Stage 2	44,627.39	1,020.91	43,606.48	692.89	328.02
	Stage 3	6,183.66	1,564.96	-	1,006.78	558.17
	Total	**520,830.89**	**4,102.46**	**512,109.74**	**3,202.99**	**899.46**

45 The Group has adopted all the norms issued under 'Prudential norms on Income recognition, Asset classification, and provisioning pertaining to advances – clarifications' issued by the Reserve Bank of India (RBI) vide circular no.DOR.STR.REC.68/21.04.048/2021-22 dated November 12, 2021. Such alignment has resulted in the transition of sub 90 DPD assets as additional non-performing assets as of March 31, 2023, and provided as per norms.

46 Disclosure made vide notification no. RBI/2020-21 /16 DOR No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 on resolution framework for COVID-19 related stress (Resolution framework 1.0).

(Rs. In Lakhs)

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 i.e. September 30, 2022. (A)	Of(A), aggregate debt that slipped into NPA during the half year (B)	Of(A), amount written of during the half year (C)	Of(A), amount paid by the borrowers during the half year (D)	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at the end of this year i.e. March 31, 2023
Personal Loans	2,266.70	207.53	-	27.81	2,031.36
Corporate persons	-	-	-	-	-
of which MSMEs	-	-	-	-	-
Others	1,978.64	240.74	-	211.76	1,581.04
Total	**4,245.34**	**448.27**	**-**	**239.57**	**3,612.40**

47 The listed Non-Convertible Debentures of the Company secured by way of specific charge on assets under hypothecation and specified immovable property. The total asset cover is more than one hundred percent of the principal amount of the said debentures.

48 Disclosure pursuant to RBI notification dated September 24, 2021 on "Transfer of Loan Exposures" are given below:

(a) The Company has not transferred or acquired, any loans not in default during year ended March 31, 2023 (March 31, 2022 - Nil)

(b) The Company has not transferred or acquired, any stressed loans during year ended March 31, 2023 (March 31, 2022 - Nil)

49 Events after reporting date

There have been no events after the reporting date that require disclosure in these financial statements.

50 The Group has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

The Group has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

51 The disclosure on the following matters required under Schedule III as amended are not made, as the same are not applicable or relevant for the Group.

a) The Group has not traded or invested in crypto currency or virtual currency during the financial year.

b) No proceedings have been initiated or are pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act 1988 (45 of 1988) and rules made thereunder.

c) The Group has not been declared willful defaulter by any bank or financial institution or Government or any other Government authority.

d) The Group has not entered into any scheme of arrangement.

e) All charges or satisfaction are registered with ROC for the financial years ended March 31, 2023 and March 31, 2022. No charges or satisfactions are yet to be registered with ROC

f) There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

g) The Group has no transactions with Companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

h) The Company does not possess any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the company during the financial year ended March 31, 2023 and March 31, 2022.

i) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2023 and March 31, 2022.

52 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year classification / presentation.

As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
ICAI Firm Regn No.006711N/N500028

Sheshu Samudrala
Partner
Membership No: 235031

Place : Chennai
Date : May 04, 2023

For and on behalf of the Board of Directors of
Aptus Value Housing Finance India Limited

M Anandan
Executive Chairman
DIN: 00033633

P Balaji
Managing Director
DIN: 07904681

John Vijayan Rayappa
Chief Financial Officer

Sanin Panicker
Company Secretary
Membership No: A32834

Place : Chennai
Date : May 04, 2023

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures.

(₹ In Lakhs)

Part A : Subsidiary

Sl. No	Particulars	Details
1	Name of the subsidiary	Aptus Finance India Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	Not Applicable
4	Share capital	10,080.00
5	Reserves and surplus	28,015.30
6	Total assets	98,136.94
7	Total Liabilities	60,041.64
8	Investments	Nil
9	Turnover	16,717.23
10	Profit before taxation	10,727.67
11	Provision for taxation	2,825.72
12	Profit after taxation	7,901.95
13	Proposed Dividend	Nil
14	Extent of shareholding (in percentage)	100%

Notes:

1. **Names of subsidiaries which are yet to commence operations:** Nil
2. **Names of subsidiaries which have been liquidated or sold during the year:** Nil

Part B: Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Since the Company does not have any Associate Company or Joint venture, the disclosure under this section is not applicable.

For and on behalf of the Board of Directors of
Aptus Value Housing Finance India Limited

M Anandan	**P Balaji**	**John Vijayan Rayappa**	**Sanin Panicker**
Executive Chairman	**Managing Director**	**Chief Financial Officer**	**Company Secretary**
DIN: 00033633	DIN: 07904681		Membership No: A32834

Notice to Members

NOTICE is hereby given that the 14th Annual General Meeting of the Members of Aptus Value Housing Finance India Ltd ("the Company") will be held on Friday, August 18, 2023, at 11:00 A.M. through Video Conferencing / Other Audio-Visual Means (VC/OAVM) to transact the following businesses:

ORDINARY BUSINESSES:

1. **Adoption of financial statements**

   To receive, consider and adopt

   a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and the Auditors thereon; and

   b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023, together with the Report of the Auditors thereon.

2. **Appointment of Mr. K P Balaraj as Director, liable to retire by rotation**

   To consider and, if thought fit, to pass, the following resolution, as **an Ordinary Resolution:**

   RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of members of the Company, be and is hereby accorded to re-appoint Mr. K P Balaraj (DIN: 00163632) as a director, who is liable to retire by rotation.

SPECIAL BUSINESSES:

3. **To approve the increase in borrowing powers in excess of the paid-up share capital, free reserves and securities premium of the Company pursuant to Section 180(1)(c) of the Companies Act, 2013**

   To consider and, if thought fit, to pass, the following resolution, as a **Special Resolution:**

   RESOLVED THAT in supersession of the resolution passed by the shareholders at the 13th Annual General Meeting held on August 19, 2022 and pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 ("the Act") and all other applicable provisions of the Act and any rules made there under, or any other law for the time being in force (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) and in terms of the Memorandum and Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include the Resourcing and Business Committee or any such Committee which the Board may constitute / authorize for this purpose) of the Company to borrow such sum or sums of moneys and for availing all kinds and types of loans, advances, debt facilities and credit facilities including issuance of debentures and other debt instruments, (apart from temporary loans from the Company's Bankers), from time to time, upto a sum of ₹ 7500 crores (Rupees Seven Thousand Five Hundred Crores) outstanding at any point of time on account of principal, for and on behalf of the Company, from its Bankers, other Banks, Non-Banking Financial Companies, National Housing Bank, Financial Institutions, Companies, Firms, Bodies Corporate, Co-Operative Banks, Investment Institutions and their Subsidiaries, Mutual Funds, Trusts, other Body Corporate or from any other person as may be permitted under applicable laws, whether unsecured or secured notwithstanding that moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans, including working capital facilities obtained from the Company's bankers in the ordinary course of business) shall exceed the aggregate of the paid-up capital of the Company and its free reserves.

   RESOLVED FURTHER THAT the Company may issue from time to time, Debenture/Bonds and other debt instruments, aggregating up to ₹1000 Crores (Rupees One Thousand Crores) within the overall borrowing limits of ₹ 7500 crores (Rupees Seven Thousand Five Hundred Crores).

   RESOLVED FURTHER THAT the Board of Directors of the Company (including the Resourcing & Business Committee or any such Committee which the Board may constitute/ authorize for this purpose) be and is hereby authorized to take all such steps as may be necessary to give effect to this resolution.

4. **To approve creation of charges on the assets of the Company under Section 180(1)(a) of the Companies Act, 2013 to secure the borrowings made/to be made under section 180(1)(c) of the Companies Act, 2013**

   To consider and, if thought fit, to pass, the following resolution, as a **Special Resolution.**

   RESOLVED THAT in supersession of the resolution passed by the shareholders at the 13th Annual General Meeting held on August 19, 2022 and pursuant to the provisions of section 180(1)(a) of the Companies Act, 2013 ("the Act") and all other applicable provisions of the Act and any rules made thereunder or any other law for the time being in force (including any statutory modification or amendment(s) thereto or re-enactment(s) thereof for the time being in force) and in terms of the Memorandum and Articles of Association of the Company, the consent of the Members of the

Company be and is hereby accorded to the Board of Directors of the Company (which term shall be deemed to include the Resourcing & Business Committee and any such committee which the Board may constitute / authorize for this purpose) for mortgaging / charging / hypothecating all or any of the immovable and movable properties and assets of the Company, both present and future and the whole or substantially the whole of the undertaking or the undertakings of the Company, on such terms and conditions, as may be agreed to between the Board and Lender(s), Debenture holders and providers of credit and debt facilities to secure the loans / borrowings / credit / debt facilities obtained or as may be obtained, or Debentures/Bonds and other instruments issued or to be issued by the Company to or in favour of the Financial Institutions, Non-Banking Financial Companies, National Housing Bank, Co-operative Banks, Investment Institutions and their Subsidiaries, from its Bankers and other Banks, Mutual Funds, Trusts and other Bodies Corporate or Trustees for the holders of debentures/bonds and/ or other instruments, or any other person, which may exceed the paid-up capital and free reserves provided that the total amount of monies borrowed / credit facilities obtained or as may be obtained, or Debentures/ Bonds and other instruments issued or to be issued by the Company (apart from temporary loans from the Company's Bankers) shall not at any time exceed a sum ₹ 7500 crores (Rupees Seven Thousand Five Hundred Crores) outstanding at any point of time on account of principal.

RESOLVED FURTHER THAT the Board of Directors of the Company (including the Resourcing & Business Committee or any such Committee which the Board authorize for this purpose) be and is hereby authorized to take all such steps as may be necessary to give effect to this resolution.

5. **To approve issue of Non-Convertible Debentures, in one or more tranches on private placement basis**

To consider and, if thought fit, to pass, the following resolution, as a **Special Resolution.**

RESOLVED THAT pursuant to the provisions of Sections 42, 71, 179 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and other regulations, rules and guidelines issued by Reserve Bank of India, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended from time to time) and in accordance with the Memorandum of Association and Articles of Association of the Company, consent of the members be and is hereby given to issue, offer or invite subscriptions for all kinds and types of NCDs including NCDs which are Listed/Unlisted, Secured, Rated, Redeemable, in one or more series / tranches, aggregating up to ₹ 1000 Crores (Rupees One Thousand Crores) to any Institution, Body Corporate, Mutual Fund, entity, any other person or persons, domestic or foreign, as permitted under applicable laws, on private placement basis on such terms and conditions as the Board of Directors (which term shall be deemed to include Resourcing and Business Committee of the Board or any other committee which may be authorized for this purpose) may, from time to time, determine and consider proper and most beneficial to the Company including as to when the said NCDs be offered, the consideration for the offer, utilization of the proceeds and all matters connected with or incidental thereto.

RESOLVED FURTHER THAT the Board of Directors be and is hereby instructed to act upon the resolution within a period of 12 months.

RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of Debentures of the Company, the Board of Directors be and is hereby authorized on behalf of the Company to take all such actions and do all such deeds, matters, and things as it may, in its absolute discretion, deem necessary, desirable or expedient and to settle any question, difficulties or doubts that may arise in this regard including but not limited to the offering, issue and allotment of debentures of the Company as it may in its absolute discretion deem fit and proper.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to the Resourcing and Business Committee or any Director or Directors or to any member the Resourcing and Business Committee or to any Committee of Directors or to any officer or officers of the Company to give effect to this resolution.

6. **To approve alteration of the Memorandum of Association**

To consider and, if thought fit, to pass, the following resolution, as a **Special Resolution**.

RESOLVED THAT pursuant to provisions of Section 4, Section 13 and other applicable provisions of Companies Act, 2013 including any statutory modifications or re-enactment thereof for the time being in force and rules made thereunder and subject to such other requisite approvals, if any, in this regard from appropriate authorities and terms(s), condition(s), amendment(s), modification(s), as may be required or suggested by any such appropriate authorities, the consent of the members be and is hereby accorded for alteration of the Object Clause of the Memorandum of Association of the Company by inserting Clause no. 104 under " Objects incidental and ancillary to the attainment of main objects" as follows:

104. To solicit and procure Insurance Business as Corporate Agent in respect of all classes of insurance and to undertake such other activities as are incidental or ancillary thereto.

RESOLVED FURTHER THAT Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the alteration of the Memorandum of Association and further to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.

7. To approve alteration of the Articles of Association

To consider and, if thought fit, to pass, the following resolution, as a **Special Resolution.**

RESOLVED THAT pursuant to provisions of Section 5, Section 14 and other applicable provisions of Companies Act, 2013 including any statutory modifications or re-enactment thereof for the time being in force and rules made thereunder and subject to such other requisite approvals, if any, in this regard from appropriate authorities and terms(s), condition(s), amendment(s), modification(s), as may be required or suggested by any such appropriate authorities and in order to harmonise the provisions of the Articles of Association with the requirements of the provisions of Securities Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021, and Securities Exchange Board of India (Debenture Trustee) Regulations, 1993 (as amended from time to time) the consent of the members be and is hereby accorded to alter the Articles of Association of the Company to include the following clause in the existing Articles of Association:

101. NUMBER OF DIRECTORS

101B. "The Board of Directors be authorized to appoint a person nominated by the Debenture Trustee as Director on the Board of the Company in terms of clause (e) of sub-regulation (1) of Regulation 15 of the Securities Exchange Board of India (Debenture Trustees) Regulations, 1993 for its listed debt securities as amended from time to time.

Nothing in this sub-clause shall apply in the event that the debenture trustee fails to prove beyond doubt that the Company has defaulted in terms of clause (e) of sub regulation (1) of Regulation 15 of the Securities Exchange Board of India (Debenture Trustees) Regulations, 1993 for its listed debt securities as amended from time to time."

RESOLVED FURTHER THAT Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the alteration of the Articles of Association and further to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.

By Order of the Board of Directors
For Aptus Value Housing Finance India Limited

sd/-
Sanin Panicker
Company Secretary

Chennai
May 04, 2023

NOTES

1. **Pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs (MCA) followed by Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No.2/2022 dated May 05, 2022 and Circular No. 10/2022 dated December 28, 2022 and all other relevant circulars issued from time to time (collectively referred to as "MCA Circulars"), SEBI Circular No.s SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/001 dated January 05, 2023 ("SEBI Circulars") issued by Securities and Exchange Board of India (SEBI) and all other relevant circulars issued from time to time, physical presence of the Members at the Annual General Meeting ("AGM") venue is not required and general meeting can be held through video conferencing (VC) or other audio visual means (OAVM). Hence, in compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC/OAVM.**

2. **Pursuant to the MCA circulars, the facility of appointing proxies by Members under Section 105 of the Companies Act, 2013 will not be available for the AGM. However, in pursuance of Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-voting, participation in the AGM through VC/OAVM and e-voting during the AGM. Corporate members / Institutional members intending to appoint their authorized representatives to attend the AGM are requested to send to the Company a copy of the Board resolution/ authorization letter authorizing their representative to attend and vote through VC or OAVM or to vote through remote e-voting are requested to send a certified copy of the Board Resolution to the Scrutinizer by e-mail at evoting.aptus@sandeep-cs.in with a copy marked to cs@aptusindia.com.**

3. The Notice is being sent to all the Members/ Beneficiaries electronically, whose names appear on the Register of Members/Record of Depositories as on Friday, July 21, 2023 in accordance with the provisions of the Companies Act, 2013, read with Rules made thereunder and MCA and SEBI Circulars. All correspondence relating to change of address, e-mail ID, transfer / transmission of shares, issue of duplicate share certificates, bank mandates and all other matters relating to the shareholding in the company may be made to KFin Technologies Limited (KFin), the registrar and share transfer agent (RTA). The members holding shares in dematerialised form may send such communication to their respective depository participant/s (DPs)

4. Since the 14th AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto. The deemed venue for the 14th AGM shall be the registered office of the Company.

5. Members of the Company are requested to note that as per the provisions of Section 124 of the Companies Act, 2013, dividends not en-cashed/ claimed by the Members of the Company, within a period of 7 (seven) years from the date of declaration of dividend, shall be transferred to the Investor Education and Protection Fund (IEPF) by the Company. Further, pursuant to the provisions of Section 124 of the Companies Act, 2013 and Investor Education and Protection Fund Authority Rules, 2016 (IEPF Rules), all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to an IEPF suspense account (in the name of the Company) within 30 (thirty) days of such shares becoming due for transfer to the Fund.

6. Members who have not encashed / claimed the dividend warrant(s) so far are requested to make their claims to the RTA of the Company.

7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

8. A statement pursuant to Section 102(1) of the Companies Act, 2013("the Act") and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") relating to the Special Businesses to be transacted at the Annual General Meeting is annexed hereto.

9. Information as required under the Listing Regulations in respect of re-appointment of Mr. K P Balaraj, Non-Executive Nominee Director is furnished and forms a part of the notice as **Annexure A**.

10. In terms of the requirements of Regulation 36 of SEBI (LODR) Regulations and the Secretarial Standards-2 on "General Meetings" issued by the Institute of the Company Secretaries of India and approved & notified by the Central Government, brief resume and statement as required by paragraph no. 1.2.5 of SS2 – Secretarial Standards on General Meetings is enclosed as **Annexure A**.

11. In line with the MCA Circulars and SEBI Circulars, the Notice of the AGM along with the Annual Report 2022–23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories and the same will be also available on the Company's website www.aptusindia.com, website of RTA https://evoting.kfintech.com and on the websites of stock exchanges www.

bseindia.com and www.nseindia.com. The Notice convening the 14th AGM has been uploaded on the website of the Company at www.aptusindia.com. For any communication, the members may send requests to the Company's email ID cs@aptusindia.com.

12. SEBI has mandated the submission of the permanent account number (PAN) by every participant in the securities market. Members holding shares in electronic form, are therefore, requested to submit their PAN to their respective DPs. Members holding shares in physical form shall submit their details to RTA.

13. Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.

14. Since shares of the Company are traded on the stock exchanges compulsorily in demat mode, members holding shares in physical mode are advised to get their shares dematerialised. Effective 1 April, 2019, SEBI has disallowed listed companies from accepting request for transfer of securities which are held in physical form. The shareholders who continue to hold shares in physical form after this date, will not be able to lodge the shares with Company / its RTA for further transfer. Shareholders shall mandatorily convert them to demat form if they wish to effect any transfer. Only the requests for transmission and transposition of securities in physical form, will be accepted by the Company / RTA.

15. As per the SEBI circular dated 3 November, 2021, facility for registering nomination is available for members in respect of the shares held by them. Shareholders who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13 which can be obtained from depository participants or downloaded from https://ris.kfintech.com/clientservices/isc/default.aspx. Members holding shares in electronic form may approach their respective DPs for completing the nomination formalities.

16. Effective 1 October, 2023, RTA will be obligated to freeze the folios for which PAN, nomination, contact details, bank account details and specimen signature have not been furnished. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the above documents. If the securities continue to remain frozen as on 31 December, 2025, the RTA/the company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and/or the Prevention of Money Laundering Act, 2002. In compliance with SEBI guidelines, the company had sent communication intimating about the submission of above details to all the members holding shares in physical form. Relevant details and forms prescribed by SEBI in this regard are available at https://ris.kfintech.com/clientservices/isc/default.aspx. Members holding shares in electronic form, are therefore, requested to submit their PAN to their respective DPs. Members holding shares in physical form shall submit their details to RTA.

17. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under section 189 of the Act and the Certificate for the ESOP Schemes of the Company as required under the SEBI Regulations will be available electronically for inspection by the members during the AGM. All documents referred to in the notice will also be available for electronic inspection by the members up to the date of AGM, i.e., August 18, 2023. Members seeking to inspect such documents can send an email to cs@aptusindia.com.

18. Voting through electronic means

i. Remote e-voting and e-voting during the AGM:

a. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Company is providing to its Members facility to exercise their right to vote on resolutions proposed to be passed at the AGM by electronic means ("e-voting"). Members may cast their votes remotely, using an electronic voting system on the dates mentioned herein below ("remote e-voting"). The Company has engaged the services of KFin as the agency to provide e-voting facility. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions given below.

b. The remote e-voting facility will be available during the following voting period: Commencement of remote e-voting: Monday, August 14, 2023 at 09:00 a.m. (IST) and End of remote e-voting: Thursday, August 17, 2023 at 05:00 p.m. (IST). The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be forthwith disabled by KFin upon expiry of the aforesaid period.

c. The Board has appointed Mr. S Sandeep (FCS 5853 /COP 5987), Managing Partner of M/s. S Sandeep and Associates, Company Secretaries, as Scrutinizer to scrutinize the remote e-voting and e-voting process during the AGM in a fair and transparent manner in terms of the requirements of the Act and the rules made there under, and he has communicated his eligibility and willingness to be appointed as Scrutinizer and given his consent for the same and will be available for the said purpose.

d. The Result of remote e-voting and e-voting shall be declared within two working days from conclusion of the AGM and subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to be passed on the date of this AGM, that is Friday, August 18, 2023.

e. The Results of voting declared along with Scrutinizer's Report will be published on the website at https://www.aptusindia.com and on Service Provider's website at https://evoting.kfintech.com within two working days from the conclusion of the AGM and the same shall also be simultaneously communicated to the BSE Limited and the National Stock Exchange of India Limited.

ii. Information and instructions relating to remote e-voting and e-voting are as under:

a. The Members can join the AGM in the VC/ OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned herein. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Members (Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

b. The members who have cast their vote(s) by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote(s) again at the Meeting. Once the vote on a resolution is casted by a Member, whether partially or otherwise, the Member shall not be allowed to change it subsequently or cast the vote again.

c. A member can opt for only single mode of voting per EVENT, i.e., through remote e-voting or e-voting during the Meeting. If a member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) casted at the Meeting shall be treated as "INVALID".

d. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e, August 11, 2023 only shall be entitled to avail the facility of remote e-voting or for e-voting during the AGM. A person, who is not a member as on the cut-off date, should treat the Notice for information purpose only.

e. Members who have acquired shares after the dispatch of the Annual Report may approach KFin for issuance of the User ID and Password for exercising their right to vote by electronic means.

f. Members who would like to express their views or ask questions may register themselves by logging on to https://emeetings.kfintech.com and clicking on the 'Speaker Registration' option available on the screen after log in. The Speaker Registration will be open during Monday, August 14, 2023 at 09:00 a.m. (IST) till Wednesday, August 16, 2023 at 05:00 p.m. (IST). Only those members who are registered will be allowed to express their views or ask questions. Please note that, questions will be answered only if the member continues to hold the shares as of cut-off date. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.

g. Members will be allowed to attend the AGM through VC on first come, first served basis.

h. Facility to join the meeting shall be opened thirty minutes before the scheduled time of the AGM and shall be kept open throughout the proceedings of the AGM.

i. While all efforts would be made to make the VC/ OAVM meeting smooth, participants connecting through mobile devices, tablets, laptops etc. may at times experience audio/ video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.

j. A video guide assisting the members attending AGM either as a speaker or participant is available for quick reference at URL https://emeetings.kfintech.com.

k. Members who need technical assistance before or during the AGM can contact KFin at emeetings@kfintech.com or Toll free number: 1800-309-4001.

iii. **Procedure for registering the email address and obtaining the Annual Report, AGM notice and e-voting instructions by the shareholders whose email addresses are not registered with the Depositories (in case of shareholders holding shares in Demat form) or with RTA (in case of shareholders holding shares in physical form):**

Those Members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:

a. Members holding shares in Demat form can get their email ID registered by contacting their respective DP.

b. Members holding shares in physical form may register their email address and mobile number with KFin by accessing the URL https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx.

- Select the Company Name i.e. Aptus Value Housing Finance Limited
- Select the Holding type from the drop down i.e. - NSDL / CDSL / Physical.
- Enter DPID – Client ID (in case shares are held in electronic form) / Physical Folio No. (in case shares are held in physical form) and PAN.
- If PAN details are not available in the system, the system will prompt to upload a self-attested copy of the PAN Card for updating records.
- In case shares are held in physical form and PAN is not available in the records, please enter any one of the Share Certificate No. in respect of the shares held by you.
- Enter the email address and mobile number.
- System will validate DP ID – Client ID/ Physical Folio No. and PAN / Share certificate No., as the case may be, and send the OTP to the registered Mobile number as well as email address for validation.
- Enter the OTPs received by SMS and email to complete the validation process. OTPs validity will be for 5 minutes only.
- The Notice and e-voting instructions along with the User ID and Password will be sent on the email address updated by the member.
- Please note that in case the shares are held in Electronic Form, the above facility is only for temporary registration of email address for receipt of the Notice and the e-voting instructions along with the User ID and Password. Such members will have to register their email address with their DPs permanently, so that all communications are received by them in electronic form.
- In case of queries, members are requested to write to einward.ris@kfintech.com or call at the toll free number 1800-309-4001

iv. **Procedures for remote E-Voting for Members other than Individual shareholders holding equity shares in demat mode and members Holding Equity Shares in Physical Form:**

Members whose email IDs are registered with the company/ depository participant(s), will receive an email from KFin which will include details of E-Voting Event Number (7438), USER ID and password. Members will have to follow the following process:

a. Launch internet browser by typing the URL: https://evoting.kfintech.com.

b. Enter the login credentials provided in the email and click on Login.

c. Password change menu appears when you login for the first time with default password. You will be required to mandatorily change the default password.

d. The new password should comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, $, etc.,).

e. Update your contact details like mobile number, email address, etc. if prompted. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

f. Login again with the new credentials.

g. On successful login, the system will prompt you to select the "EVENT"

h. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR / AGAINST" taken together shall not exceed your total shareholding as mentioned above. If the member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

i. Members holding multiple folios may choose to vote differently for each folio / demat account.

j. You may then cast your vote by selecting an appropriate option and click on "Submit. A confirmation box will be displayed. Click "Ok" to confirm or "Cancel" to modify. Once you confirm the voting on the resolution, you will not be allowed to modify your vote thereafter. During the voting period, members can login multiple times and vote until they confirm the voting on the resolution by clicking "Submit".

k. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members at https://evoting.kfintech.com/public/Faq.aspx or call KFin on 1800-309-4001 (toll free).

v. Procedure for Login for E-Voting and Attending AGM through VC/OAVM for Individual Shareholders holding securities in Demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their Demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their Demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in Demat mode is given below:

Individual shareholders holding securities in Demat mode with National Securities Depository Limited ("NSDL")	**A. User already registered for IDeAS facility:** 1. Open https://eservices.nsdl.com 2. Click on the "Beneficial Owner" icon under 'IDeAS' section. 3. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" 4. Click on Company Name or e-Voting service provider and you will be re-directed to e-voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the Meeting. **B. User is not registered for IDeAS e-Services:** 1. To register, open https://eservices.nsdl.com either on a Personal Computer or on a mobile. 2. Select "Register Online for IDeAS "Portal or click on https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 3. Proceed with completing the required fields **C. By visiting the e-Voting website of NSDL:** 1. Open https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. 2. Click on the icon "Login" which is available under 'Shareholder/Member' section 3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit Demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. 4. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. 5. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period

Individual Shareholders holding securities in Demat mode with Central Depository Services (India) Limited ("CDSL")	**A. Existing user who have opted for Easi/Easiest** 1. Click at https://web.cdslindia.com/myeasinew/home/login or www.cdslindia.com 2. Click on New System Myeasi. 3. Login with user ID and Password 4. After successful login of Easi / Easiest, Option will be made available to reach e-voting page 5. Click on e-voting service provider name to cast your vote **B. User not registered for Easi/Easiest** 1. Option to register is available at https://web.cdslindia.com/myeasinew/Registration/EasiRegistration 2. Proceed with completing the required fields. **C. By visiting the e-Voting website of CDSL:** 1. Visit at https://evoting.cdslindia.com/Evoting/EvotingLogin 2. Provide Demat Account Number and PAN No. 3. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the Demat Account. 4. After successful authentication, user will be provided links where the e-voting is in progress.
Individual Shareholders (holding securities in Demat mode) login through their depository participants	You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company Name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43.

vi. Instructions for the members for attending the AGM of the Company through VC:

- Members can attend the AGM through the link https://emeetings.kfintech.com/ by using their remote e-voting credentials.
- Members can participate in the AGM through their desktops / smartphones / laptops etc. However, for better experience and smooth participation, it is advisable to join the meeting through desktops / laptops with high-speed internet connectivity. It is recommended to use a stable Wi-Fi or LAN connection.
- The attendance of the members (members logins) attending the AGM will be counted for the purpose of reckoning the quorum under section 103 of the Act.

Step 1	Access the URL https://emeetings.kfintech.com/
Step 2	Enter the login credentials (i.e., User ID and password provided for remote e-voting)
Step 3	Please select the name of the meeting
Step 4	Click on 'Video Conference' option
Step 5	Click on the red square box with a video icon to join the VC

vii. Instructions for members for e-voting during the AGM session:

Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC platform of KFin. Members may click on the voting icon displayed on the screen to cast their votes.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")

The following statement sets out all material facts relating to the Special Businesses mentioned in the accompanying Notice:

Item No. 3: Fixing of Borrowing Limits

In terms of provisions of Section 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the consent of the Company in a general meeting by way of a special resolution, borrow moneys (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), in excess of the aggregate of the paid-up capital and its free reserves.

At the Annual General Meeting of the Company held on August 19, 2022, the shareholders had passed a special resolution under Section 180 (1) (c) of the Companies Act, 2013 empowering the Board of Directors of the Company to borrow upto ₹ 5,000 crores which was in excess of the paid up capital and free reserves of the Company as at March 31, 2022.

In order to further expand its business and to meet the loan disbursements, the Board may have to resort to various borrowing options which at times is likely to exceed the present borrowing limit of ₹ 5,000 crores. Taking this into account and the enabling provisions under Section 180(1)(c) of the Companies Act, 2013, in order to enable the Board of Directors to raise adequate funds in a timely manner, the resolution under item no. 3 of the notice is proposed.

Since the borrowing limit of ₹ 7,500 crores as proposed in the special resolution appearing in item no. 3 of this notice is in excess of paid-up capital and its free reserves, the proposal requires the approval of shareholders by means of a special resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in anyway, concerned or interested, financially or otherwise, in the resolution set out at item no. 3 of the Notice.

The Board recommend the above Special Resolution in item no. 3 for your approval.

Item No. 4: Creation of Charge / Mortgage on Assets

Section 180(1)(a) of the Companies Act, 2013, provides that the Board of Directors of a Company shall not, without the consent of members in general meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company.

For creation of security through mortgage or pledge/ or hypothecation or otherwise of the movable and immovable properties and assets of the Company or through a combination of the above for securing the limits/ credit/ debt facilities as may be sanctioned by the lenders, and / or for securing the issuance of debentures/ bonds/ and other instruments, the Company would be required to secure all or any of the movable and immovable assets and properties of the Company, present and future.

Considering the requirement under Section 180(1)(a) of the Companies Act, 2013 in order to enable the Board to mortgage/ charge/ hypothecate or otherwise create security against the properties and/or the whole or substantially the whole of the undertaking of the Company create charge/ encumbrance on the assets of the Company, approval of the Members is sought by way of a special resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in anyway, concerned or interested, financially or otherwise, in the resolution set out at item no. 4 of the Notice.

The Board recommends the Special Resolution set out at item no. 4 of the Notice for approval by the shareholders.

Item No. 5: Offer / invitation to subscribe to Non-Convertible Debentures on private placement basis

Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 prescribed thereunder, Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 deals with private placement of securities by a company. Third proviso of Sub-rule (1) of the Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 provides that in case of an offer or invitation to subscribe for non-convertible debentures on private placement basis, it is sufficient if the Company obtains previous approval of its shareholders by means of a special resolution only once in a year for all the offers or invitations for such debentures during the year.

As part of its fund-raising plans for the next 12 months your Company proposes to issue Non-Convertible Debentures (NCDs) on a private placement basis to institutions, mutual funds, bodies corporate, and other persons, both domestic and non-domestic. The Company may offer or invite subscription for all kinds of NCDs, in one or more series / tranches on private placement basis. The proceeds of the issue would be utilised for working capital to finance the growth of the lending portfolio of the company.

In this context, approval of the shareholders is being sought for issuance / offers of NCDs aggregating upto ₹1000 Crores by way of a Special Resolution as set out at item no. 5 of the Notice. The said limit of ₹ 1000 crores for issuance of NCDs shall be within the overall borrowing limits of ₹ 7500 crores as proposed in the special resolution appearing in item no. 3 of the notice.

This resolution enables the Company to offer or invite subscription for non-convertible debentures, as may be required by the Company, from time to time for a year from the conclusion of this Annual General Meeting.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in anyway, concerned or interested, financially or otherwise, in the resolution set out at item no. 5 of the Notice.

Item No. 6: Alteration of Memorandum of Association of the Company

In order to enable the Company to expand its business activities and give value added services to its customers, it is proposed to amend the existing object clause of the Memorandum of Association (MOA) of the Company, by inserting a new clause to align the same with the requirement of the Company for undertaking the proposed business. This will also enable the company to carry on its business economically and efficiently. Therefore, it is proposed to alter the MOA by inserting a new clause as provided in the resolution proposed in this regard.

The Board recommends the passing of resolution set out at item no. 6 for your approval by way of a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is/are in any way, concerned or interested, financially or otherwise, in the resolution set out at item No. 6 of the Notice.

Item No. 7: Alteration of Articles of Association of the Company

It is proposed to amend the existing Articles of Association of the Company to align them with the amendment brought out vide Regulation 23(6) of Securities Exchange Board of India (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2023, dated February 2, 2023. As per the said amendment, Company shall ensure that its Articles of Association require its Board of Directors to appoint the person nominated by the debenture trustee(s) in terms of clause (e) of sub-regulation (1) of regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 as a director on its Board of Directors. All companies having their debt securities listed on the exchange are required to alter their Articles of Association in line with the above requirement on or before September 30, 2023 to enable Debenture Trustee(s) to nominate their representative as Director on the Board in the event of two consecutive defaults in payment of interest to the debenture holders, default in creation of security for debentures or default in redemption of debentures as per clause (e) of sub-regulation (1) of Regulation 15 of the Securities Exchange Board of India (Debenture Trustees) Regulations, 1993 for its listed debt securities as amended from time to time.

Therefore, it is proposed to alter the Articles of Association by inserting a new clause as provided in the resolution proposed in this regard.

The Board recommends the passing of resolution set out at item no. 7 for your approval by way of a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is/are in any way, concerned or interested, financially or otherwise, in the resolution set out at item No. 7 of the Notice.

By Order of the Board of Directors

sd/-
Sanin Panicker
Company Secretary

Chennai
May 04, 2023

ANNEXURE A

Disclosure pursuant to Regulation 36 of SEBI (LODR) Regulations, 2015 and a statement as required by paragraph no. 1.2.5 of SS2 – Secretarial Standards on General Meetings

Name of Director	Mr. K P Balaraj
DIN	00163632
Date of Birth (Age)	18/01/1971 (52 years)
Qualifications	Mr. K P Balaraj holds a bachelor's degree in business management from Brigham Young University, Hawaii where he was a valedictorian and a Master's degree in business administration from Harvard Business School.
Experience / Expertise in specific functional areas	Mr. K P Balaraj was the co-founder and Managing Director at West Bridge Capital India Advisors Private Limited and has several years of experience in the investment industry. He is currently a partner at Waimea Bay Advisors LLP.
Terms and conditions of appointment / reappointment	Appointment as a Non-Executive Director, nominated by WestBridge Crossover Fund, LLC, Investor
Remuneration sought to be paid	Nil
Remuneration last drawn (for financial year 2022-23)	Nil
Date of first appointment on the Board	04/03/2015
Shareholding in the Company	Nil
Relationship with other Directors, Manager and KMP of the Company	None
Number of Board Meetings attended during the Financial Year 2022-23	5 (five) out of 5 (five) meetings held
Other Directorships, Membership/Chairmanship of Committees of other Boards	Nil

APTUS VALUE HOUSING FINANCE INDIA LIMITED

8B, Doshi Towers, 205, Poonamallee High Road,
Kilpauk, Chennai 600 010. Tamilnadu, INDIA.

+91-44-4565 0000

customercare@aptusindia.com

www.aptusindia.com