August 23, 2021

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400 001
BSE Scrip Code: 540709

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block, Bandra Kurla Complex,
Bandra (East), Mumbai 400 051
NSE Scrip Symbol: RHFL

Dear Sir(s),

Sub.: Notice of 13th Annual General Meeting and Annual Report 2020-21

This is to inform that the 13th Annual General Meeting (AGM) of the members of the Company will be held on Tuesday, September 14, 2021 at 4:30 P.M. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

The Annual Report for the financial year 2020-21, including the Notice convening the AGM is enclosed herewith.

The Company will provide to its members the facility to cast their vote(s) on all resolutions set out in the Notice by electronic means ('e-voting'). The detailed process to join meeting through VC / OAVM and e-voting, is set out in Notice.

Thanking you.

Yours faithfully,
For **Reliance Home Finance Limited**

Parul Jain

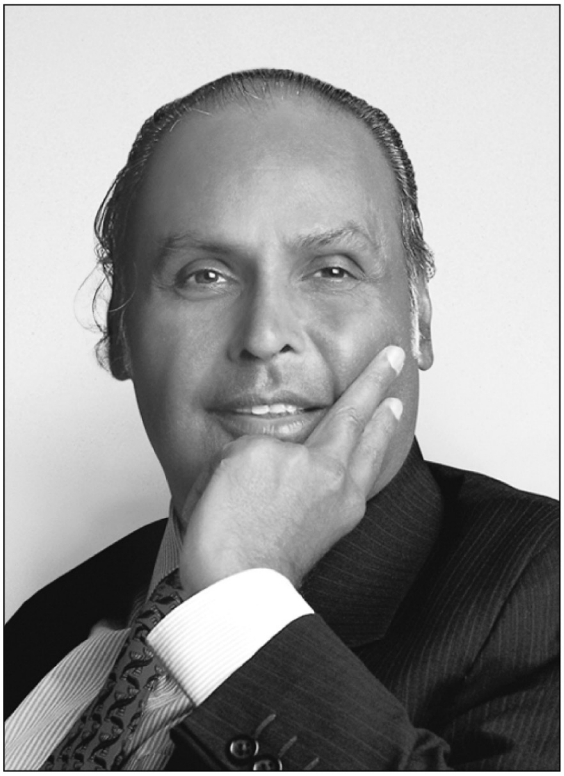
Parul Jain
Company Secretary & Compliance Officer

Encl.: As Above.

Reliance Home Finance Limited
Registered Office: The Ruby, 11th Floor, North-West Wing, Plot No. 29, Senapati Bapat Marg, Dadar (West), Mumbai 400 028
T +91 22 6838 8100 / F +91 22 6838 8360, E-mail: rhfl.investor@relianceada.com, Website: www.reliancehomefinance.com
Customer Service: T +91 22 4741 6400 / E-mail: customercare@reliancehomefinance.com

CIN: L67190MH2008PLC183216 **A RELIANCE CAPITAL COMPANY**

Annual Report
2020-21



Padma Vibhushan

Shri Dhirubhai H. Ambani

(28th December, 1932 – 6th July, 2002)

Reliance Group – Founder and Visionary

Board of Directors

Ms. Chhaya Virani
Ms. Rashna Khan
Mr. Ashok Ramaswamy
Mr. Sushilkumar Agrawal
Mr. Sunil Wadikar
Mr. Ashish Turakhia

Key Managerial Personnel

Mr. Ravindra Sudhalkar	-	Chief Executive Officer
Mr. Amit Kumar Jha	-	Chief Financial Officer
Ms. Parul Jain	-	Company Secretary & Compliance Officer

Auditors

M/s. Dhiraj & Dheeraj, Chartered Accountants

Registered Office

The Ruby, 11th Floor, North-West Wing
Plot No. 29, Senapati Bapat Marg
Dadar (West), Mumbai 400 028
CIN: L67190MH2008PLC183216
Tel.: +91 22 6838 8100
Fax: +91 22 6838 8360
E-mail: rhfl.investor@relianceada.com
Website: www.reliancehomefinance.com

Registrar and Transfer Agent

KFin Technologies Private Limited
Selenium Building, Tower - B
Plot No. 31 & 32, Financial District
Nanakramguda, Hyderabad, Telangana 500 032
Email: rhflinvestor@kfintech.com
Website: www.kfintech.com

Investor Helpdesk

Toll free no. (India)	:	1800 309 4001
Tel.	:	+91 40 6716 1500
Fax	:	+91 40 6716 1791
E-mail	:	rhflinvestor@kfintech.com

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13th Annual General Meeting on Tuesday, September 14, 2021 at 4:30 P.M. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

This Annual Report can be accessed at www.reliancehomefinance.com

Notice

Notice is hereby given that the 13th Annual General Meeting (AGM) of the Members of **Reliance Home Finance Limited** will be held on Tuesday, September 14, 2021 at 4:30 p.m. (IST) through Video Conferencing (VC) / Other Audio-Visual Means (OAVM), to transact the following business:

Ordinary Business:

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2021 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sunil Wadikar (DIN: 07238445), who retires by rotation under the provisions of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and in this regard, to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to Guidelines dated April 27, 2021, issued by the Reserve Bank of India (RBI) for Appointment of Statutory Central Auditors (SCAs) / Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) (the 'RBI Circular'), M/s. Tambi & Jaipurkar, Chartered Accountants (Firm Registration No. 115954W), who have confirmed their eligibility for the appointment pursuant to Section 141 of the Act and RBI Circular, as Statutory Auditors of the Company, be and are hereby appointed as the Statutory Auditors of the Company for a term of 3 (three) consecutive years, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 16th Annual General Meeting, subject to the firm satisfying the eligibility norms each year as per RBI Circular and at such remuneration as shall be fixed by the Board of Directors.

   RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Special Business:

4. **Appointment of Mr. Ashish Turakhia as a Director**

   To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of other laws, rules, regulations and guidelines issued by regulatory authorities from time to time (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Articles of Association of the Company, Mr. Ashish Turakhia (DIN: 02601110), who was appointed by the Board of Directors as an Additional Director of the Company with effect from July 31, 2021, pursuant to the provisions of Section 161 of the Act and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of Director and in accordance with the recommendation of the Nomination and Remuneration Committee, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

By Order of the Board of Directors

Parul Jain

Company Secretary & Compliance Officer

Registered Office:

The Ruby, 11th Floor, North-West Wing

Plot No. 29, Senapati Bapat Marg

Dadar (West), Mumbai 400 028

CIN: L67190MH2008PLC183216

Website: www.reliancehomefinance.com

July 31, 2021

Notes:

1. Statement pursuant to Section 102(1) of the Companies Act, 2013 (the 'Act'), in respect of the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 (collectively referred to as "MCA Circulars") permitted the holding of the "AGM" through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the 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.
3. Since the AGM is being held through VC / OAVM, Physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. In compliance with the aforesaid MCA Circulars and SEBI Circulars dated May 12, 2020 and January 15, 2021 (collectively referred to as "Circulars"), Notice for the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company or Central Depository Services (India) Limited (CDSL) / National Securities Depositories Limited (NSDL) ("Depositories"). Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website at www.reliancehomefinance.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively, and also on the website of KFintech at www.kfintech.com.
5. Members whose email address is not registered can register the same in the following manner so that they can receive all communications from the Company electronically:

a. Members holding share(s) in physical mode - by registering their e-mail ID on the Company's website at http://www.reliancehomefinance.com/Registration-of- Shareholdersinformation.aspx.

b. Members holding share(s) in electronic mode - by registering / updating their e-mail address with their respective Depository Participants ("DPs")

6. The Company has engaged the services of M/s. KFin Technologies Private Limited (KFintech), the Registrar and Transfer Agent, as the authorised agency for conducting of the AGM electronically and for providing e-voting facility.

7. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

8. Since the AGM is being held through VC / OAVM, the Route Map is not annexed in this Notice.

9. **Re-appointment of Director:**

At the ensuing Annual General Meeting, Mr. Sunil Wadikar, Director of the Company retires by rotation under the provisions of the Companies Act, 2013 (the 'Act') and being eligible, offers himself for re-appointment. The Nomination and Remuneration Committee and the Board of Directors of the Company have recommended the re-appointment.

Mr. Sunil Wadikar, aged 43 years, has been with Reliance Group of Companies since 2014. He has over 16 years of experience in the field of Finance and has managed wide range of roles pertaining to managing financial operations, establishing financial and accounting controls, M&A, corporate planning and strategies. Earlier, he has also worked with Percept Group of Companies and was heading finance department of Percept Talent and Percept Picture Company divisions of flagship Company namely Percept Limited. He is Chartered Accountant and has done Diploma in FR ACCA UK. He has been appointed as a Non-Executive Director of the Company with effect from June 23, 2020 and is liable to retire by rotation. He has attended all five Board meetings held after his appointment during the financial year 2020-21.

He is a Member of the Risk Management Committee, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility (CSR) Committee and Wilful Defaulter's Review Committee of the Company.

He is also on the board of Reliance Mediaworks Limited, Reliance Health Insurance Limited, Reliance Net Limited, Reliance Business Broadcast News Holdings Limited, Reliance DigiTech Limited and Reliance Mediaworks Theatres Limited.

He is a member of audit committee of Reliance Mediaworks Limited, Reliance Health Insurance Limited and Reliance DigiTech Limited.

He does not hold any share in the Company and does not have any relationship with other Directors and Key Managerial Personnel of the Company.

He fulfils the Fit and Proper Criteria of Directors as per the requirements of RBI Circular no. RBI/2020-21/73/ DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 on Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (earlier NHB Master Circular no. NHB(ND)/DRS/REG/MC-07/2019 dated July 1, 2019 on "Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016" and has given his declaration in this regard.

He was paid ₹ 5.60 lakh in the form of sitting fees. He shall be paid remuneration by way of fee for attending the meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings.

The above be treated as the disclosure pursuant to the requirements of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") and Secretarial Standards on General Meeting are furnished in the Corporate Governance Report forming part of this Annual Report.

10. **Appointment of Auditors**

At the 11th Annual General Meeting (AGM) of the members of the Company held on September 30, 2019, the shareholders of the Company had appointed M/s. Dhiraj & Dheeraj, Chartered Accountants (Firm Registration No. 102454W), to hold office as Statutory Auditors for a period of five consecutive years i.e. upto the conclusion of the 16th AGM. The Statutory Auditors of the Company as on financial year 2020-21 have completed three years.

Reserve Bank of India (RBI) vide its circular no. RBI/2021-22/25 Ref. No. DoS. CO. ARG / SEC.01 / 08.91.001 / 2021-22 dated April 27, 2021 has issued Guidelines for Appointment of Statutory Auditors (SAs) of Non-Banking Finance Companies (NBFCs) including Housing Finance Companies (HFC) ("RBI Circular"). Further, every NBFC including HFC is required to appoint Statutory Auditor under the said guidelines from Financial Year 2021-22, for a continuous period of three years, subject to the firms satisfying the eligibility norms each year.

Accordingly, the Company is required to appoint new Statutory Auditors taking into consideration *inter-alia* RBI guidelines.

The Board of Directors at their meeting held on July 31, 2021, based on the recommendation of the Audit Committee, have approved and recommended the appointment of M/s. Tambi & Jaipurkar, Chartered Accountants (Firm Registration No. 115954W), as Statutory Auditors of the Company, for a term of 3 (three) consecutive years i.e. from the conclusion of this AGM till the conclusion of the 16th Annual General Meeting at remuneration that will be at par with the existing Statutory Auditors of the Company and shall be fixed from year to year by the Board of Directors. The appointment is subject to approval of the shareholders of the Company.

There is no material change in the fee payable to proposed Statutory Auditors from that paid to M/s. Dhiraj & Dheeraj, Chartered Accountants, the outgoing auditor.

In accordance with the provisions of Sections 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') read with the Companies (Audit and Auditors) Rules, 2014, the Listing Obligations and RBI Circular, M/s. Tambi & Jaipurkar, Chartered Accountants, have provided their consent and eligibility certificate to the effect that, their appointment, if made, would be in compliance with the applicable laws.

The profile of M/s. Tambi & Jaipurkar, Chartered Accountants is as under:

- Tambi & Jaipurkar ("The Firm") is a Professional Firm rendering services in the field of Accounting, Audit, Internal Audit, Direct Tax, Indirect Tax, Regulatory Services, Statutory Compliance, Management Services, Outsourcing and HR Advisory services.
- The firm was established in the year 1996 and grown and expanded to meet the challenges of an embryonic and complex world of business, upcoming technology and to cater the new evolvements in the taxation regime. The Firm is working on the path of improvising the Clients processes, advising foreign clients in establishing their operations in India and are partners in their growth story.
- The Firm has its head office in Pune and its Branch office in Mumbai, Amravati and Washim in the State of Maharashtra and Raipur and Chindwara in the State of Madhya Pradesh and is associated with network of high quality cognizant firms across PAN India. The firm is poised to be multi-location, multi-disciplinary service providing organization.
- The Firm is empaneled with C.A.& G for undertaking major audits of Public sector undertakings and Government bodies and providing all type of relevant services.
- The Firm is also empaneled with Reserve Bank of India.
- The firm provide a range of specialised direct tax and indirect tax services including GST.

The Board of Directors hereby propose to appoint M/s. Tambi & Jaipurkar, Chartered Accountants as Statutory Auditors of the Company for a period of 3 consecutive years i.e. from the conclusion of ensuing AGM till the conclusion of 16th AGM.

Additional information about Statutory Auditors pursuant to Regulation 36 of the Listing Regulations is provided below:

Particulars	Details
Proposed fees payable to the Statutory Auditor	₹ 19 lakh p. a.
Terms of appointment	For a term of 3 (three) consecutive years i.e. from the conclusion of ensuing AGM till the conclusion of 16th AGM at remuneration in line with the existing Auditors of the Company
In case of new Auditor, any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change	There is no change in the fees
Basis of recommendation for appointment including the details in relation to and credentials of the Statutory Auditor(s) proposed to be appointed	The firm complies with the eligibility norms prescribed by Reserve Bank of India (RBI) vide its circular no. RBI/2021-22/25 Ref. No. DoS. CO. ARG / SEC.01 / 08.91.001 / 2021-22 dated April 27, 2021 has issued Guidelines for Appointment of Statutory Auditors (SAs) of Non-Banking Finance Companies (NBFCs) including Housing Finance Companies (HFC) and has relevant experience as mentioned above.

11. Relevant documents referred to in the accompanying Notice calling the AGM are available on the website of the Company for inspection by the Members. The certificate from the Statutory Auditors of the Company confirming the compliance of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 with respect to the Company's Employees Stock Option Scheme Plans will be available for inspection through electronic mode on the website of the Company.
12. Members are advised to refer to the section titled 'Investor Information' provided in this Annual Report.
13. As mandated by SEBI, effective from April 1, 2019, securities of listed companies shall be transferred only in dematerialised form. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise share(s) held by them in physical form.
14. Members are requested to fill in and submit the Feedback Form provided in the 'Investor Relations' section on the Company's website at www.reliancehomefinance.com to aid the Company in its constant endeavor to enhance the standards of service to investors.
15. Instructions for attending the AGM and e-voting are as follows:
    a. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the Listing Regulations, the Company is offering e-voting facility to all Members of the Company. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners (in case of electronic shareholding) maintained by the Depositories as on the cut-off date i.e. Tuesday, September 7, 2021 only shall be entitled to avail the facility of remote e-voting / e-voting at the AGM. KFintech will be facilitating remote e-voting to enable the Members to cast their votes electronically. Members can cast their vote online from 10:00 A.M. (IST) on Friday, September 10, 2021 to 5:00 P.M. (IST) on Monday, September 13, 2021. At the end of remote e-voting period, the facility shall be forthwith blocked.

b. 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", which is effective from June 9, 2021, e-voting process has been enabled for 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.

c. Individual demat account holders would be able to cast their vote without having to register again with the e-voting Service Provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Members are advised to update their mobile number and e-mail ID with their DPs to access e-voting facility.

d. The voting rights of the Members shall be in proportion to the number of share(s) held by them in the equity share capital of the Company as on the cut-off date being Tuesday, September 7, 2021.

   In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

e. Any person holding shares in physical form and non-individual shareholders, who become a member of the Company after sending of the Notice and hold shares as of the cut-off date, may obtain the login ID and password by sending a request to KFintech at praveendmr@kfintech.com. However, if he / she is already registered with KFintech for remote e-voting, then he / she can use his / her existing User ID and password for casting the e-vote.

f. In case of Individual Shareholders holding securities in demat mode and who become a member of the Company after sending of the Notice and hold share(s) as of the cut-off date may follow steps mentioned below under "Login method for remote e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode."

g. The Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

h. The details of the process and manner for remote e-voting and e-AGM are explained herein below:

   Part A - E-voting

   1. Access to Depositories e-voting system in case of individual shareholders holding shares in demat mode.

Types of shareholder	Login Method
Securities held in demat mode with NSDL	**1. User already registered for IDeAS facility:** i. Visit URL: https://eservices.nsdl.com ii. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. iii. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-voting." iv. Click on company name or ESP and you will be re-directed to the ESP's website for casting the vote during the remote e-voting period.
	2. User not registered for IDeAS e-Services i. To register click on link : https://eservices.nsdl.com ii. Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp iii. Proceed with completing the required fields. iv. Follow steps given in point 1.
	3. Alternatively by directly accessing the e-voting website of NSDL Open URL: https://www.evoting.nsdl.com/ i. Click on the icon "Login" which is available under 'Shareholder/Member' section. ii. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. iii. Post successful authentication, you will be requested to select the name of the Company and the ESP, i.e. KFintech. iv. On successful selection, you will be redirected to KFintech e-voting page for casting your vote during the remote e-voting period.

Types of shareholder	Login Method
Securities held in demat mode with CDSL	**1. Existing user who have opted for Easi / Easiest** i. Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com ii. Click on New System Myeasi. iii. Login with your registered user id and password. iv. The user will see the e-voting Menu. The Menu will have links of ESP i.e. KFintech e-voting portal. v. Click on e-voting service provider name to cast your vote.
	2. User not registered for Easi / Easiest i. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration ii. Proceed with completing the required fields. iii. Follow the steps given in point 1.
	3. Alternatively, by directly accessing the e-voting website of CDSL i. Visit URL: www.cdslindia.com ii. Provide your demat Account Number and PAN No. iii. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. iv. After successful authentication, user will be provided with the link for the respective ESP i.e. KFintech where the e-voting is in progress.
Login through Depository Participant Website where demat account is held	i) You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-voting facility. ii) Once logged-in, 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. iii) Click on options available against company name or ESP – KFintech and you will be redirected to e-voting website of KFintech for casting your vote during the remote e-voting period without any further authentication.

Types of shareholder	Login Method
Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites. 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**
Securities held with NSDL	Please 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
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at or contact helpdesk.evoting@cdslindia.com at 022- 23058738 or 022-23058542-43

2. **Access to KFintech e-voting system in case of shareholders holding shares in physical form and non-individual shareholders in demat mode.**

a. Members whose email IDs are registered with the Company / DPs, will receive an email from KFintech which will include details of e-voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

i. Launch internet browser by typing the URL: https://emeetings.kfintech.com/

ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.

iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall 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.,). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. 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 that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVEN" i.e., "Reliance Home Finance Limited- AGM" and click on "Submit"

vii. On the voting page, enter the number of share(s) (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 herein above. You may also choose the option ABSTAIN. 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.

viii. Members holding multiple folios / demat accounts shall choose the voting process separately for each folio/ demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).

xii. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer's email id scrutinizeragl@gmail. com with a copy marked to praveendmr@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_Even No."

b. Members whose email IDs are not registered with the Company / DPs, and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

i. Temporarily get their email address and mobile number provided with KFintech, by sending an e-mail to evoting@kfintech.com.

Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.

ii. Alternatively, members may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.

iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

Part B – Access to join virtual meetings (e-AGM) of the Company on KFintech system to participate in e-AGM and vote thereat.

Instructions for all the shareholders for attending the AGM of the Company through VC / OAVM and e-voting during the meeting.

i. Members will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFintech. Members may access the same at https://emeetings.kfintech.com/ by using the e-voting login credentials provided in the email received from the Company / KFintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned above.

ii. Facility for joining AGM though VC / OAVM shall open at least 15 minutes before the time scheduled for the Meeting.

iii. Members are encouraged to join the Meeting through Laptops / Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.

iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid difficulties.

v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at :: KFintech eVoting System - Login ::. Questions / queries received by the Company till Monday, September 13, 2021 (5.00 P.M. IST) shall only be considered and responded during the AGM.

vi. The 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 / OAVM platform. The members may click on the voting icon displayed on the screen to cast their votes.

vii. A member can opt for only single mode of voting i.e., through remote e-voting or voting at the AGM. If a member casts votes by both modes, then voting done through remote e-voting shall prevail and vote at the AGM shall be treated as invalid. Once the vote on a resolution(s) is cast by the member, the member shall not be allowed to change it subsequently.

viii. Facility of joining the AGM through VC / OAVM shall be available for 1,000 members on first come first serve basis. However, the participation of members holding 2% or more shares, promoters, and Institutional Investors, directors, key managerial personnel, chairpersons of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Auditors are not restricted on first come first serve basis.

ix. The members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views.

They can visit and login through the user id and password provided by KFintech. On successful login, select 'Speaker Registration'. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those members who have registered themselves, depending on the availability of time for the AGM.

x. In case of any query and / or grievance, in respect of voting by electronic means, members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.kfintech.com (KFintech's Website) or email at evoting@kfintech.com or call KFintech's toll free no. 1800 309 4001.

xi. In case a person has become a member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he / she may obtain the User ID and Password in the manner as mentioned below:

i. If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number + Folio No. or DP ID Client ID to 9212993399

1. Example for NSDL:

MYEPWD <SPACE> IN12345612345678

2. Example for CDSL:

MYEPWD <SPACE> 1402345612345678

3. Example for Physical:

MYEPWD <SPACE> XXXX1234567890

ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.kfintech.com/, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

xii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1800 309 4001 or write to them at evoting@kfintech.com.

16. The Board of Directors have appointed Mr. Anil Lohia, Partner or in his absence Mr. Chandrahas Dayal, Partner, M/s. Dayal and Lohia, Chartered Accountants as the Scrutiniser to scrutinise the voting process in a fair and transparent manner. The Scrutiniser will submit their report to the Chairman or any person authorised by him after completion of the scrutiny and the results of voting will be announced after the AGM of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM. The result of the voting will be submitted to the Stock Exchanges, where the shares of the Company are listed and posted on the website of the Company at www.reliancehomefinance.com and also on the website of KFintech at https://evoting.kfintech.com.

Statement pursuant to Section 102(1) of the Companies Act, 2013 to the accompanying Notice dated July 31, 2021

Item No. 4 Appointment of Mr. Ashish Turakhia as a Director.

Mr. Ashish Turakhia was appointed as an Additional Director of the Company by the Board on the recommendation of the Nomination and Remuneration Committee, with effect from July 31, 2021, in accordance with the provisions of Section 161 of the Companies Act, 2013 (the "Act"). Pursuant to the provisions of Section 161 of the Act, Mr. Ashish Turakhia holds office upto the date of the ensuing Annual General Meeting.

As required under Section 160 of the Act, the Company has received a notice in writing from a member proposing his candidature for office of Director of the Company, liable to retire by rotation. Mr. Ashish Turakhia is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Director.

He also fulfils the Fit and Proper Criteria of Directors as per the requirements of RBI Circular no. RBI/2020-21/73/DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 on Master Directions – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and NHB Master Circular no. NHB(ND)/DRS/REG/MC-07/2019 dated July 1, 2019 on "Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016" and has given his declaration in this regard.

The details pertaining to Mr. Ashish Turakhia are furnished hereunder:

Mr. Ashish Turakhia, aged 58 years, is a Fellow Member of The Institute of Chartered Accountants of India and The Institute of Company Secretaries of India. He has also completed LL. B from Mumbai University. He has more than 3 decades of experience in Finance, Company Secretarial, Compliance, Corporate Affairs, Corporate Governance & Listing. He is a Member of the Stakeholders Relationship Committee and Corporate Social Responsibility (CSR) Committee of the Company. He is not holding directorship in any other company. He holds 2 (two) shares in the Company.

He does not have any relationship with other Directors and Key Managerial Personnel of the Company.

He shall be paid remuneration by way of fee for attending the meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings.

This statement may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standards on General Meeting are furnished in the Corporate Governance Report forming part of this Annual Report.

Mr. Ashish Turakhia is interested in the resolution set out at Item No. 4 of the Notice in regard to his appointment. The relatives of Mr. Ashish Turakhia may be deemed to be interested in the resolution set out at Item No. 4 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

Approval of Members is accordingly sought for appointment of Mr. Ashish Turakhia as a Director as set out in the resolution at Item No. 4 of the accompanying Notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the accompanying Notice for the approval of the Members.

By Order of the Board of Directors

Parul Jain
Company Secretary & Compliance Officer

Registered Office:
The Ruby, 11th Floor, North-West Wing
Plot No. 29, Senapati Bapat Marg
Dadar (West), Mumbai 400 028
CIN: L67190MH2008PLC183216
Website: www.reliancehomefinance.com
July 31, 2021

Directors' Report

Dear Shareowners,

Your Directors present the 13th Annual Report and the audited financial statement for the financial year ended March 31, 2021.

Financial Performance and State of Company's Affairs

The performance of the Company for the financial year ended March 31, 2021 is summarised below

(₹ in crore)

Particulars	March 31, 2021	* March 31, 2020
Total revenue	**840.43**	1 602.91
Profit before depreciation and tax	**(2300.25)**	(563.66)
Less: Depreciation & Amortisation	**2.64**	3.62
Profit before Tax	**(2302.89)**	(567.28)
Current tax	**-**	(2.35)
Deferred Tax / (Credit)	**(782.98)**	(189.61)
Net Profit after Tax	**(1519.91)**	(375.32)
Amount transferred to Special Reserve Fund	**-**	-

*Previous year figures have been regrouped / reclassified wherever required.

The financial position of the Company is under severe stress on account of severe deterioration in our cash flows and adverse developments in the financial sector.

Certain Lenders of the Company (Banks and other Financial Institutions – herein referred to as the "ICA Lenders") had entered into an Inter-Creditor Agreement (ICA) for arriving at the Debt Resolution Plan under the Reserve Bank of India's Prudential Framework for Resolution of Stressed Assets, Directions dated June 7, 2019 ("RBI Directions"). The Lenders pursuant to an independent and transparent process invited Expression of Interest (EOI) and the resolution plans by way of change in management in terms of the RBI Directions.

Lenders have selected Authum Investment and Infrastructure Limited ('Authum') as the successful Bidder to acquire the Company and / or all its' assets through a competitive bidding process after several rounds of negotiations between the bidders and the Lenders. Authum's debt resolution plan is approved under RBI Directions.

The ICA Lenders with Bank of Baroda as the Lead Bank had received initial Expression of Interest from over 15 bidders, of which 4 binding bids were shortlisted and the final successful bidder was selected.

The implementation of the resolution plan by the successful bidder is subject to approval of non-ICA Lenders, shareholders, regulatory authorities and vacation of existing legal injunctions on the Company.

Capital Adequacy Ratio

Your Company's Capital to Risk Assets Ratio (CRAR) calculated in line with The Housing Finance Companies (NHB) Directions, 2010 (NHB Directions) and / or applicable provisions of laws, rules, guidelines and directions issued by the Reserve Bank of India, from time to time, stood at (13.91) per cent, which is below the regulatory minimum requirement of 14 per cent. The Company is under debt resolution and the Company expects the Capital Adequacy ratio to improve on successful completion of debt resolution plan.

Management Discussion and Analysis

Management Discussion and Analysis Report for the year under review as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') and the Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016) and / or applicable provisions of laws, rules, guidelines and directions issued by the Reserve Bank of India, from time to time, is presented in a separate section forming part of this Annual Report.

Resources and Liquidity

The Company's Net Worth as on March 31, 2021, stood at ₹ (47.87) crore. The Company has not raised any amount during the financial year 2020-21 by issuance of any securities.

The Company's debt equity ratio as on March 31, 2021 stood at (236.79):1.

Due to sudden adverse developments in the financial services sector and its adverse impact on the liquidity position of majority of the Non-banking and housing finance companies, the Company was adversely impacted resulting in liquidity mismatch and severe financial stress on account of which it was not in a position to services its dues to the lenders.

Consequent to the aforesaid, certain Lenders of the Company have entered into an ICA for arriving at the debt resolution plan in accordance with RBI Directions.

Further, the Company is prohibited to dispose off, alienate, encumber either directly or indirectly or otherwise part with the possession of any assets, pursuant to Order dated November 20, 2019 passed by the Hon'ble Delhi High Court in the matter of OMP(I) COMM. 420/2/019.

Dividend

During the year under review, the Board of Directors have not recommended any dividend.

Deposits

The Company has neither accepted nor renewed any fixed deposits during the year. There are no unclaimed deposits, unclaimed / unpaid interest, refunds due to the deposit holders or to be deposited to the Investor Education and Protection Fund as on March 31, 2021.

Particulars of Loans, Guarantees or Investments

The Company is registered as a Housing Finance Company with NHB. Thus, the provision of Section 186 except sub-section (1) of the Companies Act, 2013 (the 'Act') is not applicable to the Company.

Holding Company

The Company ceased to be a subsidiary of Reliance Capital Limited (RCap) with effect from March 5, 2020 and the Company is now an associate of RCap. However, there is no change in RCap's shareholding in the Company and also there is no change in the management and control of the Company.

Directors

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of Independence as prescribed under the Act and the Listing Regulations.

The details of programme for familiarisation of Independent Directors with the Company, nature of the industry in which the Company operates and related matters are put up on the website of the Company at the link https://www.reliancehomefinance.com/investor-relations.

The Company had appointed Mr. Sunil Wadikar as a Director of the Company at 12th Annual General Meeting (AGM) held on June 23, 2020. In terms of the provisions of the Act, he retires by rotation and being eligible, offers himself for re-appointment at the ensuing AGM.

Further, based on the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors and the legal opinion obtained by the Company, none of the directors are disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

Mr. Ashish Turakhia was appointed as a Non-Executive Director with effect from July 31, 2021.

The Company has received the notice in writing from a member proposing his candidature for the office of Director.

During the year under review, the shareholders of the Company had appointed Mr. Sushilkumar Agrawal and Mr. Ashok Karnavat as Independent Directors of the Company. Mr. Ashok Karnavat would have held office as an Independent Director for a term of 5 (five) years. In terms of Regulation 17 of Listing Regulations, Mr. Sushilkumar Agrawal will hold office as an Independent Director of the Company till he attains the age of seventy-five years i.e. June 28, 2023.

Mr. Amit Bapna, Non-Executive Director of the Company retired by rotation at the AGM and ceased to be a Director with effect from June 23, 2020. Further, Mr. Ashok Karnavat, Independent Director ceased to be a Director of the Company with effect from May 31, 2021 due to demise.

The Board placed on record its deep sense of appreciation for the guidance and invaluable contribution made by the directors during their tenure as Directors of the Company.

In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are the persons of high integrity and repute. They fulfil the conditions specified in the Act and the Rules made thereunder and are independent of the management.

Key Managerial Personnel

During the year, Mr. Vijesh B Thota was appointed as the Chief Financial Officer (CFO) and Mr. Pinkesh R. Shah ceased to be the CFO of the Company with effect from May 8, 2020.

Mr. Amit Kumar Jha was appointed as the CFO with effect from July 1, 2021 and Mr. Vijesh B Thota ceased to be the CFO of the Company with effect from June 30, 2021.

Evaluation of Directors, Board and Committees

The Nomination and Remuneration Committee has devised a policy for performance evaluation of the individual Directors, Board and its Committees, which includes criteria for performance evaluation.

Pursuant to the provisions of the Act and Regulation 17(10) of the Listing Regulations and based on the Policy, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of the Committees of the Board. The Board performance was evaluated based on inputs received from all the Directors after considering criteria such as Board composition and structure, effectiveness of Board / Committee processes, and information provided to the Board, etc. A separate meeting of the Independent Directors was also held for the evaluation of the performance of non-independent Directors and performance of the Board as a whole.

Pursuant to the Listing Regulations, performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

The Nomination and Remuneration Committee has also reviewed the performance of the individual Directors based on their knowledge, level of preparation and effective participation in meetings, understanding of their roles as directors, etc.

Policy on appointment and remuneration for Directors, Key Managerial Personnel and Senior Management Employees

The Nomination and Remuneration Committee of the Board has devised a policy for selection, appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Employees. The Committee has also formulated the criteria for determining qualifications, positive attributes and independence of Directors. The Policy has been put up on the Company's website at https://www.reliancehomefinance.com/corporate-governance/policies.

Directors' Responsibility Statement

Pursuant to the requirements under Section 134(5) of the Act with respect to Directors' Responsibility Statement, it is hereby confirmed that:

i. In the preparation of the annual financial statement for the financial year ended March 31, 2021, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;

ii. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the loss of the Company for the year ended on that date;

iii. The Directors had 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. The Directors had prepared the annual financial statement for the financial year ended March 31, 2021 on a 'going concern' basis;

v. The Directors had laid down proper internal financial controls to be followed by the Company and such financial controls are adequate and are operating effectively. The Company is taking constant steps to further strengthen the same; and

vi. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Contracts and Arrangements with Related Parties

All contracts / arrangements / transactions entered into / by the Company during the financial year under review with related parties were on an arm's length basis and in the ordinary course of business.

There were no materially significant related party transactions which could have potential conflict with interest of the Company at large.

During the year, the Company has not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of Company on materiality of related party transactions or which is required to be reported in Form AOC – 2 in terms of section 134(3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

All Related Party Transactions were placed before the Audit Committee and also the Board for approval. Prior omnibus approval of the Audit Committee was obtained for the transactions which were of a repetitive nature. The transactions entered into pursuant to the omnibus approval so granted were reviewed and statements giving details of all related party transactions were placed before the Audit Committee and the Board of Directors on quarterly basis. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at the link https://www.reliancehomefinance.com/corporate-governance/policies. Your Directors draw attention of the members to Note No. 47 to the Financial Statement which sets out related party disclosures pursuant to Ind-AS and Schedule V of Listing Regulations.

Material Changes and Commitments if any, affecting the financial position of the Company

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report.

Meetings of the Board

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year, six Board Meetings were held, details of meetings held and attended by each Director are given in the Corporate Governance Report.

Audit Committee

The Audit Committee of the Board consists of Independent Directors viz. Ms. Chhaya Virani, Chairperson, Ms. Rashna Khan, Mr. Ashok Ramaswamy, Mr. Sushilkumar Agrawal and Non-Independent Director, Mr. Sunil Wadikar as Members. During the year, all the recommendations made by the Audit Committee were accepted by the Board.

Auditors and Auditors' Report

M/s. Dhiraj & Dheeraj, Chartered Accountants were appointed as Statutory Auditors of the Company for a term of 5 (five) consecutive years, at the Annual General Meeting of the Company held on September 30, 2019 to hold office as Statutory Auditors for a period of five consecutive years i.e. upto the conclusion of the 16th AGM. The Statutory Auditors of the Company as on financial year 2020-21 have completed three years.

Reserve Bank of India (RBI) vide its circular no. RBI/2021-22/25 Ref. No. DoS. CO. ARG / SEC.01 / 08.91.001 / 2021-22 dated April 27, 2021 has issued Guidelines for Appointment of Statutory Auditors (SAs) of Non-Banking Finance Companies (NBFCs) including Housing Finance Companies (HFC) ("RBI Circular"). Further, every NBFC including HFC is required to appoint Statutory Auditors under the said guidelines from Financial Year 2021-22, for a continuous period of three years, subject to the firms satisfying the eligibility norms each year.

Pursuant to RBI Circular, M/s. Dhiraj & Dheeraj, Chartered Accountants, Statutory Auditors' having completed their term retire from the office of the Statutory Auditors.

M/s. Tambi & Jaipurkar, Chartered Accountants, are proposed to be appointed as Statutory Auditors of the Company. The Company has received a letter from M/s. Tambi & Jaipurkar, Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3) of the Act and that they are not disqualified from appointment as Statutory Auditors of the Company.

Your Directors have therefore proposed to appoint M/s. Tambi & Jaipurkar, Chartered Accountants, as Statutory Auditors of the Company, subject to the approval of the members at the ensuing AGM.

The Auditors' in their Report to the Members, have given the following qualified opinions and the response of your Directors with respect to them are as follows:-

(i) Opinion on proportion of total loan portfolio and concern about Company continuing as a Housing Finance Company.

    Response - During the previous financial year(s), the proportion of non-housing loan was more than the proportion of housing loan; there had been substantial rundown / down sell of book. Also, negligible disbursements had been made owning to the fact that the Company was under stress and had engaged with its lenders for arriving at the debt resolution plan. The Company had discontinued fresh sanctioning and disbursement since May 2019.

(ii) Opinion on loan advanced under the 'General-Purpose Corporate Loan' product with significant deviations to certain bodies corporate including group companies, security creation and end use of funds.

    Response - During the previous financial year(s), the Company had advanced loans under the 'General Purpose Corporate Loan' product to certain bodies corporate including some of the group companies. All the lending transactions undertaken by the Company were in the ordinary course of business, the terms of which were at arms' length basis and the same did not constitute transactions with related parties. However, the Company's borrowers in some cases had undertaken onward lending transactions and it was noticed that the end use of the borrowings from the Company included borrowings by or repayment of financial obligations to some of the group companies. However, the Company has discontinued sanctioning and disbursement under this product since May 2019.

No fraud has been reported by the Auditors to the Audit Committee or the Board.

Secretarial Audit and Secretarial Compliance Report

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. Aashish K. Bhatt & Associates, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company. The Audit Report of the Secretarial Auditor is attached as Annexure – A.

Pursuant to circular No. CIR/ CFD/ CMD1/ 27/ 2019 dated February 8, 2019, issued by Securities and Exchange Board of India (SEBI), the Company has obtained Secretarial Compliance Report, from Practicing Company Secretaries on compliance of all applicable SEBI Regulations and circulars / guidelines issued thereunder and the copy of the same was submitted with the Stock Exchanges within the prescribed due date.

The observations and comments given by the Secretarial Auditor in their Report are self-explanatory and hence do not call for any further comments under Section 134 of the Act.

Secretarial Standards

During the year under review, the Company has complied with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India.

Maintenance of Cost Records

The Central Government has not specified maintenance of cost records, for any of the products of the Company, under Section 148(1) of the Act.

Annual Return

As required under Section 134(3)(a) of the Act, the Annual Return for the financial year 2020-21 is put up on the Company's website and can be accessed at https://www.reliancehomefinance.com/investor-relations - Annual Return 2020-21.

Particulars of Employees and related disclosures

(a) Employees Stock Option Scheme

Employees Stock Option Scheme (ESOS Scheme) was approved and implemented by the Company and Options were granted to the employees in accordance with guidelines applicable to ESOS Scheme. The Nomination and Remuneration Committee of the Board monitors the Scheme. The existing ESOS Scheme is in compliance with the Act read with Rules made thereunder and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (SEBI Regulations).

The Company has received a certificate from the Auditors of the Company that the ESOS Scheme have been implemented in accordance with the Act and the SEBI Regulations and as per the resolution passed by the members of the Company authorising issuance of the said Options. The details as required to be disclosed under SEBI Regulations are put on the Company's website at https://www.reliancehomefinance.com/investor-relations.

(b) Other Particulars

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules are provided in the Annual Report, which forms part of this Report.

Disclosures relating to the remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are also provided in the Annual Report, which forms part of this Report.

However, having regard to the provisions of second proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. The said information is available for inspection up to the date of the Meeting on the website of the Company. Any member interested in obtaining the same may write to the Company Secretary and the same will be furnished on request.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The Company is a Housing Finance Company and does not involve in any manufacturing activity, most of the information as required under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 are not applicable. However, the information as applicable has been given in Annexure – B forming part of this Report.

Corporate Governance

The Company has adopted 'Reliance Group - Corporate Governance Policies and Code of Conduct' which sets out the systems, process and policies conforming to the international standards. The report on Corporate Governance as stipulated under Regulation 34(3) read with Para C of Schedule V of the Listing Regulations and the Housing Finance Companies - Corporate Governance (National Housing Bank) Directions, 2016, as amended, from time to time is presented in separate section forming part of this Annual Report.

A Certificate from M/s. Aashish K. Bhatt & Associates, Practicing Company Secretaries, confirming compliance to the conditions of Corporate Governance as stipulated under Para E of Schedule V of the Listing Regulations, is enclosed to this Report.

Ombudspersons & Whistle Blower (Vigil Mechanism)

The Company has formulated an Ombudspersons & Whistle Blower (Vigil Mechanism) Policy to address the genuine concerns, if any, of the Directors and employees, the policy has been overseen by Audit Committee. No person has been denied for direct access to the Chairperson of the Audit Committee. The details of the same have been stated in the Report on Corporate Governance and the policy can be accessed on the Company's website.

Risk Management

The Company has laid down a Risk Management Policy, defining Risk profiles involving Strategic, Technological, Operational, Financial, Credit, Organisational, Legal and Regulatory risks within a well-defined framework. The Risk Management Policy acts as an enabler of growth for the Company by helping its businesses to identify the inherent risks, assess, evaluate and monitor these risks continuously and undertake effective steps to manage these risks.

The Risk Management Committee comprises of Ms. Chhaya Virani as Chairperson and Ms. Rashna Khan, Mr. Ashok Ramaswamy, Mr. Sushilkumar Agrawal and Mr. Sunil Wadikar as

Members, the Committee periodically reviews the robustness of the Risk Management Policy. The periodical update on the risk management practices and mitigation plan of the Company are presented to the Audit Committee and Board of Directors. The Audit Committee and Board periodically review such updates and findings and suggest areas where internal controls and risk management practices can be improved. More details on Risk Management indicating development and implementation of Risk Management Policy including identification of elements of risk and their mitigation are covered in Management Discussion and Analysis section, which forms part of this Report.

Asset Liability Committee (ALCO) consisting of senior management executives, monitors liquidity and interest rate risks of the Company. The functioning of ALCO is reviewed by the RMC which meets quarterly and reports to the Board of Directors.

To enable resilient models for working and conducting business during times of uncertainty and crisis, the Company has business continuity plan (BCP) in place since 2013. The Company manages risks and build business continuity plans that allow us to focus on resilience in our day-to-day business operations. The Company has invoked BCP from March 18, 2020 after assessing the magnitude of the impact caused by the COVID-19 and are providing strategic support to ensure continuation of critical activities. The Company has ensured protecting employee's health & safety by implementing work-from-home and at the same time ensuring continuation of business operations. The businesses are greatly adjusting to the changing needs of its employees, customers and suppliers while navigating the financial, operational and cyber security challenges during & post COVID-19.

Compliance with provisions of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to uphold and maintain the dignity of women employees and it has in place a policy which provides for protection against sexual harassment of women at work place and for prevention and redressal of such complaints. During the year, no such complaints were received. The Company has also constituted an Internal Complaint Committee under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

Corporate Social Responsibility

The Company has constituted a Corporate Social Responsibility (CSR) Committee in compliance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Committee has formulated a Corporate Social Responsibility Policy (CSR policy) indicating the activities to be undertaken by the Company.

The CSR policy may be accessed on the Company's website at the link: https://www.reliancehomefinance.com/corporate-governance/policies.

Presently, the CSR Committee consists of Ms. Chhaya Virani as Chairperson and Mr. Sunil Wadikar and Mr. Ashish Turakhia as Members. The disclosures with respect to CSR activities is given in Annexure - C.

During the year 2020-21 the Company is not required to spend on CSR expenditure pursuant to the provisions of Section 135 of the Act and during the year 2019-20, the Company was required to spend an amount of ₹ 3.23 crore on CSR activities.

The Company is facing severe financial stress and accordingly the Lenders have entered into an Inter Creditor Agreement (ICA) in terms of RBI Circular No. DBR.No.BP. BC.45/21.04.048/2018-19, dated June 7, 2019 on July 6, 2019. As part of the same, all cashflows of the Company are under direct supervision and control of the Lenders, for the purpose of debt resolution. Further, the Hon'ble Delhi High Court vide its Order dated November 20, 2019, has placed restraint on the Company on incurring expenses other than in ordinary course of business.

In view of the aforesaid, the Company had not spent the amount on CSR activities for the year 2019-20 and will not spend the same for 2020-21 as well. The Company is committed to spend on CSR in the long term.

Order, if any, passed by Regulators or Courts or Tribunals

In the matter of C.P. No. 138 of 2020, IDBI Trusteeship Services Limited versus Reliance Home Finance Limited and C.P. No. 139 of 2020, IDBI Trusteeship Services Limited versus Reliance Capital Limited & Ors, a common Order was passed on June 21, 2021 by Hon'ble National Company Law Tribunal, Mumbai Bench allowing the Applications filed under Section 71(10) of the Companies Act, 2013 directing redemption of debentures of Debenture Trust. We have preferred appeals against the said orders before Hon'ble NCLAT, New Delhi.

Pursuant to Order dated November 20, 2019 passed by the Hon'ble Delhi High Court in the matter of OMP(I) COMM. 419/2019 and OMP(I) COMM. 420/2019, the Company is prohibited to dispose off, alienate, encumber either directly or indirectly or otherwise part with the possession of any assets.

The Company had filed writ petition with the Hon'ble High Court of Delhi challenging Punjab National Bank's wrongful action of classifying the Company's account as a 'fraud'.

The Hon'ble High Court of Delhi had passed an order restraining Punjab National Bank from taking any coercive action and directed categorization of Company as 'Fraud' be kept in abeyance.

Bank of Baroda, State Bank of India, Federal Bank, Indian Bank, Bank of Maharashtra, HDFC Bank, Union Bank of India and Axis Bank Limited had also categorised Company's account as a fraud. The Hon'ble High Court of Delhi also passed similar order(s) and extended the stay on said banks as well.

Internal Financial Controls and their adequacy

The Company has in place adequate internal financial controls across the organization. The same is subject to review periodically by the internal audit cell for its effectiveness.

As regards the qualified opinion of auditors on the Internal Financial Control, it is stated that the Company is taking constant steps to further strengthen its credit policy and make it more broad based, well defined and robust and also to extend the scope of Internal Auditors to commensurate with the size and nature of Company's business and operations. Also, pursuant to the qualifications in the Auditors' Report for 2018-19, the

Directors' Report

Company had discontinued fresh sanctioning and disbursement under the General-Purpose Corporate Loan product since May 2019.

General

During the year under review there were no reportable events in relation to issue of equity shares with differential rights as to dividend, voting or otherwise, issue of sweat equity shares to its Directors or Employees, proceedings pending under the Insolvency and Bankruptcy Code, 2016 and one-time settlement with any Bank or Financial Institution.

Acknowledgement

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from shareholders, debenture holders, bankers, financial institutions, regulatory bodies and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff.

For and on behalf of the Board of Directors

Chhaya Virani
Director

Sunil Wadikar
Director

Mumbai
July 31, 2021

Annexure - A

Form No. MR-3
Secretarial Audit Report

For the financial year ended March 31, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Reliance Home Finance Limited
The Ruby, 11th Floor, North-West Wing
Plot No. 29, Senapati Bapat Marg
Dadar (West), Mumbai 400 028

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by **Reliance Home Finance Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the financial year ended March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I 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, 2021, according to the provisions of:

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

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

(iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;

(iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder for compliance in respect of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – Not Applicable;

(v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act,1992 ('SEBI Act'):

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

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

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – Not Applicable;

   d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

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

   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client – Not Applicable;

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 – Not Applicable;

   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – Not Applicable;

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

   (i) Secretarial Standards issued by the Institute of the Company Secretaries of India pertaining to the General Meetings, Board of Directors and Committee Meetings viz: Audit Committee, Nomination and Remuneration Committee (NRC), Stakeholders Relationship Committee (SRC) and Risk Management Committee (RMC);

   (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Listing Agreement(s) entered into by the Company with BSE Limited and National Stock Exchange of India Limited:

   (iii) SEBI Circular dated November 21, 2019 on Disclosures by listed entities of defaults on payment of interest / repayment of principal amount on loans from banks / financial institutions and unlisted debt securities.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except:

- The Lenders of the Company (Banks) had entered into an Inter-Creditor Agreement for arriving at the debt resolution plan in accordance with the circular dated June 7, 2019 issued by the Reserve Bank of India on Prudential Framework for Resolution of Stressed Assets. In the interim pending Debt Resolution, the Lead Bank has directed the Company to refrain from any debt servicing. Further, the Company is prohibited to dispose off, alienate, encumber either directly or indirectly or otherwise part with the possession of any assets, pursuant to Order dated November 20, 2019 passed by the Hon'ble Delhi High Court in the matter of OMP(I) COMM. 420/2/019. The above has resulted in delay in debt servicing by the Company. The Company has timely intimated the said delays to the Stock Exchanges. However, in certain cases due to compilation of data during Covid-19, there has been delay in submitting the intimation to the Stock Exchanges;
- As informed by the Company, the Company is in the process of submitting the information / documents to one of the Trustees, and post that the compliance under Regulation 57(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 will be complied with by the Company.

Further, based on the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors and the legal opinion obtained by the Company, none of the directors are disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

I further report that based on the compliance mechanism established by the Company, which has been verified on test checked basis and the Compliance Report submitted to and taken on record by the Board of Directors of the Company, we are of the opinion that the Company has complied with the following laws, as amended from time to time, applicable specifically to the Company:

1. Pursuant to the National Housing Bank (NHB) Act, 1987 only to the extent of verifying Returns filed with the National Housing Bank Act, 1987 and except for maintaining the ;
   (i) Minimum Capital Adequacy ratio;
   (ii) Lending exposure and lending investment exposure;
   (iii) Tier II capital till 100% of Tier I capital;
2. The Prevention of Money-Laundering Act, 2002;
3. Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015.

Further, on account of pandemic "COVID 2019" and prevailing lockdown imposed by the State Government, the audit process has been modified, wherein the documents /records etc. were verified in electronic mode and have relied on the representations received from the Company for its accuracy and authenticity.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice, agenda and detailed notes have been given to all Directors to schedule the Board Meetings at least seven days in advance / shorter notice of time less than seven days for items of business which were in the nature of 'unpublished price sensitive information' and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The decisions at Board and Committee Meetings are carried out and recorded in the minutes of the Board of Directors and Committee(s) of the Board accordingly.

I have relied on the representation made by the Company and its Officers for 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.

During the year, the Company's proportion of non-housing loan is more than the proportion of housing loan. Based on the representations made by the Company, the Company is in the process of increasing the housing loan portfolio and is confident of achieving the same in due course.

I further report that during the audit period, the Company has undertaken following events / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

(i) Default in payment of interest and redemption of Non-convertible debentures and term loan;

(ii) Certain lenders of the Company had entered into an ICA in accordance with the circular dated June 7, 2019 issued by the Reserve Bank of India (RBI) on Prudential Framework for Resolution of Stressed Assets, Bank of Baroda as the Lead Lender and on behalf of the ICA lenders had as part of the debt resolution process invited Expression of Interest and bids from interested bidders;

(iii) The Company had obtained the shareholder's approval at its 12th Annual General Meeting held on June 23, 2020 for the following businesses:

(a) Appointment of Mr. Sunil Wadikar (DIN: 07238445) as a Director, liable to retire by rotation in place of Mr. Amit Bapna (DIN: 00008443), director who retired by rotation.

(b) Appointment of Mr. Sushilkumar Agrawal (DIN: 00400892) and Mr. Ashok Karnavat (DIN: 07098455) as the Independent Directors of the Company.

For **Aashish K. Bhatt & Associates**
Company Secretaries
(ICSI Unique Code S2008MH100200)

Aashish Bhatt
Proprietor

ACS No.: 19639
COP No.: 7023
UDIN: A019639C000254390
Place: Mumbai
Date : May 7, 2021

APPENDIX A

To,
The Members,
Reliance Home Finance Limited

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

1. The responsibility of maintaining Secretarial record is of the management and based on our audit, I have expressed my opinion on these records.
2. I am of the opinion that the audit practices and process adopted to obtain assurance about the correctness of the secretarial records were reasonable for verification on test check basis.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. The management is responsible for compliances with corporate and other applicable laws, rules, regulations, standards etc. My examination was limited to the verification of procedure on test basis and wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations etc.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Aashish K. Bhatt & Associates**
Company Secretaries
(ICSI Unique Code S2008MH100200)

Aashish Bhatt
Proprietor

ACS No.: 19639
COP No.: 7023
UDIN: A019639C000254390
Place: Mumbai
Date : May 7, 2021

Annexure – B

Disclosure under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014

(a) Conservation of Energy:

The steps taken or impact on conservation of energy The steps taken by the Company for utilizing alternate sources of energy The capital investment on energy conservation equipment	:	The Company requires energy for its operations and the Company is making all efforts to conserve energy by monitoring energy costs and periodically reviews of the consumption of energy. It also takes appropriate steps to reduce the consumption through efficiency in usage and timely maintenance / installation / upgradation of energy saving devices.

(b) Technology Absorption, Adoption and Innovation:

(i) The efforts made towards technology absorption (ii) The benefits derived like product improvement, cost reduction, product development or import substitution (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) (a) The details of technology imported (b) The year of import (c) Whether technology been fully absorbed? (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof.	:	The Company uses latest technology and equipments into the business. Further the Company is not engaged in any manufacturing activities.
(iv) The expenditure incurred on Research and development	:	The Company has not spent any amount towards research and developmental activities and has been active in harnessing and tapping the latest and the best technology in the industry.

(c) Total foreign exchange earnings and outgo:

a.	Total Foreign Exchange earnings	:	Nil
b.	Total Foreign Exchange outgo	:	₹ 3,81,725.49 (3744.16 USD)

Annexure – C

Annual Report on Corporate Social Responsibilities (CSR) Activities

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

The Company has a robust CSR Policy at Group level. As per the said policy, all our efforts are focused towards two goals: building a great enterprise for the stakeholders and a great future for our country. Our approach is to interweave social responsibility into the Company's mainstream business functions through translating commitments into policies, which not only drive all employees but influence and mobilize stakeholders, especially partners and suppliers, to embrace responsible business practices in their respective spheres of action. The policy affirms business objectives and strategy along with our commitment to preserve natural resources and augment the growth and development of employees and families, the communities we operate in, suppliers / vendors, and our investors. Through the social policy manual, the Company seeks to engage with all the stakeholders, using it as a reference or guideline for all stakeholders and practitioners.

2. **Composition of CSR Committee**

Sr. 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	Ms. Chhaya Virani	Independent Director	-	-
2	Mr. Ashok Karnavat*	Independent Director	-	-
3	Mr. Sunil Wadikar	Non-Executive Director	-	-
4.	Mr. Ashish Turakhia **	Non-Executive Director	-	-

* ceased on May 31, 2021

** appointed on July 31, 2021

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**

Composition of CSR Committee and CSR policy are placed on our website at https://www.reliancehomefinance.com/investor-relations.

4. **Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):**

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:**

(₹ in crore)

Sr. No.	Financial Year	Amount available for set-off from preceding financial years	Amount required to be set-off for the financial year, if any
		Nil	

6. **Average net profit of the company as per section 135(5)**

Company had incurred average net loss of ₹ 21.85 crore.

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

During the year 2020-21, the Company was not required to spend on CSR pursuant to the provisions of Section 135 of the Act.

(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):** Nil

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

(₹ in crore)

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

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

(₹ in crore)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project		Project Duration	Amount allocated for the project	Amount spent in the current financial year	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
Nil												

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

(₹ in crore)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project		Amount spent in the current financial year	Mode of Implementation – Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District			Name	CSR Registration number
Nil									

(d) Amount spent in Administrative Overheads: Nil

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Nil

(g) Excess amount for set off, if any:

(₹ in crore)

Sr. No.	Particulars	Amount
(i)	Two percent of average net profit of the company as per section 135(5)	Not Applicable
(ii)	Total amount spent for the Financial year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

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

(₹ in crore)

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years
				Name of the Fund	Amount	Date of transfer	
1	2019-20	During the year 2019-20, the Company was required to spend an amount of ₹ 3.23 crore on CSR activities. The Company is facing severe financial stress and accordingly the Lenders have entered into an Inter Creditor Agreement (ICA) in terms of RBI Circular No. DBR.No.BP.BC.45/21.04.048/2018-19, dated June 7, 2019 on July 6, 2019. As part of the same, all cashflows of the Company are under direct supervision and control of the Lenders, for the purpose of debt resolution. Further, the Hon'ble Delhi High Court vide its Order dated November 20, 2019, has placed restraint on the Company on incurring expenses other than in ordinary course of business. In view of the aforesaid, the Company has not spent the amount on CSR activities for the year 2019-20. The Company is committed to spend on CSR in the long term.					
2	2018-19	Not Applicable, as required CSR amount was spent.					
3	2017-18	Not Applicable, as required CSR amount was spent.					

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

(₹ in crore)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	**Project ID**	**Name of the Project**	**Financial Year in which the project was commenced**	**Project Duration**	**Total amount allocated for the project**	**Amount spent on the project in the reporting Financial Year**	**Cumulative amount spent at the end of reporting Financial Year**	**Status of the project – Completed / Ongoing**
Nil								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): No capital asset has been created or acquired during the financial year.

(a) Date of creation or acquisition of the capital asset(s): Not Applicable

(b) Amount of CSR spent for creation or acquisition of capital asset: Not Applicable

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc.: Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

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).

During the year 2020-21, the Company was not required to spend on CSR pursuant to the provisions of Section 135 of the Act.

Further, during the year 2019-20, the Company was required to spend an amount of ₹ 3.23 crore on CSR activities. The Company is facing severe financial stress and accordingly the Lenders have entered into an Inter Creditor Agreement (ICA) in terms of RBI Circular No. DBR.No.BP.BC.45/21.04.048/2018-19, dated June 7, 2019 on July 6, 2019. As part of the same, all cashflows of the Company are under direct supervision and control of the Lenders, for the purpose of debt resolution.

Further, the Hon'ble Delhi High Court vide its Order dated November 20, 2019, has placed restraint on the Company on incurring expenses other than in ordinary course of business.

In view of the aforesaid, the Company had not spent the amount on CSR activities for the year 2019-20 and will not spend the same for 2020-21 as well.

The Company is committed to spend on CSR in the long term.

Chhaya Virani
Chairperson, CSR Committee

Sunil Wadikar
Director

July 31, 2021

Management Discussion and Analysis

Forward looking statements

Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company assumes no responsibility to publicly amend, modify or revise forward-looking statements, based on any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include determination of tariff and such other charges and levies by the regulatory authority, changes in Government regulations, tax laws, economic developments within the country and such other factors globally.

The financial statements have been prepared on a historical cost basis and on the accrual basis and are prepared in accordance with the accounting standards notified under the Companies (Accounting Standard) Rules, 2006, (as amended), and other relevant provisions of the Companies Act, 2013 (the 'Act'). The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Act read with the [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The management of Reliance Home Finance Limited ("Reliance Home Finance" or "RHF" or "the Company") has used estimates and judgments relating to the financial statement on a prudent and reasonable basis, in order that the financial statement reflect in a true and fair manner, the state of affairs for the year.

The following discussions on our financial condition and result of operations should be read together with our audited financial statement and the notes to these statements included in the Annual Report.

Unless otherwise specified or the context otherwise requires, all references herein to "we", "us", "our", "the Company", "Reliance", "RHF", "RHFL" or "Reliance Home Finance" are to Reliance Home Finance Limited.

Indian Economic Environment

The Indian economy has gone through a rough phase in recent periods. Notably, domestic economy which was already grappling with a structural slowdown led by absence of revival in capex cycle and consumption slowdown making economy to record continuous decline from FY18 and led to six-year low GDP growth of 4.2% in FY20. Then havoc caused by COVID-19 through nationwide lockdown from 25th March'20 severely impacted economic activities in Nation in 1QFY21, which led to a contraction of 23.9% in GDP during 1QFY21. However, stimulus measures announced by the government and the RBI aided economy to witness V-shaped recovery especially in 2HFY21. As per Economic Survey FY21, real GDP is likely to contract by 7.7% in FY21.

The Government of India (GoI) has provided huge economic stimulus to revive and support the economy during the peak of COVID-19 pandemic. The GoI and the RBI announced a series of fiscal and liquidity support to the tune of whopping ₹ 29.9 trillion during Mar'20-Oct'20, which is 14.6% of GDP. Even if we exclude the RBI's liquidity / monetary support of ₹ 12.7 trillion, the government's portion of fiscal stimulus translates to ~8.4% of GDP, which is substantially higher than the fiscal stimulus of ~1.8% of GDP announced during GFC (Global Financial Crisis).

A Snapshot of Stimulus / Monetary Support announced by the Government and the RBI

Particulars	Liquidity Support (₹ in bn)	Direct Cost to Govt (₹ in bn)
Tranche 1	5,945	168
Tranche 2	3,100	73
Tranche 3	1,500	1500
Tranche 4	81	81
Tranche 5	400	400
Earlier measures including PMGKP announced in Mar'20	1,928	1479
PMGKP Anna Yojana – extension of 5 months from Jul – Nov	829	636
Additional Fiscal Package on 12th Oct'20	730	250
Aatmanirbhar Bharat 3.0	2,651	1,156
RBI Liquidity Measures till Oct'20	12,712	
Total Stimulus	**29,876**	**5,743**
Nominal GDP- FY20	204,422	204,422
% GDP	14.6%	2.8%

Source: Industry Report

Notably, stimulus programme and various reforms undertaken by the government to stimulate economic activities started paying off, which is evident from recently published high frequency key economic data. For instance, GST collection, property registration, railway freight and manufacturing PMI etc., have witnessed significant improvement in recent times and are expected to improve further with complete opening up of economic activities post pandemic.

Having seen a sharp 23.9% contraction in 1QFY21, the economy rebounded sharply from Jun'20 onwards with gradual opening-up of the economy. Undoubtedly, huge stimulus measures under "Aatmanirbhar Bharat" initiative supported the economic recovery by preventing double-digit de-growth in FY21E, which was widely anticipated in the beginning of FY21. However, recent high frequency key economic data suggest that rebound in economy has started witnessing a stronger momentum even compared to pre-COVID time in many areas. For instance, GST collection, property registration, railway freight and manufacturing PMI etc., witnessed substantial improvement in recent times and are expected to improve further with complete opening up of other industries like tours / travels, hospitality and entertainment etc. Hence, we can essentially say that the economic rebound is likely to be more structural in ensuing period.

Union Budget Offered Much-needed Impetus

For the first time after several years, the government appeared to be more focused on economic growth over populist measures. The Union Budget 2021-2022 clearly focused on growth momentum and job creation. The government tried to ensure all necessary measures in place to support developmental activities by sharp 26% increase in capital expenditure for FY22E along with higher allocation for infrastructure projects. Despite fiscal constraints, the government has hit the right cord by focusing on infrastructure development, which should essentially aid several ancillary industries and lead to job creation. Further, proposal to set up a bad bank to address bad loan issues and Development Financial Institution (DFI) can be considered as positive steps, which should essentially aid credit growth and infrastructure development. The Budget succeeded in offering clarity about the sustainability of rebound in economic activities, going forward.

Reliance Home Finance

Reliance Home Finance Limited (RHFL), an associate of Reliance Capital Limited, provides a wide range of loan solutions like Affordable housing, home loans, LAP, Construction finance. RHFL also provides property solutions' services that help customers find their dream homes / property along with financing.

As a result of the current scenario and liquidity constraints, the Company has brought down the distribution network to 29 branches catering to more than 100 locations, through a "hub and spoke" model, across the country, serving over 25,300 client accounts to achieve the objective of strategically expanding the market reach while developing operational efficiencies. RHFL also has a digital portal to source loans from the salaried segment, thereby catering to the need of technology driven millennials, while also cutting down costs. While, this helps in speedy & hassle - free sanction for the borrower, it also helps the Company by automating processes like e-KYC, customer service and account updation.

Product Portfolio

Over the period, we have developed our expertise in Home Loan and Affordable Housing segment which caters to the Self-employed & Salaried Individuals and is one of the key focus areas for the Company. We have also developed the capabilities over time and fulfil the contemporary needs of the Non - housing loan clients majorly the Loan against Property segment. The Company also offers construction finance loans to real estate developers involved in building homes.

Financials

As of March 31, 2021, the Assets Under Management (including securitised portfolio) was ₹ 13,275 crore (US$ 1.8 billion) as against ₹ 14,713 crore (US$ 2.0 billion) as on March 31, 2020. The Total Income for the year ended March 31, 2021, was at ₹ 840 crore (US$ 115 million), as against ₹ 1,603 crore (US$ 220 million) for the previous year. As on March 31, 2021, the outstanding loan book was ₹ 13,325 crore (US$ 1.8 billion) as against ₹ 13,961 crore (US$ 1.9 billion). The business reported a loss of ₹ 2,303 crore (US$ 315 million) for the year ended March 31, 2021 as against loss of ₹ 567 crore (US$ 78 million) in the previous year.

The SARS-CoV-2 virus responsible for COVID-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in global and local economic activities. On March 24, 2020, the Indian government announced a strict 21-day lockdown which was further extended by 19 days across the country to contain the spread of the virus. In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020, the Company had granted a moratorium of upto six months on the payment of all instalments and / or interest, as applicable, falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers classified as Standard, even if overdue, as on February 29, 2020. For all such accounts where the moratorium is granted, the asset classification remained stand still during the moratorium period (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification under the Income Recognition, Asset Classification and Provisioning norms).

Since FY2019, all categories of lenders in India have put near complete freeze on additional lending to Non-Banking Financial Companies (NBFCs) and Housing Finance Companies (HFCs) and have been insisting for reducing the existing level of borrowings which has severely impacted the financial flexibility of majority of NBFCs & HFCs.

These developments have adversely impacted the Company resulting into liquidity mismatch leading to default.

Certain lenders (herein referred to as the "ICA Lenders") of the Company have separately entered into an Inter-Creditor Agreement (ICA) for the resolution of debt in accordance with the circular dated June 7, 2019 issued by the Reserve Bank of India on Prudential Framework for Resolution of Stressed Assets ("RBI Directions"), and have approved the Resolution Plan in terms of RBI Directions.

ICA Lenders have selected Authum Investment and Infrastructure Limited's (Authum) resolution plans as successful resolutions plan to acquire the Company and / or all its' assets through a competitive bidding process after several rounds of negotiations between the bidders and the Lenders. The implementation of the resolution plan by the successful bidder is subject to approval of non-ICA Lenders, shareholders, regulatory authorities and, vacation of existing legal injunctions on the Company.

The Company has cash on hand of approx. ₹ 1,820 Crore in the form of investment in liquid mutual fund and fixed deposits. However, the delay in debt servicing is due to prohibition on the Company to dispose-off, alienate, encumber either directly or indirectly or otherwise part with the possession of any assets, pursuant to Order dated November 20, 2019 passed by the Hon'ble Delhi High Court in the matter of OMP(I) COMM. 420/2019.

Risks and Concerns

RHFL is exposed to specific risks that are specific to its businesses and the environment within which it operates, including market risk, competition risk, credit risk, liquidity and interest rate risk, human resource risk, operational risk, information security risks, regulatory risk and macro-economic risks.

Market risk

The Company has also raised funds through issue of Market Linked Debentures, whose returns are linked to relevant underlying market instruments or indices. RHFL continuously monitors market exposure for both equity and debt and, in appropriate cases, also uses various derivative instruments as a hedging mechanism to limit volatility.

Competition risk

The housing finance sector is becoming increasingly competitive and the Company's growth will depend on its ability to compete effectively. The Company's main competitors are other HFCs, Banks and Non-Banking Financial Companies (NBFCs). The Company's strong brand image, wide distribution network, diversified product offering and quality of management, place it in a strong position to deal with competition effectively.

Credit risk

Credit risk is a risk arising out of default or failure on the part of borrowers in meeting their financial obligations towards repayment of loans. Thus, credit risk is a loss as a result of non-recovery of funds lent both on principal and interest counts. This risk is comprehensively addressed both at the strategic level and at the client level. There is a robust governance framework with risk oversight being provided by the Risk Management Committee.

Stringent standards have been stipulated for customer identification and evaluation of credit proposals. Critical underwriting activities are automated. Comprehensive product program guidelines have been developed to suit various products requirements and appropriate delegation and deviation grids have been put in place. Each credit proposal is evaluated on various lending parameters both in qualitative and quantitative terms. Proper security, industry norms and ceilings have been prescribed to ensure diversifying risks and to avoid concentration risk. Cross references to credit bureau data are made to assess the credit behaviour of the prospective customers. Any early signal of default is addressed on priority to minimise / prevent credit loss. Regular portfolio risk analysis is done extensively on various financial and policy parameters for making required changes in the credit policy as a proactive approach to risk management. The Indian housing finance industry is highly competitive and the Company may compete directly with large HFCs and large public and private sector banks, which have larger retail customer bases, larger branch networks and greater access to capital than the Company. Large HFCs and Indian banks have made significant investments in retail credit in recent periods and currently have a larger market share in the retail home loan credit segment as compared to medium sized HFCs. If the Company is unable to compete with such large HFCs and Banks, by reason of its lesser experience in retail Home Loans or otherwise, its business, results of operations and financial condition could be affected to some extent. With the experience and market knowledge, the Company has gained over the years in the housing finance business and is well placed to be the preferred provider of housing finance in coming years.

Liquidity and Interest Rate risk

The Company is exposed to liquidity risk principally, as a result of lending and investment for periods which may differ from those of its funding sources. RHFL's treasury team actively manages asset liability positions in accordance with the overall guidelines laid down by NHB in the Asset Liability Management (ALM) framework. The success of the Company's business depends significantly on interest income from its operations. It is exposed to interest rate risk, both because of lending at fixed interest rates and for reset periods which may differ from those of its funding sources. Interest rates are highly sensitive to many factors beyond the Company's control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and inflation. As a result, interest rates in India have historically experienced a relatively high degree of volatility.

The Company seeks to match its interest rate positions of assets and liabilities to minimise interest rate risk. However, there can be no assurance that significant interest rate movements will not have an adverse effect on its financial position. With the growth of the Company's business, it will become increasingly reliant on funding from the debt capital markets and commercial borrowings. The market for such funds is competitive and the Company's ability to obtain funds at competitive rates will depend on various factors including its credit ratings. There can be no guarantee that the Company will be able to raise debt on competitive terms, in the required quantum and in a cost-effective manner. Any failure to do so may adversely impact the Company's business, its future financial performance. The Company is also hedged to some extent against this risk through the variable interest clause in its advances portfolio.

Human resource risk

The Company's success depends largely upon the quality and competence of its management team and key personnel. Attracting and retaining talented professionals is therefore a key element of the Company's strategy and a significant source of competitive advantage. While the Company has a salary and incentive structure designed to encourage employee retention, a failure to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an impact on the Company's business, its future financial performance and the results of its operations.

Operational risk

The Company may encounter operational and control difficulties when commencing businesses in new markets. The rapid development and establishment of financial services businesses in new markets may raise unanticipated operational or control risks. Such risks could have a materially adverse effect on the Company's financial position and the results of its operations.

The operations of the Company have been extensively automated which minimises the operational risk arising out of human errors and omissions. A robust system of internal controls is practiced by RHFL to ensure that all its assets are safeguarded and protected against loss from unauthorised use or disposition and all its transactions are authorised, recorded and reported correctly. The Audit Committee of Board periodically reviews the adequacy of our internal controls. The Company has implemented SAP systems across functions. With this initiative, along with other key systems and checks and balances established, we believe that our overall control environment has been enhanced. The Company is relentlessly focused on quality parameters and has a dedicated quality team to proactively identify and address operational issues. The mandate of the quality team is also to work closely with various business teams to bring about operational efficiencies and effectiveness through Six Sigma initiatives. It is pertinent to note that Reliance Home Finance has obtained an ISO 9001:2008 certification and is amongst the few companies in the industry to be ISO certified.

Information security risk

RHFL has robust Information Security Risk monitoring systems and tools to guard and protect sensitive customer data and guard against potential hackers and viruses. The Information Security team is governed by the Information Security Risk Management Committee. Robust governance, controls and sophisticated technology is adopted across lines of business to ward off cyber threats and protect information residing within the Company.

Information Security has been brought under the Enterprise Risk Management Framework to enhance data protection and ward off cyber risks effectively, thereby making our overall Risk, Control and Governance framework more robust.

Management Discussion and Analysis

Regulatory risk

As an entity in the financial services sector, the Company is subject to regulations by Indian governmental authorities, including the RBI and the NHB. Government's and Regulator's laws and regulations impose numerous requirements on the Company, including asset classifications and prescribed levels of capital adequacy liquid assets. There may be future changes in the regulatory system or in the enforcement of the laws and regulations that could adversely affect the Company's performance.

Macro-economic risk

Any slowdown in economic growth in India could cause the business of the Company to suffer. Any slowdown in the Indian economy, and in the demand for housing and infrastructure, could adversely affect the Company's business. Similarly, any sustained volatility in global commodity prices, including a significant increase in the prices of oil and petroleum products, could once again spark off a new inflationary cycle, thereby curtailing the purchasing power of the consumers. RHFL manages these risks by maintaining a conservative financial profile and following prudent business and risk management practices.

Internal Control

The Company has in place independent internal audit function which continuously evaluates the adequacy of, and compliance with, policies, plans, regulatory and statutory requirements. The same is subject to review periodically by the internal audit cell for its effectiveness.

The Company uses information technology extensively in its operations for ensuring effective controls besides economy. It also helps the Company in providing accurate MIS and prompt information / services to its customers and other stakeholders. The Company has implemented enhanced level of Information System Security controls with monitoring systems to address technology risks.

The Company is taking constant steps to further strengthen its credit policy and make it broader, well defined and robust and to extend the scope of Internal Auditors to commensurate with the size and nature of Company's business and operations. Also, pursuant to the qualifications in the Auditors' Report for 2018-19, the Company has discontinued fresh sanctioning and disbursement under the General-Purpose Corporate Loan product since May 2019.

Opportunities

- Affordable housing finance is estimated to be a ₹ 6 lakh crore business opportunity by 2022, by when the Government seeks to achieve housing for all citizens. This may lead to deeper market opportunity
- Government's focus on the infrastructure and financial push
- Extensive distribution reach and strong brand recognition

Challenges

- However, there is enormous demand for low - cost housing finance options within the lower income groups, but demand remains unfulfilled due to constraints like difficulty in assessing the repaying capacity of the customers having uneven income streams, inability in assessing repaying capacity of customers, etc.
- Several new players are entering the sector thus leading to stiff competition which may lead to downward pressure on the pricing. This may impact the profitability for the players in the years ahead
- Supply constraints in the affordable housing space
- Inflationary pressures, slowdown in policy making and reduction in household savings in financial products

Human Resources

Due to the ongoing financial crunch, the liquidity scenario and subdued business activity, the Company has experienced a decline in the workforce. The Company has a dedicated team of 165 employees as on March 31, 2021, who have been contributing to the progress and growth of the Company. The Company also invests in professional development and providing career development opportunities for its employees. The Company has a leadership competency framework which identifies the potential leaders on a regular basis and as a result of which most of the senior management has grown within the organization.

Corporate Social Responsibility

Reliance Home Finance Limited contributes through the non-profit centre(s) engaged in the provision of health care, safety and education, skill development, animal welfare and promotion of cultural heritage. The Company initiated projects in the areas of promoting preventive healthcare, education and rural development in Maharashtra. The following organisations were being supported:

- The Kokilaben Dhirubhai Ambani Hospital provides quality healthcare and contributes in a very significant manner towards supporting the poor and the needy, especially those below the poverty line.
- ICT Academy: It is an initiative of the Government of India in collaboration with the State Governments and industries. The Academy is a not-for-profit society, and a joint venture under the Public-Private-Partnership (PPP) model.
- Animals Matter to Me ("AMTM"): Was established in 2010 in Mumbai, Maharashtra, to help the street dogs and cats who had no-one else to care for them. Over 50,000 strays roamed the city, with the numbers growing alarmingly due to a lack of sterilisation programmes to control the population.
- My Home India, a Mumbai based organization who works for the cause of cultural integration, to support the event, NESt – Fest 2018 (North East Student Festival).

Corporate Governance Report

Corporate governance philosophy

Reliance Home Finance follows the highest standards of corporate governance principles and best practices by adopting the "Reliance Group - Corporate Governance Policies and Code of Conduct" as is the norm for all constituent companies in the Group. These policies prescribe a set of systems and processes guided by the core principles of transparency, disclosure, accountability, compliances, ethical conduct and the commitment to promote the interests of all stakeholders. The policies and the code are reviewed periodically to ensure their continuing relevance, effectiveness and responsiveness to the needs of our stakeholders.

Governance policies and practices

The Company has formulated a number of policies and introduced several governance practices to comply with the applicable statutory and regulatory requirements, with most of them introduced long before they were made mandatory.

A. Values and commitments

We have set out and adopted a policy document on 'Values and Commitments' of Reliance Home Finance. We believe that any business conduct can be ethical only when it rests on the nine core values viz. honesty, integrity, respect, fairness, purposefulness, trust, responsibility, citizenship and caring.

B. Code of ethics

Our policy document on 'Code of Ethics' demands that our employees conduct the business with impeccable integrity and by excluding any consideration of personal profit or advantage.

C. Business policies

Our 'Business Policies' cover a comprehensive range of issues such as fair market practices, inside information, financial records and accounting integrity, external communication, work ethics, personal conduct, policy on prevention of sexual harassment, health, safety, environment and quality.

D. Separation of the chairman's supervisory role from executive management

In line with best global practices, we have adopted the policy to ensure that the Chairman of the meetings of the Board shall be a non-executive director.

E. Policy on prohibition of insider trading

This document contains the policy on prohibiting trading in the securities of the Company, based on insider or privileged information.

F. Policy on prevention of sexual harassment

Our policy on prevention of sexual harassment aims at promoting a productive work environment and protects individual rights against sexual harassment.

G. Ombudspersons & Whistle Blower (Vigil Mechanism) policy

Our Ombudspersons & Whistle Blower (Vigil Mechanism) policy encourages disclosure in good faith of any wrongful conduct on a matter of general concern and protects the whistle blower from any adverse personnel action. The vigil mechanism has been overseen by the Audit Committee.

It is affirmed that no person has been denied direct access to the Chairperson of the Audit Committee.

H. Environment policy

The Company is committed to achieving excellence in environmental performance, preservation and promotion of clean environment. These are the fundamental concern in all our business activities.

I. Risk management

Our risk management procedures ensure that the management controls various business related risks through means of a properly defined framework.

J. Boardroom practices

a. Chairman

In line with the highest global standards of corporate governance, the Board has separated the Chairman's role from that of an executive in managing day-to-day business affairs as the Board and Committee Meetings of the Company are chaired by non-executive directors.

b. Board charter

The Company has a comprehensive charter which sets out clear and transparent guidelines on matters relating to the composition of the Board, the scope and function of the Board and its Committees, etc.

c. Board committees

Pursuant to the provisions of the Companies Act, 2013 (the 'Act') and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Board had constituted the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility (CSR) Committee and Risk Management Committee.

d. Selection of independent directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field / profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as Independent Directors on the Board. The Committee, inter-alia, considers qualification, positive attributes, area of expertise, their independence and number of directorships and memberships held in various committees of other companies by such persons. The Board considers the Committee's recommendation and takes appropriate decision.

Every Independent Director, at the first meeting of the Board in which she / he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect her / his status as an Independent Director, provides a declaration that she / he meets with the criteria of independence as provided under law.

e. Tenure of independent directors

Tenure of independent directors on the Board of the Company shall not exceed the time period as per provisions of the Act and the Listing Regulations, as amended, from time to time.

f. Independent director's interaction with stakeholders

Members of the Stakeholders Relationship Committee interact with stakeholders on their suggestions and queries, if any, which are forwarded to the Company Secretary.

g. Familiarisation of board members

The Board members are periodically given formal orientation and training with respect to the Company's vision, strategic direction, core values including ethics, corporate governance practices, financial matters and business operations. The Directors are facilitated to get familiar with the Company's functions at the operational levels. Periodic presentations are made at the Board and Committee Meetings, on business and performance updates of the Company, business strategy and risks involved. The Board members are also provided with the necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices.

Periodic updates for members are also given out on relevant statutory changes and on important issues impacting the Company's business environment.

The details of programs for familiarisation of independent directors is put on the website of the Company at the link: https://www.reliancehomefinance.com/investor-relations.

h. Meeting of independent directors with operating team

The independent directors of the Company meet in executive sessions with the various operating teams as and when they deem necessary. These discussions may include topics such as operating policies and procedures, risk management strategies, measures to improve efficiencies, performance and compensation, strategic issues for Board consideration, flow of information to directors, management progression and succession and others, as the independent directors may determine. During these executive sessions, the independent directors have access to members of management and other advisors, as the independent directors may determine and deem fit.

i. Commitment of directors

The meeting dates for the entire financial year are scheduled in the beginning of the year and an annual calendar of meetings of the Board and its Committees is circulated to the Directors. This enables the Directors to plan their commitments and facilitates attendance at the meetings of the Board and its Committees.

K. Role of the Company Secretary in Governance Process

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision making at the meetings. The Company Secretary is primarily responsible, to assist the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to Directors and to facilitate convening of meetings. She interfaces between the management and regulatory authorities for governance matters. All the directors of the Company have access to the advice and services of the Company Secretary.

L. Independent Statutory Auditors

The Company's accounts are audited by independent audit firm M/s. Dhiraj & Dheeraj, Chartered Accountants.

The Company has proposed the appointment of M/s. Tambi & Jaipurkar, Chartered Accountants as Statutory Auditors of the Company.

M. Compliance with the Listing Regulations

During the year, the Company is compliant with the mandatory requirements of the Listing Regulations.

We present our report on compliance of governance conditions specified in the Listing Regulations as follows:

I. **Board of Directors**

1. **Board composition – Board strength and representation**

As on March 31, 2021, the Board comprised of six directors. The composition and category of directors on the Board of the Company are as under:

Category	Name of directors and DIN
Independent Directors	Ms. Chhaya Virani (DIN: 06953556)
	Ms. Rashna Khan (DIN: 06928148)
	Mr. Ashok Ramaswamy (DIN: 00233663)
	Mr. Sushilkumar Agrawal (DIN: 00400892)
	Mr. Ashok Karnavat (DIN: 07098455) (Ceased on May 31, 2021)
Non-Executive and Non-Independent Director	Mr. Sunil Wadikar (DIN: 07238445) (Appointed on June 23, 2020)
	Mr. Ashish Turakhia (DIN: 02601110) (Appointed on July 31, 2021)

Notes:

a. None of the directors have any business relationship with the Company.

b. None of the directors have received any loans and advances from the Company during the financial year.

c. None of the directors are related to any other director.

All the Independent Directors of the Company furnish a declaration at the time of their appointment and also annually that they meet the criteria of independence as provided under law. The Board reviews the same and is of the opinion, that the Independent Directors fulfill the conditions specified in the Act and the Listing Regulations and are independent of the management.

2. **Conduct of Board proceedings**

The day-to-day business is conducted by the executives of the Company under the direction of the Board. The Board holds minimum four meetings every year to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company.

The Board performs the following specific functions in addition to overseeing the business and the management:

a. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.

b. Monitoring the effectiveness of the Company's governance practices and making changes as needed.

c. Selecting, compensating, monitoring and when necessary, replacing key executives and overseeing succession planning.

d. Aligning key executive and Board remuneration with the longer term interests of the Company and its shareholders.

e. Ensuring a transparent Board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.

f. Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.

g. Ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.

h. Overseeing the process of disclosure and communications.

i. Monitoring and reviewing Board Evaluation Framework.

3. **Board meetings**

The Board held 6 meetings during the financial year 2020-21 on May 8, 2020, July 31, 2020, August 10, 2020, November 6, 2020, January 22, 2021 and March 30, 2021.The maximum time gap between any two meetings during the year under review was 87 days and the minimum gap was 9 days.

The Board periodically reviews compliance reports of all laws applicable to the Company.

4. **Attendance of directors**

Attendance of the Directors at the Board and Committee meetings held during the financial year 2020-21 and the last Annual General Meeting (AGM) held on June 23, 2020 were as under:

Board and Committee meetings of the Company	Attendance at the last AGM held on June 23, 2020	Board Meeting attended / held	Audit Committee attended / held	Stakeholders Relationship Committee attended / held	Nomination and Remuneration Committee attended / held	Risk Management Committee attended / held
Total number of meetings held		**6**	**4**	**1**	**2**	**4**
Directors Attendance						
Ms. Chhaya Virani	Present	6 of 6	4 of 4	1 of 1	2 of 2	4 of 4
Ms. Rashna Khan	Present	6 of 6	4 of 4	N.A.	2 of 2	3 of 4
Mr. Ashok Ramaswamy	Present	6 of 6	4 of 4	N.A.	N.A.	4 of 4
Mr. Sushilkumar Agrawal	Present	6 of 6	4 of 4	N.A.	N.A.	3 of 4
Mr. Ashok Karnavat *	Present	6 of 6	4 of 4	1 of 1	N.A.	4 of 4
Mr. Sunil Wadikar **	N.A.	5 of 5	3 of 3	1 of 1	2 of 2	3 of 3
Mr. Amit Bapna ***	Present	1 of 1	1 of 1	N.A.	N.A.	1 of 1

* ceased on May 31, 2021

** appointed on June 23, 2020

*** ceased on June 23, 2020

4.1. **The details of directorships (calculated as per provisions of Section 165 of the Companies Act, 2013), committee chairmanships and memberships held by the Directors as on March 31, 2021 were as under:**

Name of Director	Number of directorship (including RHFL)	Committee(s) Chairmanship / Membership (including RHFL)	
		Membership	Chairmanship
Ms. Chhaya Virani	8	9	4
Ms. Rashna Khan	2	3	-
Mr. Ashok Ramaswamy	2	1	-
Mr. Sushilkumar Agrawal	13	10	5
Mr. Ashok Karnavat *	10	10	1
Mr. Sunil Wadikar	8	5	-

* ceased on May 31, 2021

Notes:

a. None of the directors hold directorships in more than twenty companies of which directorship in public companies does not exceed ten in line with the provisions of Section 165 of the Act.

b. None of the directors hold membership of more than ten committees of board, nor, is a chairman of more than five committees across board of all listed entities.

c. No director holds directorship in more than seven listed entities.

d. None of the director has been appointed as an Alternate Director for Independent Director.

e. The information provided above pertains to the following committees in accordance with the provisions of Regulation 26(1)(b) of the Listing Regulations: (i) Audit Committee; and (ii) Stakeholders Relationship Committee.

f. The committee membership and chairmanship above excludes membership and chairmanship in private companies, foreign companies and Section 8 companies.

g. Membership of committees includes chairmanship, if any.

The Company's Independent Directors meet at least once in every financial year without the attendance of Non-Independent Directors and Management Personnel. The same was held on March 30, 2021.

5. **Resignation of Independent Directors:**

None of the Independent Directors of the Company have resigned during the financial year 2020-21.

Due to sad demise, Mr. Ashok Karnavat ceased to be an Independent Director of the Company on May 31, 2021.

6. **Details of Directors**

The abbreviate resumes of all the Directors are furnished hereunder:

Ms. Chhaya Virani, 67 years, graduated from Mumbai University with a bachelors' degree in Arts. She also acquired a bachelors' degree in legislative laws from the Government Law College in 1976. She is a partner in M/s. ALMT Legal Advocates and Solicitors.

She is the Chairperson of Audit Committee, Risk Management Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility (CSR) Committee and a Member of Wilful Defaulter's Review Committee of the Company.

She is a director on the board of Reliance Capital Limited, Reliance General Insurance Company Limited, Reliance Capital Pension Fund Limited, Reliance Corporate Advisory Services Limited, Reliance Power Limited, Rosa Power Supply Company Limited and Sasan Power Limited.

She is the chairperson of audit committee and stakeholders relationship committee of Reliance Capital Limited. She is the member of audit committee of Reliance General Insurance Company Limited, Reliance Capital Pension Fund Limited, Reliance Power Limited, Sasan Power Limited and Rosa Power Supply Company Limited.

She does not hold any share in the Company as of March 31, 2021.

Ms. Rashna Khan, 57 years, graduated from Government Law College Mumbai (University of Bombay) and qualified as a Solicitor with the Bombay Incorporated Law Society and Law Society London. She has worked with Mulla & Mulla & Craigie Blunt & Caroe, Advocates and Solicitors and with Dhruve Liladhar & Co., Advocates and Solicitors, in various capacities before she became partner of Mulla & Mulla & Craigie Blunt & Caroe, Advocates and Solicitors, since the year 2009. She specialises in the field of civil litigation including attending matters in the High Court, Supreme Court, Company Law Board, Income Tax Tribunal, Arbitration, Customs, Excise and Service Tax Appellate Tribunal, National Company Law Tribunal, Opinion and documentation work.

She is a Member of Audit Committee, Risk Management Committee and Nomination and Remuneration Committee of the Company.

She is also on the board of Reliance Commercial Finance Limited.

She is the chairperson of stakeholders relationship committee and member of audit committee of Reliance Commercial Finance Limited.

She does not hold any share in the Company as of March 31, 2021.

Mr. Ashok Ramaswamy, 71 years, a former Civil Servant with over 40 years experience in the areas of Financial Control and Management, General Administration including Vigilance administration, procurement, information technology and sector regulation. His sector experience is in Rail transportation, communications, anti-corruption and telecom regulation. He retired as a Secretary level official from Govt. of India and subsequently was appointed as Member, of the sector regulator for telecom.

He holds Masters Degree in Science, Management and Public Administration and in the early part of the career was intimately involved in application of information technology to computer aided management information system design and implementation.

Most positions held by him required deep comprehension in the subject and knowledge on allied areas and tested analytical and inferential skills.

He is a Member of Audit Committee and Risk Management Committee of the Company.

He does not hold any share in the Company as of March 31, 2021.

Mr. Sushilkumar Agrawal, 73 years, is a practicing Chartered Accountant and the Senior Most Partner in M/s. N. D. Kapur & Co., Chartered Accountants. He has over the years developed special expertise in the Banking and Financial Services Industry. He has experience in servicing large and medium sized clients in the areas of Internal Audit, Concurrent Audits, IT Advisory, Taxation, Risk Management and Management Consultancy.

He is a Certified Independent Director in many companies including Pranavaditya Spinning Mills Limited and Margo Finance Limited. He is also a Trustee in many Public Trusts engaged in the field of Social, Environment, Education and Health.

He is a Member of Audit Committee and Risk Management Committee of the Company.

He is also a director on the board of Pranavaditya Spinning Mills Limited, Quant Capital Private Limited, Margo Finance Limited, Reliance MediaWorks Limited, Reliance Broadcast Network Limited, Reliance Commercial Finance Limited, Reliance Wealth Management Limited, Globesecure Technologies Limited and Goldengadre Financial Services Limited.

He is chairman of audit committee and stakeholders relationship committee of Pranavaditya Spinning Mills Limited and chairman of audit committee of Quant Capital Private Limited, Reliance MediaWorks Limited and Reliance Commercial Finance Limited. He is also member of audit committee of Reliance Broadcast Network Limited and Margo Finance Limited and member of stakeholders relationship committee of Reliance MediaWorks Limited and Margo Finance Limited.

He holds one share in the Company as of March 31, 2021.

Mr. Sunil Wadikar, 43 years, is a Non-Executive Director of the Company. He has been with Reliance Group of Companies since 2014. He has over 16 years of experience in the field of Finance and has managed wide range of roles pertaining to managing financial operations, establishing financial and accounting controls, M&A, corporate planning and strategies. Earlier, he has also worked with Percept Group of Companies and was heading finance department of Percept Talent and Percept Picture Company divisions of flagship Company namely Percept Limited. He is Chartered Accountant and has done Diploma in FR ACCA UK.

He is a Member of Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility (CSR) Committee and Wilful Defaulters' Review Committee of the Company.

He is also on the board of Reliance Mediaworks Limited, Reliance Health Insurance Limited, Reliance Net Limited, Reliance Business Broadcast News Holdings Limited, Reliance DigiTech Limited and Reliance Mediaworks Theatres Limited.

He is a member of audit committee of Reliance Mediaworks Limited, Reliance Health Insurance Limited and Reliance DigiTech Limited.

He does not hold any share in the Company as of March 31, 2021.

Mr. Ashish Turakhia, 58 years, is a Fellow Member of The Institute of Chartered Accountants of India and The Institute of Company Secretaries of India. He has also completed LLB from Mumbai University. He has more than 3 decades of experience in Finance, Company Secretarial, Compliance, Corporate Affairs, Corporate Governance & Listing. He is a Member of Stakeholders Relationship Committee and Corporate Social Responsibility (CSR) Committee of the Company.

He holds two shares in the Company as on his date of appointment as a Director of the Company.

7. **Core Skills / Expertise / Competencies available with the Board**

The Board comprises of highly qualified members who possess required skills, expertise and competence that allow them to make effective contributions to the Board and its Committees.

The core skills / expertise / competencies required in the Board in the context of the Company's businesses and sectors functioning effectively as identified by the Board of Directors of the Company are tabulated below:

Name of the Director	Area of Expertise
Ms. Chhaya Virani	• Leadership / Operational experience • Strategic Planning • Sector / Industry Knowledge & Experience, Research & Development and Innovation • Financial, Regulatory / Legal & Risk Management • Corporate Governance

Name of the Director	Area of Expertise
Ms. Rashana Khan	• Leadership / Operational experience • Strategic Planning • Sector / Industry Knowledge & Experience, Research & Development and Innovation • Technology • Financial, Regulatory / Legal & Risk Management • Corporate Governance
Mr. Ashok Ramaswamy	• Leadership / Operational experience • Strategic Planning • Sector / Industry Knowledge & Experience, Research & Development and Innovation • Financial, Regulatory / Legal & Risk Management • Corporate Governance
Mr. Sushilkumar Agrawal	• Leadership / Operational experience • Strategic Planning • Sector / Industry Knowledge & Experience, Research & Development and Innovation • Financial, Regulatory / Legal & Risk Management • Corporate Governance
Mr. Sunil Wadikar	• Leadership / Operational experience • Strategic Planning • Sector / Industry Knowledge & Experience, Research & Development and Innovation • Technology • Financial, Regulatory / Legal & Risk Management • Corporate Governance
Mr. Ashish Turakhia	• Leadership / Operational experience • Strategic Planning • Sector / Industry Knowledge & Experience, Research & Development and Innovation • Technology • Financial, Regulatory / Legal & Risk Management • Corporate Governance

8. **Directorships in other listed entities**

The details of directorships held by the Directors in other entities whose securities are listed as on March 31, 2021 are as follows:

Name of Director	Name of listed entities	Category
Ms. Chhaya Virani	Reliance Capital Limited	Non-Executive and Independent Director
	Reliance General Insurance Company Limited	Non-Executive and Independent Director
	Reliance Power Limited	Non-Executive and Independent Director
Ms. Rashna Khan	Reliance Commercial Finance Limited	Non-Executive and Independent Director
Mr. Ashok Ramaswamy	-	-
Mr. Sushilkumar Agrawal	Margo Finance Limited	Non-Executive and Non-Independent Director
	Pranavaditya Spinning Mills Limited	Non-Executive and Independent Director
	Reliance Commercial Finance Limited	Non- Executive and Independent Director
Mr. Ashok Karnavat *	-	-
Mr. Sunil Wadikar	-	-

* ceased on May 31, 2021

9. **Insurance coverage**

The Company is an associate company of Reliance Capital Limited. Directors & Officers Liability Insurance policy obtained by Reliance Capital Limited, covers any legal action that might be initiated against directors / officers of the Company.

II. **Audit Committee**

The Company has an Audit Committee. The composition and terms of reference of Audit Committee are in compliance with the provisions of Section 177 of the Companies Act, 2013, Listing Regulations, the Housing Finance Companies – Corporate Governance (NHB) Directions, 2016 and other applicable laws. The Committee was re-constituted during the year and presently comprises of four independent non-executive directors and one non-independent non-executive director of the Company viz. Ms. Chhaya Virani as Chairperson, Ms. Rashna Khan, Mr. Ashok Ramaswamy, Mr. Sushilkumar Agrawal and Mr. Sunil Wadikar as Members. All the Members of the Committee possess financial / accounting expertise / exposure.

The Audit Committee, inter-alia, advises the management on the areas where systems, processes, measures for controlling and monitoring revenue assurance, internal audit and risk management can be improved.

The terms of reference, inter-alia, comprises the following:

1. 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;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
   a. matters required to be included in the Directors' Responsibility Statement to be included in the Boards' report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
   b. changes, if any, in accounting policies and practices and reasons for the same.
   c. major accounting entries involving estimates based on the exercise of judgment by management.
   d. significant adjustments made in the financial statements arising out of audit findings.
   e. compliance with listing and other legal requirements relating to financial statements.
   f. disclosure of any related party transactions.
   g. modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance and effectiveness of audit process;
8. Subject to and conditional upon the approval of the Board of Directors, approval of Related Party Transactions (RPTs) or subsequent modifications thereto. Such approval can be in the form of omnibus approval of RPT subject to conditions not inconsistent with the conditions specified in Regulation 23(2) and Regulation 23(3) of the Listing Regulations;
9. Subject to review by the Board of Directors, review on quarterly basis of RPTs entered into by the Company pursuant to each omnibus approval given pursuant to (8) above;
10. Scrutiny of inter-corporate loans and investments;
11. Valuation of undertakings or assets of the Company, wherever it is necessary;
12. Review the Company's established system and processes of internal financial controls and risk management systems;
13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Discussion with internal auditors of any significant findings and follow up there on;
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. 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;
19. To review the functioning of the Whistle Blower mechanism;
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
21. Review of compliances as per the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, at least once in a financial year and shall also verify that the systems for internal control are adequate and are operating effectively; and
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
23. Consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders

Explanation (i): The term "related party transactions" shall have the same meaning as provided in Regulation 23 of the Listing Regulations.

The Audit Committee is also authorised to:

1. Investigate any activity within its terms of reference;
2. Obtain outside legal or other professional advice;
3. Have full access to information contained in the records of the Company;
4. Secure attendance of outsiders with relevant expertise, if it considers necessary;
5. Call for comments from the auditors about internal controls systems and the scope of audit, including the observations of the auditors;
6. Review financial statements before submission to the Board; and
7. Discuss any related issues with the internal and statutory auditors and the management of the Company.

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and
6. Statement of deviations:
   (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations; and
   (b) annual statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7) of the Listing Regulations.

Meetings of the Audit Committee held during 2020-21

The Audit Committee held its meetings on May 7, 2020, July 30, 2020, November 5, 2020 and January 22, 2021. The maximum and minimum time gap between any two meetings, during the year under review was 97 days and 77 days, respectively. The details of attendance of Committee members are given in this Report.

The Chairperson of the Audit Committee was present at the last Annual General Meeting of the Company.

The Audit Committee considered all the points in terms of its reference at periodic intervals.

The Company Secretary acts as the Secretary to the Audit Committee.

III. **Nomination and Remuneration Committee**

The Company has a Nomination and Remuneration Committee. The composition and terms of reference of Nomination and Remuneration Committee are in compliance with the provisions of Section 178 of the Companies Act, 2013, Listing Regulations, Housing Finance Companies – Corporate Governance (NHB) Directions, 2016 and other applicable laws. The Committee was re-constituted during the year and presently comprises of Ms. Chhaya Virani as Chairperson and Ms. Rashna Khan and Mr. Sunil Wadikar as Members.

The Chairperson of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company.

The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

The terms of reference, inter-alia, comprises the following:

1. To follow the process for selection and appointment of new directors and succession plans;
2. Recommend to the Board from time to time, a compensation structure for Directors and the senior management personnel;
3. Identifying persons who are qualified to be appointed as Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend their appointment and / or removal to the Board;
4. Formulation of the criteria for evaluation of performance of Independent Directors, the Board and the Committee(s) thereof;
5. To assess whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors;
6. Devising a policy on Board diversity;
7. Performing functions relating to all share based employees benefits;
8. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees; and
9. Recommending to the Board, all remunerations, in whatever form, payable to Senior Management of the Company.

Policy on appointment and remuneration for Directors, Key Managerial Personnel and Senior Management Employees has been provided on the website of the Company.

Meetings of the Nomination and Remuneration Committee held during 2020-21

The Nomination and Remuneration Committee held its meetings on January 22, 2021 and March 30, 2021. The details of attendance of Committee members are given in this Report.

Criteria for making payments to non-executive directors

The remuneration to non-executive directors is benchmarked with the relevant market, performance oriented, balanced between financial and sectoral market, based on comparative scales, aligned to corporate goals, role assumed and number of meetings attended.

The Company has not paid any remuneration to its Directors other than sitting fees for attending the meeting of the Board and Committee(s). Pursuant to the limits approved by the Board, all non-executive directors were paid sitting fees of ₹ 40,000 (excluding goods and services tax) for attending each meeting of the Board and its Committee(s). No remuneration by way of commission to the non-executive directors. The Company has so far not issued any stock options to its non-executive directors. There were no other pecuniary relationships or transactions of non-executive directors vis-à-vis the Company.

Employee Stock Option Scheme

Employee Stock Option Scheme (the "Scheme") has been implemented by the Company to the eligible employees based on specified criteria.

The Scheme is in compliance with the requirements of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

IV. **Stakeholders Relationship Committee**

The Company has a Stakeholders Relationship Committee. The composition and terms of reference of Stakeholders Relationship Committee are in compliance with the provisions of Section 178 of the Companies Act, 2013, Listing Regulations and other applicable laws. The Committee was re-constituted during the year and presently comprises of one independent non-executive director and two non-executive directors of the Company viz. Ms. Chhaya Virani as Chairperson, Mr. Sunil Wadikar and Mr. Ashish Turakhia as Members.

The terms of reference, *inter-alia*, comprises the following:

i. Resolving 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.;

ii. Reviewing the measures taken for effective exercise of voting rights by shareholders;

iii. Reviewing the service standards adopted by the Company in respect of various services being rendered by the Registrar & Transfer Agent; and

iv. 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.

The Stakeholders Relationship Committee held its meeting on November 5, 2020. The details of attendance of Committee members are given in this Report.

The Chairperson of the Stakeholders Relationship Committee was present at the last Annual General Meeting of the Company.

The Company Secretary acts as the Secretary to the Stakeholders Relationship Committee.

Shareholders' Grievances Attended

Received from	Received during		Redressed during		Pending as on	
	2020-2021	2019-2020	2020-2021	2019-2020	31.03.2021	31.03.2020
SEBI	1	17	6	17	0	0
Stock Exchanges	5	4	0	4	0	0
NSDL / CDSL	0	0	0	0	0	0
Direct from shareholders	125	0	125	0	0	0
Total	131	21	131	21	0	0

Analysis of Grievances

	2020 – 2021		2019 – 2020	
	Numbers	%	Numbers	%
Non-receipt of share certificates	75	57.25	0	0
Non-receipt of annual report	4	3.05	4	19.05
Non-receipt of dividend	40	30.53	5	23.81
Others	12	9.16	12	57.14
Total	131	100	21	100

There was no complaint pending as on March 31, 2021.

Notes:

1. The number of equity shareholders is 8,35,236 as on March 31, 2021 and 8,36,341 as on March 31, 2020.
2. Investors queries / grievances are normally attended within a period of 3 days from the date of receipt thereof, except in cases involving external agencies or compliance with longer procedural requirements specified by the authorities concerned.

V. **Compliance Officer**

Ms. Parul Jain, Company Secretary is the Compliance Officer for complying with the requirements of various provisions of Law, Rules, Regulations applicable to the Company including Listing Regulations and the Uniform Listing Agreements executed with the Stock Exchanges.

VI. **Corporate Social Responsibility (CSR) Committee**

The Company has a Corporate Social Responsibility (CSR) Committee. The composition and terms of reference of Corporate Social Responsibility (CSR) Committee are in compliance with the provisions of Section 135 of the Companies Act, 2013 and other applicable laws. The Committee was re-constituted during the year and presently comprises of one independent non-executive director and two non-independent non-executive director of the Company viz. Ms. Chhaya Virani as Chairperson, Mr. Sunil Wadikar and Mr. Ashish Turakhia as Members. The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'Corporate Social Responsibility Policy'.

The CSR Committee has formulated a CSR policy indicating the activities to be undertaken by the Company.

During the year, no meeting of the CSR Committee was held.

The Company Secretary acts as the Secretary to the CSR Committee.

VII. **Risk Management Committee**

The Company has a Risk Management Committee. The composition and terms of reference of Risk Management Committee is in compliance with the provisions of the Housing Finance Companies – Corporate Governance (NHB) Directions, 2016 and other applicable laws. The Committee was re-constituted during the year and presently comprises of Ms. Chhaya Virani as Chairperson and Ms. Rashna Khan, Mr. Ashok Ramaswamy, Mr. Sushilkumar Agrawal, and Mr. Sunil Wadikar as Members.

The Committee is authorised to discharge its responsibilities as follows:

1. Overseeing and approving the risk management, internal compliance and control policies and procedures of the Company;
2. Overseeing the design and implementation of the risk management and internal control systems (including reporting and internal audit systems), in conjunction with existing business processes and systems, to manage the Company's material business risks;
3. Review and monitor the risk management plan, cyber security and related risks;
4. Setting reporting guidelines for management;
5. Establishing policies for the monitoring and evaluation of risk management systems to assess the effectiveness of those systems in minimizing risks that may impact adversely on the business objectives of the Company;
6. Oversight of internal systems to evaluate compliance with corporate policies;
7. Providing guidance to the Board on making the Company's risk management policies.
8. Formulating a detailed risk management policy which shall include:
   a. 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.
   b. Measures for risk mitigation including systems and processes for internal control of identified risks.
   c. Business continuity plan.
9. Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
10. Monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems;
11. Periodically reviewing the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
12. Keeping the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
13. Reviewing the appointment, removal and terms of remuneration of the Chief Risk Officer (if any).

Meetings of the Risk Management Committee held during 2020-21

During the year, the Risk Management Committee held its meetings on May 7, 2020, July 30, 2020, November 5, 2020 and January 22, 2021. The details of attendance of Committee members are given in this Report.

The minutes of the meetings of all the Committee(s) of the Board of Directors are placed before the Board.

During the year, the Board has accepted all the recommendations of all the Committee(s).

VIII. **General Body Meetings**

A. Annual General Meetings

The Company held its last three Annual General Meetings (AGM) as under:

Financial Year	Date and Time	Venue	Whether Special Resolution passed or not
2019-20	June 23, 2020 at 4.00 p.m.	Meeting was held through Video Conferencing (VC) / Other Audio Visual Means (OAVM)	No.
2018-19	September 30, 2019 at 2:30 p.m.	Rama & Sundri Watumull Auditorium Vidyasagar, Principal K. M. Kundnani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai 400 020	Yes, Re-appointment of Mr. Ravindra Sudhalkar as an Executive Director, Alteration of Memorandum of Association, Issue of equity shares by conversion of debt, Private Placement of Non-Convertible Debentures and / or other Debt Securities for refinancing of existing debt.
2017-18	September 18, 2018 2:30 p.m.	Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020	Yes, Continuation of Mr. Padmanabh Vora as an Independent Director, Approval of Private Placement of Non-Convertible Debentures and / or other Debt Securities, Issue of securities through qualified institutions placement on a private placement basis to qualified institutional buyers ("QIBs").

B. Extra-Ordinary General Meeting

During the year, there was no Extra-Ordinary General Meeting held by the Company.

IX. **Postal Ballot**

The Company had not conducted any business conducted through Postal Ballot during the financial year 2020-21.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing of a special resolution through postal ballot.

X. **Details of Utilisation**

During the year, the Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations.

XI. **Means of communication**

a. **Quarterly Results:** Quarterly results, in ordinary course, are published in The Financial Express (English) newspaper circulating in substantially the whole of India and in Navshakti (Marathi) newspaper and are also posted on the Company's website.

b. **Media Releases and Presentations:** Official media releases are sent to the Stock Exchanges before their release to the media for wider dissemination. Presentations made to media, analysts, institutional investors, etc., if any are posted on the Company's website.

c. **Website:** The Company's website contains a separate dedicated section 'Investor Relations'. It contains comprehensive database of information of interest to our investors including the financial results and Annual Report of the Company, any price sensitive information disclosed to the regulatory authorities from time to time, business activities and the services rendered / facilities extended by the Company to our investors, in a user friendly manner. The basic information about the Company is provided on the Company's website and the same is updated regularly.

d. **Annual Report:** The Annual Report containing, *inter-alia*, Notice of Annual General Meeting, Audited Financial Statement, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis Report and Corporate Governance Report forms part of the Annual Report and are displayed on the Company's website.

The Companies Act, 2013 read with the Rules made thereunder and the Listing Regulations facilitate the service of documents to members through electronic means. In compliance with the various relaxations provided by SEBI and MCA due to COVID-19 Pandemic, the Company has emailed the soft copies of the Annual Report to all those members whose e-mail IDs were available with its Registrar and Transfer Agent or Depositories and urged those members to register their e-mail IDs to receive the said communication.

e. **NSE Electronic Application Processing System (NEAPS):** The NEAPS is a web-based system designed by NSE for corporates. The shareholding pattern, corporate governance report, corporate announcement, media release, if any, results, annual report, etc. are filed electronically on NEAPS.

f. **BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):** The Listing Centre is a web-based application designed by BSE for corporates. The shareholding pattern, corporate governance report, corporate announcement, media release, if any, results, annual report, etc. are filed electronically on the Listing Centre.

g. **Unique Investor Helpdesk:** Exclusively for investor servicing, the Company has set up a Unique Investor Helpdesk with multiple access modes as under:

Toll free no. (India): 1800 309 4001

Tel.: +91 40 6716 1500

Fax: +91 40 6716 1791

E-mail: rhflinvestor@kfintech.com

h. **Designated E-mail id:** The Company has also designated e-mail id: rhfl.investor@relianceada.com exclusively for investor servicing.

i. **SEBI Complaints Redressal System (SCORES):** The investors' complaints are also being processed through the centralised web-based complaint redressal system. The salient features of SCORES are availability of centralised data base of the complaints, uploading online action taken reports by the Company. Through SCORES the investors can view online, the action taken and current status of the complaints. In its efforts to improve ease of doing business, SEBI has launched a mobile app "SEBI SCORES", making it easier for investors to lodge their grievances with SEBI, as they can now access SCORES at their convenience of a smart phone.

XII. **Management Discussion and Analysis**

A Management Discussion and Analysis Report forms part of this Annual Report and includes discussions on various matters specified under Regulation 34(2), Schedule V of the Listing Regulations and the NHB Directions.

XIII. **Subsidiaries**

The Company does not have any material non-listed Indian subsidiary company. Hence is not required to have a Policy for determining material subsidiaries.

XIV. **Disclosures**

a. There has been no non-compliance by the Company and no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority during the last three financial years except for the delay in publication of financial results for the year ended March 31, 2019 due to the situations beyond the control of the Company and penalties imposed by NHB for contravention of certain provisions of the NHB Act, 1987, The Housing Finance Companies (NHB) Directions, 2010 and circulars issued thereunder.

b. **Related party transactions**

During the financial year 2020-21, no transactions of material nature had been entered into by the Company that may have a potential conflict with interest of the Company. The details of related party transactions are disclosed in Notes to Financial Statement. The policy on related party transactions is put on the website of the Company at the link : https://www.reliancehomefinance.com/investor-relations.

c. **Accounting treatment**

In the preparation of Financial Statement, the Company has followed the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies. The Accounting Policies followed by the Company to the extent relevant, are set out elsewhere in this Annual Report.

d. **Risk management**

The Company has laid down a Risk Management Policy, defining Risk profiles involving Strategic, Technological, Operational, Financial, Credit, Organisational, Legal and Regulatory risks within a well-defined framework. The Risk Management Policy acts as an enabler of growth for the Company by helping its businesses to identify the inherent risks, assess, evaluate and monitor these risks continuously and undertake effective steps to manage these risks. Ms. Chhaya Virani acts as Chairperson and Ms. Rashna Khan, Mr. Ashok Ramaswamy, Mr. Sushilkumar Agrawal and Mr. Sunil Wadikar are members of the Risk Management Committee (RMC). The Committee periodically reviews the robustness of the Risk Management Policy. The periodical update on the risk management practices and mitigation plan of the Company are presented to the Audit Committee and Board of Directors. The Audit Committee and Board periodically review such updates and findings and suggest areas where internal controls and risk management practices can be improved.

Asset Liability Committee (ALCO) consisting of senior management executives, monitors liquidity and interest rate risks of the Company. The functioning of ALCO is reviewed by the RMC which meets on quarterly basis and reports to the Board of Directors.

e. **Policy Guidelines on "Know Your Customer" Norms and Anti – Money Laundering Measures**

In keeping with specific requirements for Housing Finance Companies, the Company has also formulated the Policy Guidelines on "Know Your Customer" Norms and Anti – Money Laundering Measures and the same has been posted on the Company's website.

f. **Code of Conduct**

The Company has adopted the Code of Conduct for directors and senior management. The Code has been circulated to all the members of the Board and senior management and the same has been posted on the Company's website. The Board members and senior management have affirmed their compliance with the Code and a declaration signed by the Chief Executive Officer of the Company is given below:

"It is hereby declared that the Company has obtained from all members of the Board and senior management personnel affirmation that they have complied with the Code of Conduct for Directors and Senior Management of the Company for the year 2020-21."

Ravindra Sudhalkar

Chief Executive Officer

g. **CEO / CFO certification**

Mr. Ravindra Sudhalkar, Chief Executive Officer and Mr. Vijesh B Thota, Chief Financial Officer of the Company have provided certification for the financial year 2020-21 on financial reporting and internal controls to the Board as required under Regulation 17(8) of the Listing Regulations.

h. **Certificate from Company Secretary in Practice**

Pursuant to the provisions of the Schedule V of the Listing Regulations, the Company has obtained a certificate from M/s. Aashish K. Bhatt & Associates, Practicing Company Secretaries confirming that none of the Directors of the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority. The copy of the same forms part of this Annual Report.

i. **Review of Directors' Responsibility Statement**

The Board in its report has confirmed that the Financial Statements for the year ended March 31, 2021 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

XV. **Policy on prohibition of insider trading**

The Company has formulated the "Reliance Home Finance Limited - Code of Practices and Procedures and Code of Conduct to Regulate, Monitor and Report trading in securities and fair disclosure of Unpublished Price Sensitive Information" (Code) in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, from time to time. The Board has appointed Ms. Parul Jain, Company Secretary as the Compliance Officer under the Code responsible for complying with the procedures, monitoring adherence to the rules for the preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code under the overall supervision of the Board. The Company's Code, inter-alia, prohibits purchase and / or sale of securities of the Company by an insider, while in possession of unpublished price sensitive information in relation to the Company and also during certain prohibited periods. The Company's Code is available on the website of the Company.

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Trading Window for dealing in the securities of the Company by the designated persons shall remain closed during the period from end of every quarter / year till the expiry of 48 hours from the declaration of quarterly / yearly financial results of the Company.

XVI. **Compliance of Regulation 34(3) and Para F of Schedule V of the Listing Regulations**

The equity shares were allotted and transferred to "Reliance

Home Finance Limited – Unclaimed Suspense Account" pursuant to the Scheme of Arrangement between Reliance Capital Limited and Reliance Home Finance Limited. As per Regulation 34(3) and Para F of Schedule V of the Listing Regulations, the details in respect of equity shares lying in "Reliance Home Finance Limited – Unclaimed Suspense Account" were as follows:

Particulars	No. of shareholders	No. of shares
(i) Aggregate number of shareholders and the outstanding shares in the suspense account lying at April 1, 2020	52,134	1,98,614
(ii) Number of shareholders who approached listed entity for transfer of shares from suspense account during April 1, 2020 to March 31, 2021	-	-
(iii) Number of shareholders to whom shares were transferred from suspense account during April 1, 2020 to March 31, 2021	-	-
(iv) Aggregate number of shareholders and the outstanding shares in the suspense account lying at March 31, 2021	52,134	1,98,614

The voting rights on the shares outstanding in the "Reliance Home Finance Limited – Unclaimed Suspense Account" as on March 31, 2021 shall remain frozen till the rightful owner of such shares claims the share(s).

Wherever shareholders have claimed the share(s), after proper verifications, the share certificates were dispatched to them or share(s) were credited to the respective beneficiary account.

XVII. **Fees to Statutory Auditors**

The details of fees paid to Statutory Auditors by the Company for the financial year 2020-21 are as follows:

(₹ in crore)

Nature of Service	2020-21
Statutory Audit Fees (including Limited review fees)	0.19
Certification Fees	0.23
Total	**0.42**

XVIII. **Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

As reported by the Internal Complaint Committee, the details of Complaints are as under:

Sr. No.	Particulars	Details
1.	Number of complaints filed during the financial year	Nil
2.	Number of complaints disposed off during the financial year	Nil
3.	Number of complaints pending as on end of the financial year	Nil

XIX. **Compliance with non-mandatory requirements**

1. **The Board**

In compliance with best global practices, we have adopted a policy to ensure that the Chairman of the meetings of the Board shall be a non-executive director as the Board and Committee Meetings are chaired by non-executive director.

2. **Reporting of Internal Auditor**

The Internal Auditor reports directly to the Audit Committee of the Company.

XX. **General shareholder information**

The mandatory and various additional information of interest to investors are voluntarily furnished in a separate section on investor information in this Annual Report.

Certificate from Company Secretary in Practice on corporate governance

Certificate from Company Secretary in Practice on compliance of Regulation 34(3) of the Listing Regulations relating to corporate governance is published in this Annual Report.

Review of governance practices

We have in this Report attempted to present the governance practices and principles being followed at Reliance Home Finance, as evolved over a period and as best suited to the needs of our business and stakeholders.

Our disclosures and governance practices are continually revisited, reviewed and revised to respond to the dynamic needs of our business and ensure that our standards are at par with the globally recognised practices of governance, so as to meet the expectations of all our stakeholders.

Compliance of Corporate Governance requirements specified in Regulations 17 to 27 and Regulation 46(2)(b) to (i) of the Listing Regulations

Sr. No.	Particulars	Regulation	Compliance Status	Compliance Observed
1.	Board of Directors	17	Yes	• Composition and appointment of Directors • Meetings and Quorum • Review of compliance reports and compliance certificate • Plans for orderly succession for appointments • Code of Conduct • Fees / compensation to Non-Executive Directors • Minimum information to be placed before the Board • Compliance Certificate • Risk assessment and management • Performance evaluation of Independent Directors • Recommendation of the Board for each item of Special Business
2.	Maximum number of Directorship	17A	Yes	• Directorship in listed entities
3.	Audit Committee	18	Yes	• Composition • Meeting and Quorum of the Committee • Chairperson present at the Annual General Meeting • Role of the Committee
4.	Nomination and Remuneration Committee	19	Yes	• Composition • Meeting and Quorum of the Committee • Chairperson present at the Annual General Meeting • Role of the Committee
5.	Stakeholders Relationship Committee	20	Yes	• Composition • Meeting and Quorum of the Committee • Chairperson present at the Annual General Meeting • Role of the Committee
6.	Risk Management Committee	21	Yes	• Composition • Meeting and Quorum of the Committee • Role of the Committee
7.	Vigil Mechanism	22	Yes	• Review of Vigil Mechanism for Directors and employees • Direct access to Chairperson of Audit Committee
8.	Related Party Transactions	23	Yes	• Policy of Materiality of Related Party Transactions and dealing with Related Party Transactions • Approval including omnibus approval of Audit Committee and the Board • Review of Related Party Transactions • No material Related Party Transactions • Disclosure of Related Party Transactions on consolidated basis
9.	Secretarial Audit	24A	Yes	• Secretarial Audit of the Company • Annual Secretarial Compliance Report
10.	Obligations with respect to Independent Directors	25	Yes	• No alternate director for Independent Directors • Maximum Directorship and tenure • Meetings of Independent Directors • Cessation and appointment of Independent Directors • Familiarisation of Independent Directors • Declaration by Independent Directors • Directors and Officer's Insurance
11.	Obligations with respect to employees including Senior Management, Key Managerial Personnel, Directors and Promoters	26	Yes	• Memberships / Chairmanships in Committees • Affirmation on compliance of Code of Conduct by Directors and Senior Management • Disclosure of shareholding by Non-Executive Directors • Disclosures by Senior Management about potential conflicts of interest • No agreement with regard to compensation or profit sharing in connection with dealings in securities of the Company by Key Managerial Personnel, Director and Promoter
12.	Other Corporate Governance requirements	27	Yes	• Compliance with discretionary requirements • Filing of compliance report on Corporate Governance
13.	Website	46(2)(b) to (i)	Yes	• Terms and conditions for appointment of Independent Directors • Composition of various Committees of the Board of Directors • Code of Conduct of Board of Directors and Senior Management • Details of establishment of Vigil Mechanism / Whistle-blower policy • Criteria of making payment to Non-executive Director • Policy on dealing with Related Party Transactions • Policy for determining material subsidiaries • Details of familiarisation programmes imparted to Independent Directors

Certificate on Corporate Governance by Practicing Company Secretary

To,
The Members
Reliance Home Finance Limited
The Ruby, 11th Floor, North-West Wing
Plot No. 29, Senapati Bapat Marg
Dadar (West), Mumbai 400 028

I have examined the compliance of conditions of Corporate Governance by Reliance Home Finance Limited ('the Company') for the year ended March 31, 2021, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations, 2015") as referred to in Regulations 15(2) of the SEBI Listing Regulations, 2015 for the period from April 1, 2020 to March 31, 2021.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management and my examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015 and the Housing Finance Companies – Corporate Governance (NHB) Directions, 2016.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate is issued solely for the purposes of complying with the aforesaid Regulations and should not be used by any other person or for any other purpose.

For Aashish K. Bhatt & Associates
Practicing Company Secretaries
(ICSI Unique Code S2008MH100200)

Aashish K. Bhatt
Proprietor
ACS No.: 19639, COP No.: 7023
UDIN: A019639C000717699
Date : July 31, 2021
Place : Mumbai

Certificate Of Non-Disqualification Of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C Sub clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members

Reliance Home Finance Limited
The Ruby, 11th Floor, North-West Wing
Plot No. 29, Senapati Bapat Marg
Dadar (West), Mumbai 400 028

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Reliance Home Finance Limited having CIN L67190MH2008PLC183216 and having registered office at The Ruby, 11th Floor, North-West Wing, Plot No. 29, Senapati Bapat Marg, Dadar (West), Mumbai 400 028 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers and further, based on the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors and the legal opinion obtained by the Company, none of the directors are disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act. I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company	Date of Cessation
1.	Ms. Chhaya Virani	06953556	01.04.2019	-
2.	Ms. Rashna Khan	06928148	02.05.2019	-
3.	Mr. Ashok Ramaswamy	00233663	31.05.2019	-
4.	Mr. Sushilkumar Agrawal	00400892	23.01.2020	-
5.	Mr. Ashok Karnavat	07098455	23.01.2020	31.05.2021
6.	Mr. Sunil Wadikar	07238445	23.06.2020	-

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 Aashish K. Bhatt & Associates
Practicing Company Secretaries
(ICSI Unique Code S2008MH100200)

Aashish K. Bhatt
Proprietor
ACS No.: 19639, COP No.: 7023
UDIN: A019639C000717677
Date: July 31, 2021
Place : Mumbai

Investor Information

Important points

Investors should hold securities in dematerialised form, as transfer of shares in physical form is no longer permissible.

As mandated by SEBI, w.e.f. April 1, 2019, request for effecting transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository except for transmission and transposition of securities.

Members are advised to dematerialise securities in the Company to facilitate transfer of securities.

Holding securities in dematerialised form is beneficial to the investors in the following manner:

- A safe and convenient way to hold securities;
- Elimination of risk(s) associated with physical certificates such as bad delivery, fake securities, delays, thefts, etc.;
- Immediate transfer of securities;
- No stamp duty on electronic transfer of securities;
- Reduction in transaction cost;
- Reduction in paperwork involved in transfer of securities;
- No odd lot problem, even one share can be traded;
- Availability of nomination facility;
- Ease in effecting change of address / bank account details as change with Depository Participants (DPs) gets registered with all companies in which investor holds securities electronically;
- Easier transmission of securities as the same is done by DPs for all securities in demat account.
- Automatic credit in to demat account of shares, arising out of bonus / split / consolidation / merger / etc.;
- Convenient method of consolidation of folios/accounts;
- Holding investments in Equity, Debt Instruments, Government securities, Mutual Fund Units etc. in a single account;
- Ease of pledging of securities; and
- Ease in monitoring of portfolio.

Members holding shares in physical mode:

a. are required to submit their Permanent Account Number (PAN) and bank account details to the Company / KFin Technologies Private Limited (KFintech), the Company's Registrar & Transfer Agent (RTA), if not registered with the Company as mandated by SEBI.

b. are advised to register the nomination in respect of their shareholding in the Company.

   Nomination Form (SH-13) is put on the Company's website and can be accessed at link https://www.reliancehomefinance.com/web/guest/investor-information.

c. are requested to register / update their e-mail address with the Company / KFintech for receiving all communications from the Company electronically.

Members holding shares in electronic mode:

a. are requested to submit their PAN and bank account details to their respective DPs with whom they are maintaining their demat accounts.

b. are advised to contact their respective DPs for registering the nomination.

c. are requested to register / update their e-mail address with their respective DPs for receiving all communications from the Company electronically.

The Securities and Exchange Board of India vide its circular no. SEBI / HO / MIRSD / DOS3 / CIR / P / 2019 / 30 dated February 11, 2019, with a view to address the difficulties in transfer of shares, faced by non-residents and foreign nationals, has decided to grant relaxations to non-residents from the requirement to furnish PAN and permit them to transfer equity shares held by them in listed entities to their immediate relatives subject to the following conditions:

a. The relaxation shall only be available for transfers executed after January 1, 2016.

b. The relaxation shall only be available to non-commercial transactions i.e. transfer by way of gift among immediate relatives.

c. The non-resident shall provide copy of an alternate valid document to ascertain identity as well as the non-resident status.

Non-Resident Indian members are requested to inform KFintech, the Company's RTA immediately on the change in the residential status on return to India for permanent settlement.

Hold securities in consolidated form

Investors holding securities in multiple folios are requested to consolidate their holdings in single folio. Holding of securities in one folio enables shareholders to monitor the same with ease.

Link for updating PAN / Bank Details is provided on the website of the Company

Electronic Payment Services

Investors should avail the Electronic Payment Services for payment of dividend as the same reduces risk attached to physical dividend warrants. Some of the advantages of payment through electronic credit services are as under:

- Avoidance of frequent visits to banks for depositing the physical instruments;
- Prompt credit to the bank account of the investor through electronic clearing;
- Fraudulent encashment of warrants is avoided;
- Exposure to delays / loss in postal service avoided;
- As there can be no loss in transit of warrants, issue of duplicate warrants is avoided.

Printing of bank account numbers, names and addresses of bank branches on dividend warrants provide protection against fraudulent encashment of dividend warrants. Members are requested to provide the same to the Company's RTA for incorporation on their dividend warrants.

Register for SMS alert facility

Investor should register with Depository Participants for the SMS alert facility. Both Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) alert investors through SMS of the debits and credits in their demat account.

Intimate mobile number

Shareholders are requested to intimate their mobile number and changes therein, if any, to Company's RTA viz. KFintech, if shares are held in physical form or to their DP, if the holding is in electronic form, to receive communications on corporate actions and other information of the Company.

Submit nomination form and avoid transmission hassle

Nomination helps nominees to get the securities transmitted in their favour without any hassles. Investors should get the nomination registered with the Company in case of physical holding and with their Depository Participants in case securities are held in dematerialised form.

Form may be downloaded from the Company's website under the section 'Investor Relations' under the tab 'Investor Information' – Download Forms. However, if securities are held in dematerialised form, nomination has to be registered with the concerned Depository Participants directly, as per the form prescribed by the Depository Participants.

Deal only with SEBI registered intermediaries

Investors should deal only with SEBI registered intermediaries so that in case of deficiency of services, investor may take up the matter with SEBI.

Corporate benefits in electronic form

Investor holding shares in physical form should opt for corporate benefits like bonus / split / consolidation / merger, etc. in electronic form by providing their demat account details to the Company's RTA.

Register e-mail address

Investors should register their e-mail address with the Company / Depository Participants. This will help them in receiving all communication from the Company electronically at their e-mail address. This also avoids delay in receiving communications from the Company. Prescribed form for registration may please be downloaded from the Company's website.

Course of action for revalidation of dividend warrant for previous years

Shareholders may write to the Company's RTA furnishing the particulars of the dividend not received and quoting the folio number / DP ID and Client ID particulars (in case of dematerialised shares), as the case may be and provide bank details along with cancelled cheque bearing the name of the shareholder for updation of bank details and payment of unpaid dividend. The RTA would request the concerned shareholder to execute an indemnity before processing the request. As per circular dated April 20, 2018 issued by SEBI, the unencashed dividend can be remitted by electronic transfer only and no duplicate dividend warrants will be issued by the Company. The shareholders are advised to register their bank details with the Company / RTA or their DPs, as the case may be, to claim unencashed dividend from the Company.

Facility for a Basic Services Demat Account (BSDA)

SEBI has stated that all the depository participants shall make available a BSDA for the shareholders unless otherwise opted for regular demat account with (a) No Annual Maintenance charges if the value of holding is upto ₹ 50,000; and (b) Annual Maintenance charges not exceeding ₹ 100 for value of holding from ₹ 50,001 to ₹ 2,00,000. (Refer circular CIR/MRD/DP/22/2012 dated August 27, 2012 and circular CIR/MRD/DP/20/2015 dated December 11, 2015).

Annual General Meeting

The 13th Annual General Meeting (AGM) will be held on Tuesday, September 14, 2021 at 4:30 P.M. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

E-voting

The Members can cast their vote online through remote e-voting from 10:00 A.M. on September 10, 2021 to 5:00 P.M. on September 13, 2021. Further, the e-voting facility shall also be made available to the shareholders present at the meeting through Video Conferencing and have not cast their vote on resolution through remote e-voting. The Members who have cast their votes by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their votes again at the Meeting.

The Members shall refer to the detailed procedure on remote e-voting are given in the Notice and the e-voting instruction slip.

Pursuant to Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, effective from June 9, 2021, SEBI has revised the procedure for e-voting facilities to be providedby listed entities for individual shareholders holding security demat form. Members are requested to follow the procedure/ instructions provided in the Notes to Notice for the Annual General Meeting pursuant to the aforesaid circular.

Financial year of the Company

The financial year of the Company is from April 1 to March 31 each year.

Website

The Company's website www.reliancehomefinance.com contains a separate dedicated section called 'Investor Relations'. It contains comprehensive database of information of interest to our investors including the financial results, annual reports, dividend declared, any price sensitive information disclosed to the regulatory authorities from time to time, business activities and the services rendered / facilities extended to our investors.

Dedicated e-mail id for investors

For the convenience of our investors, the Company has designated an e-mail id i.e. rhfl.investor@relianceada.com for investors.

Registrar and Transfer Agent (RTA)

KFin Technologies Private Limited

Unit: Reliance Home Finance Limited

Selenium Building, Tower – B

Plot No. 31 & 32, Financial District, Nanakramguda

Hyderabad 500 032

Toll free no. (India): 1800 309 4001

Tel.: +40 6716 1500

Fax: +40 6716 1791

E-mail : rhflinvestor@kfintech.com

Website: www.kfintech.com

Dividend announcements

The Board of Directors of the Company have not recommended any dividend for the financial year 2020-21.

Investor Information

Shareholding Pattern

Category of shareholders		As on 31.03.2021		As on 31.03.2020	
		Number of Shares	%	Number of Shares	%
(A)	Shareholding of promoter and promoter group				
	(i) Indian	**24 04 84 799**	**49.58**	24 04 84 799	49.58
	(ii) Foreign	**-**	**-**	-	-
	Total shareholding of promoter and promoter group	**24 04 84 799**	**49.58**	24 04 84 799	49.58
(B)	Public shareholding				
	(i) Institutions	**1 84 83 462**	**3.81**	2 65 90 281	5.48
	(ii) Non-institutions	**22 60 90 557**	**46.61**	21 79 83 738	44.94
	Total public shareholding	**24 45 74 019**	**50.42**	24 45 74 019	50.42
(C)	Shares held by custodians and against which depository receipts have been issued	**-**	**-**	-	-
	Grand Total (A)+(B)+(C)	**48 50 58 818**	**100**	48 50 58 818	100.00

Distribution of Shareholding

Number of shares	Number of shareholders as on 31.03.2021		Total shares as on 31.03.2021		Number of shareholders as on 31.03.2020		Total shares as on 31.03.2020	
	Number	%	Number	%	Number	%	Number	%
Upto 500	8 03 044	96.15	2 40 21 619	4.95	8 13 407	97.26	2 32 03 009	4.78
501 to 5000	26 550	3.18	4 33 79 105	8.94	19 002	2.27	2 93 81 792	6.06
5001 to 100000	5 415	0.65	9 42 72 989	19.44	3 757	0.45	6 56 86 278	13.54
Above 100000	227	0.03	32 33 85 105	66.67	175	0.02	36 67 87 739	75.62
Total	8 35 236	100.00	48 50 58 818	100.00	8 36 341	100.00	48 50 58 818	100.00

Dematerialisation of shares and Liquidity

The Company had admitted its shares to the depository system of NSDL and CDSL for dematerialisation. The International Securities Identification Number (ISIN) allotted to the Company is INE217K01011. The equity shares of the Company are compulsorily traded in dematerialised form as mandated by SEBI.

Status of dematerialisation of shares

As on March 31, 2021, 99.17 per cent of the Company's shares are held in dematerialised form.

Legal Proceedings

There are certain pending cases relating to disputes over title to shares in which the Company is made a party. These cases are however not material in nature.

Equity History

Sr. No.	Date	Particulars	Price per equity share (₹)	No. of shares	Cumulative Total
1.	05-06-2008	Shares issued upon Incorporation	10	10 000	10 000
2.	26-06-2008	Issued to holding company	10	99 90 000	1 00 00 000
3.	26-02-2010	Rights Issue	10	2 00 00 000	3 00 00 000
4.	29-01-2013	Bonus Issue	-	3 29 10 000	6 58 20 000
5.	26-10-2016	Preferential Issue	40	2 50 00 000	9 08 20 000
6.	06-12-2016	Preferential Issue	40	2 50 00 000	11 58 20 000
7.	04-09-2017	Rights Issue	32	11 65 49 188	23 23 69 188
8.	07-09-2017	Allotment pursuant to Scheme of Arrangement	-	25 26 89 630	48 50 58 818

Investor Information

Credit Rating

Rating Agency	Type of Instrument	Rating as on March 31, 2021
CARE Ratings Limited	Long Term Debt Programme	CARE D
	Principal Protected Market Linked Debentures	CARE PP-MLD D
	Subordinated Debt	CARE D
	Upper Tier-II NCDs	CARE D
	Non-Convertible Debentures – Public Issue	CARE D
	Upper Tier II Bonds – Public Issue	CARE D
Brickwork Ratings India Private Limited	Long Term Secured NCD	BWR D
	Principal Protected Market Linked Debentures	BWR PP-MLD D
	Unsecured Subordinated Tier II NCD	BWR D
	Long Term Unsecured Upper Tier-II NCD	BWR D
	Long Term Secured NCD – Public Issue	BWR D
	Public Issue of Long Term Unsecured Upper Tier II NCD	BWR D
	Commercial Paper	BWR D
ICRA Limited	Commercial Paper	[ICRA] D

Credit ratings have not been revised during the financial year.

Stock Price and Volume

2020-21	BSE Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Volume Nos.	High (₹)	Low (₹)	Volume Nos.
April, 2020	1.11	0.75	98 27 915	1.2	0.7	9 65 23 576
May, 2020	1.33	1	1 50 57 288	1.35	1.05	4 55 51 461
June, 2020	2.81	1.07	3 59 61 858	2.4	1.1	2 02 81 579
July, 2020	3.24	2.08	2 86 57 620	2.8	2.1	5 73 29 600
August, 2020	2.39	1.89	1 05 40 978	2.4	1.9	3 79 17 607
September, 2020	2.18	1.63	1 03 95 992	2.2	1.7	2 45 35 066
October, 2020	2.17	1.41	1 24 22 110	2.15	1.4	2 49 38 379
November, 2020	2.13	1.76	1 21 36 426	2.1	1.75	1 93 08 466
December, 2020	3.06	1.93	2 87 49 825	2.95	1.9	4 91 89 675
January, 2021	2.94	2.07	76 33 334	2.9	2.05	1 95 56 356
February, 2021	2.58	2.05	1 32 96 762	2.55	2.1	2 67 78 599
March, 2021	3.5	2.25	2 72 71 664	3.45	2.25	6 34 54 004

[Source: This information is compiled from the data available on the websites of BSE and NSE]

Investor Information

Stock exchange listings

The Company's equity shares are actively traded on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), the Indian Stock Exchanges.

Listing on stock exchanges
Equity shares
BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street, Fort
Mumbai 400 001
Website : www.bseindia.com

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Website : www.nseindia.com

Stock codes

BSE Limited	: 540709
National Stock Exchange of India Limited	: RHFL
ISIN for equity shares	: INE217K01011

Commodity price risk or foreign exchange risk and hedging activities

The Company does not have any un-hedged exposure to commodity price risks and foreign exchange risk. The Company hedges its interest rate risk on market linked debentures by taking positions in futures and options.

Debt securities

The Non-Convertible Debentures (NCDs) issued through Public Issue are listed on BSE and NSE. NCDs issued through Private Placement are listed on BSE.

Debenture Trustee
IDBI Trusteeship Services Limited
Asian Building, Ground Floor, 17 R Kamani Marg
Ballard Estate, Mumbai 400 001
Website: www.idbitrustee.com

Catalyst Trusteeship Limited
GDA House, Plot No. 85
Bhusari Colony (Right)
Paud Road, Pune 411 038
Website: www.catalysttrustee.com

Payment of listing fees

Annual listing fees for the year 2020-21 and 2021-22 has been paid by the Company to the stock exchanges.

Payment of depository fees

Annual custody / issuer fees for the year 2020-21 and 2021-22 has been paid by the Company to NSDL and CDSL.

Share price performance in comparison to broad based indices- Sensex BSE and Nifty NSE

	RHFL %	Sensex BSE %	Nifty NSE %
FY 2020-21	220.00	68.01	70.87
2 years	(91.65)	28.02	26.38
3 years	(95.97)	50.17	45.26

Key financial reporting dates for the financial year 2021-22

Unaudited results for the first quarter ended June 30, 2021	:	On or before August 14, 2021
Unaudited results for the second quarter / half - year ended September 30, 2021	:	On or before November 14, 2021
Unaudited results for the third quarter / nine months ended December 31, 2021	:	On or before February 14, 2022
Audited results for the financial year 2021-22	:	On or before May 30, 2022

Depository services

For guidance on depository services, shareholders may write to the Company's RTA or National Securities Depository Limited, Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, website: www.nsdl. co.in or Central Depository Services (India) Limited, Unit No. A-2501, A Wing, Marathon Futurex, 25th Floor, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (E), Mumbai 400 013, website: www.cdslindia.com.

Reconciliation of share capital audit

The Securities and Exchange Board of India has directed that all issuer companies shall submit a report reconciling the total shares held in both the depositories viz. NSDL and CDSL and in physical form with the total issued / paid-up capital. The said report, duly certified by a qualified chartered accountant is submitted to the stock exchanges where the securities of the Company are listed within 30 days of the end of each quarter and the certificate is also placed before the Board of Directors of the Company.

Investors' correspondence may be addressed to the Registrar and Transfer Agent of the Company

Shareholders / Investors are requested to forward documents related to share transfer, dematerialisation requests (through their respective Depository Participant) and other related correspondence directly to KFintech at the below mentioned address for speedy response:

Investor Information

KFin Technologies Private Limited

Unit: Reliance Home Finance Limited
Selenium Building, Tower – B
Plot No. 31 & 32
Financial District, Nanakramguda
Hyderabad 500 032, Telangana
E-mail : rhflinvestor@kfintech.com, Website: www.kfintech.com

Shareholders / Investors may send the above correspondence at the following address

Queries relating to Financial Statement of the Company may be addressed to :

Chief Financial Officer
Reliance Home Finance Limited
The Ruby, 11th Floor, North-West Wing
Plot No. 29, Senapati Bapat Marg
Dadar (West), Mumbai 400 028
Tel.: +91 22 6838 8100 Fax: +91 22 6838 8360
E-mail: rhfl.investor@relianceada.com

Correspondence on investor services may be addressed to:

Company Secretary & Compliance Officer
Reliance Home Finance Limited
The Ruby, 11th Floor, North-West Wing
Plot No. 29, Senapati Bapat Marg
Dadar (West), Mumbai 400 028
Tel.: +91 22 6838 8100 Fax: +91 22 6838 8360
E-mail: rhfl.investor@relianceada.com

Plant Locations

The Company is engaged in the home finance business and as such has no plant.

Independent Auditor's Report

To,
The Members,
Reliance Home Finance Limited

Report on the Audit of the Ind AS Financial Statements

Qualified Opinion

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

In our opinion and to the best of our information and according to the explanations given to us except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report the aforesaid Ind AS 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

We draw attention to Note 5(2) of the Ind AS financial Statements with regards to the loan advanced under the 'General-Purpose Corporate Loan' product with significant deviations to certain bodies corporate including group companies and outstanding as at March 31, 2021 aggregating to ₹ 7,965.24 crores and secured by charge on current assets of borrowers. As stated in the said note, majority of Company's borrowers have undertaken onward lending transactions and end use of the borrowings from the Company included borrowings by or for repayment of financial obligation to some of the group companies. The Outstanding exposure amounting to ₹ 7,965.24 Crores under General purpose corporate loan provided by the company had become Non Performing asset (NPA) as on March 31, 2021. In view of the same we are unable to substantiate the management assertion on the recoverability of principal and interest including time frame of recovery of aforesaid loans outstanding as on March 31, 2021. The Company's exposure to the borrowers are secured against charge on current assets and is dependent on the recovery of onward lending of the borrowers which depends on external factors not wholly within control of the Company/borrower. Further we draw attention to Note 46 of the Ind AS financial statements on the material shift in primary business of the Company from Housing Finance to Non-Housing Finance which comprise more than 50% of total loan portfolio raising concern about Company continuing as a Housing Finance Company.

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

Emphasis of Matters

(i) Going concern

We draw attention to note 18(d) to the Ind AS Financial statements which states that the Company has engaged with its lenders to enter into an Inter Creditor Agreement (ICA) for the resolution of its debt in accordance with the circular dated June 7, 2019 issued by the Reserve Bank of India for prudential framework for resolution of stressed assets with Bank of Baroda acting as the lead lender. The lenders have made the appointment of professional viz resolution plan advisors, forensic auditor, legal counsel, cash flow monitoring agency and valuation agencies for the resolution process. The timeline of 180 days as envisaged in the RBI Circular expired on January 3, 2020. However as informed the lenders had extended the ICA till March 31, 2021. We are further informed, the lead banker had confirmed that resolution process under way and ICA lenders are taking all steps in resolving the stress situation of the company. Bank of Baroda as lead lender and on behalf of ICA lender has as part of debt resolution process has invited expression of interest (EOI) and bids from interested bidders, the resolution process is in final stage with the lenders having received the final plan from interested investors. The company is expecting that lenders will finalize the resolution plan which will be implemented. There is substantial reduction in the lending business during the year. The Company has defaulted in payment of borrowings obligations amounting to ₹ 7,828.87 crores as on March 31, 2021 and the asset cover has also fallen below hundred percent of outstanding debentures amounting to ₹ 5,966.67 crores. The Company's ability to meet its obligation dependent on material uncertain events including restructuring of loan portfolio, implementation of Resolution Plan by Inter Creditor Agreement for the resolution of its debt under the ICA as stated above and revival of housing finance business.

In view of steps taken by the company and resolution process being in the final stage the expected implementation and further extension of resolution, the Ind AS financial statements of the Company have been prepared by the management on a going concern basis.

Our opinion is not modified in respect of this matter.

(ii) Impact of COVID-19 pandemic

The outbreak of Corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company's operations and revenue during the period were impacted due to COVID-19. The Company has taken into account the possible impact of COVID-19 in preparation of the audited financial results, including its assessment of recoverable value of its assets such as loans, receivables, intangible assets (including goodwill), deferred tax assets, investments and investment properties, during the year and as on 31st March 2021 based on internal and external information including credit reports, economic forecasts and industry reports upto the date of approval of these audited financial results and current indicators of future economic conditions. Since the situation is rapidly evolving, its effect on the operations of the Company may be different from that estimated as at the date of approval of these audited Ind AS financial statements.

We draw attention to Note 57 to the Ind AS Financial statements which describes the extent to which the COVID-19 pandemic will impact the Company's results will depend on future developments, which are highly uncertain. The note further states that in accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020, the Company has granted a moratorium of upto six months on the payment of all installments comprising of principal and / or interest, as applicable, falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers classified as Standard, even if overdue, as on February 29, 2020. For all such accounts where the moratorium is granted, the asset classification has remained stand still during the moratorium period (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification under the Income Recognition, Asset Classification and Provisioning norms). The Company has provided Stage 3 provisioning on all such cases mentioned above in the Statement of Profit & Loss for the quarter and year ended March 31, 2021.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

We have determined the matters described below to be the Key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements.

The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our qualified audit opinion on the accompanying Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Subjective Estimate **1. Recognition and measurement of impairment relating to loans and advances to customers involves significant management judgement.** (as described in Note 38 of the Ind AS Financial Statements) As per Ind AS 109 credit loss assessment is now based on Expected Credit Loss (ECL) model and applicable to the Company. The Impairment loss provision is computed based on management estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors. The most significant areas involving significant management estimates are: • Loan staging criteria • Calculation of probability of default / Loss given default/ Exposure at default. • Consideration of probability weighted scenarios and forward looking macro-economic factors. Ind AS 109 requires an entity to determine Expected Credit Loss (ECL) amount on a probability weighted basis. There is a large increase in the data inputs required for the computation of ECL. This increases the risk of completeness and accuracy of the data that has been used as a basis of significant assumptions in the model.	Our audit procedures included considering the appropriateness of the Company's accounting policies for impairment of financial assets and assessing compliance with Ind AS 109. • Understood Company's new processes, systems and controls implemented relating to impairment allowance process including governance controls over the development and implementation of the ECL model; • Test checked the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charge and test checked management review controls over measurement of impairment allowances and disclosures in the financial statements; • Evaluated appropriateness of the impairment principles based on the requirements of Ind AS 109 considering our business understanding and industry practice; • Performed substantive procedures over validating completeness and accuracy of the data and reasonableness of assumptions used in the model; • We engaged our specialists to test the working of the ECL model and reasonableness of assumptions used; • Broadly evaluated management's judgement in the determination of ECL; • Performed cut off procedures on a sample basis relating to recoveries at year end that would impact staging of loans;
2. Valuation of Market Linked Debentures: (as described in Note 17 and Note 37(c) of the Ind AS Financial Statements) The Company has outstanding balance of Market Linked Debentures (MLD) as on March 31, 2021 of ₹ 282.54 crores. These MLDs are economically hedged with Exchange instruments like Nifty, Bank Nifty & Stock Options. The Company has done an internal valuation of the outstanding MLD using internal valuation techniques. Considering that internal valuation of MLD is significant to overall financial statements and the degree of management's judgement involved in the estimate, any error in the estimate could lead to material misstatement in the financial statements. Therefore, it is considered as a key audit matter.	Our audit procedures included an assessment of internal controls over valuation methodologies, inputs, judgments made and assumptions used by management in determining fair valuation of MLD. We have assessed and reviewed the fair valuation of MLD by the Company for compliance with Ind AS. We compared resulted valuations against independent sources and externally available market valuation data for sample cases.

Independent Auditor's Report

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>4. Impairment of Goodwill:
(As described in Note 1(k) and Note 12 of the Ind AS Financial Statements)
The Company has recognised goodwill of ₹ 209.96 crores generated pursuant to the scheme of arrangements approved by NCLT on April 5, 2017 and August 10, 2017 and under Indian GAAP the Company had determined to amortize the goodwill so generated over the next few years.
As required under Ind AS 36-Impairment of Assets, A cash-generating unit to which goodwill has been allocated shall be tested for impairment annually, and whenever there is an indication that the unit may be impaired, by comparing the carrying amount of the unit, including the goodwill, with the recoverable amount of the unit, which is based on many factors involving significant management estimate and judgement.
Considering that goodwill impairment is significant to overall financial statements and the degree of management's judgement involved in the estimate, any error in the
estimate could lead to material misstatement in the financial statements. Therefore, it is considered as a key audit matter.</td><td>We have understood the basis of significant estimate, judgement and assumptions taken by management for annual impairment test of goodwill allocated to a cash-generating unit with respect to following criterion:
● Future growth and long-term life of housing finance industry.
● Long term benefits to the Company from the use of existing assets.
● Government focus on housing finance sector.
● Market exposure – having a Company's stock listed on an exchange could attract the attention of mutual and hedge funds, market makers and institutional traders.
● Other various economic factors and conclusion that goodwill generated will bring additional benefit in future and fair value is more than the carrying value hence no impairment triggered as required under Ind AS 36.
● As per Management the debt resolution of Reliance Home Finance Limited (RHFL) under 07th June 2019 Circular of RBI – Prudential Framework for Resolution of Stressed Assets is presently in final stages and the lead bank and Resolution Advisors had received the final bids from interested investors and looking at the above benefits to the Company in the foreseeable future, the management believes that there shall be no Impairment for the said goodwill
We have assessed the management contention as mentioned above and also considered various steps taken by the management including entering into ICA for resolution of debts as mentioned in Note 18(d) and continue to be going concern, various government policy for housing finance company and company's focusing on retail loan segment.</td></tr>
<tr><td>4. Deferred Tax Assets :
The Company has recognized Deferred Tax Assets on unused tax losses amounting to ₹ 782.98.Crores during the year.
As required under Ind AS 12-Income Taxes, A deferred tax asset shall be recognised for the carry forward of unused tax losses or tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses or tax credits can be utilised.
The criteria for recognising deferred tax assets arising from the carry forward of unused tax losses and tax credits are the same as the criteria for recognizing deferred tax assets arising from deductible temporary differences. However, the existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, when an entity has a history of recent losses, the entity recognises a deferred tax asset arising from unused tax losses or tax credits only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the entity.</td><td>As required under Ind AS 12, the Management may consider the following criteria in assessing the probability that taxable profit will be available against which the unused tax losses or unused tax credits can be utilised:
(a) whether the Company has sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilised before they expire;
(b) whether it is probable that the entity will have taxable profits before the unused tax losses or unused tax credits expire;
(c) whether the unused tax losses result from identifiable causes which are unlikely to recur; and
(d) whether tax planning opportunities are available to the entity that will create taxable profit in the period in which the unused tax losses or unused tax credits can be utilized.
(e) In view of the on-going debt resolution process being in the final stages, there is potential scope for the Company to utilize the Deferred Tax Asset subject to the nature of the final resolution plan to be selected by the lenders and implemented
The management recognized the deferred tax asset on unused tax losses after due assessment of the above criterions which also includes various steps taken by the management including entering into ICA for resolution of debts as mentioned in Note 18(d) and continue to be going concern, various government policy for housing finance company and company's focusing on retail loan segment..</td></tr>
</table>

Information Other than the Ind AS Financial Statements and Auditor's Report Thereon.

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Ind AS financial statements and our Auditor's Report thereon.

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Independent Auditor's Report

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
   (e) The Company is prohibited to dispose off, alienate, encumber either directly or indirectly or otherwise part with the possession, of any assets except in the ordinary course of business such as payment of salary and statutory dues vide Order dated November 20, 2019 passed by the Hon'ble Delhi High Court. Consequently, the interest and principal amounts in relation to various series of debentures have remained unpaid and outstanding as on March 31, 2021. Based on the legal opinion obtained by the Company and based on the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
   (g) In our opinion and as per information and explanation provided to us, the managerial remuneration for the year ended March 31, 2021 has not been paid/provided by the Company to its directors. Hence the provisions of section 197 read with Schedule V to the Act are not applicable to the Company. ;
   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations as at March 31, 2021 on its financial position in its financial statements. Refer Note 49.
      ii. The Company has made provision as at March 31, 2021, wherever required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts. Refer Note 56.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Dhiraj & Dheeraj**
Chartered Accountants
Firm's Registration Number: 102454W

CA Shailendra Dadhich
Partner
Membership Number: 425098
Place : Mumbai
Date : May 07, 2021
UDIN: 21425098AAAADH4599

Annexure A to the Independent Auditors' Report on the Financial Statement

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Reliance Home Finance Limited** of even date)

i. In respect of the Company's fixed assets:

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

(b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this frequency of verification is reasonable.

(c) According to the information and explanations given to us and on the basis of our examination of the records, the title deeds of immovable properties as disclosed in Note 11 on Property, plant and equipment to the financial statements are held in the name of the Company.

ii. The Company is in the business of rendering services and consequently, does not hold any physical inventory. Accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

iii. According to the information and explanation given to us and based upon audit procedure performed, during the year the Company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, provisions of clause 3(iii) (a), (b) and (c) of the order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us by the management, the Company has not granted any loan or provided any guarantee or security in connection with any loan taken by parties covered under section 185 of the act. The Company is registered as a Housing Finance Company with the National Housing Bank. Therefore, the provisions of Section 186, except sub section (1) of Section 186, of the Act are not applicable to the Company. Further the Company has not made any investments to the parties covered under Section 186. Therefore, the provisions of Clause 3(iv) of the order in respect of section 186 (1) are not applicable to the Company.

v. The Company has not accepted any deposits from public within the meaning of Sections 73 to 76 of the Act and the rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of Cost records under section 148 (1) of Act, for any of the products of the Company.

vii. According to the information and explanations given to us and records examined by us, in respect of statutory dues:

(a) The Company is generally being regular in deposit of undisputed statutory dues including Income Tax, Provident Fund, Goods and Service Tax and any other material statutory dues applicable to the Company. As explained to us the Company does not have any dues on account of Sales Tax, Wealth Tax, duty of Custom and duty of Excise.

According to the information and explanations given to us and based on audit procedures performed, there are no undisputed statutory dues payable in respect of Income Tax, Provident Fund, Goods and Service Tax and any other material statutory dues applicable to the Company which are outstanding as on March 31, 2021 for a period of more than six months from the date they became payable. As explained to us the Company does not have any dues on account of Sales Tax, Wealth Tax, duty of Custom and duty of Excise.

(b) According to the information and explanations given to us, there are no dues of Goods and Service Tax and other material statutory dues applicable to the Company which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of the dues	Amount (₹ In Crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	0.48*	Assessment Year 2018-19	CIT(Appeals)

*The Company has deposited ₹ 0.12 crores against the disputed amount.

Annexure A to the Independent Auditors' Report on the Financial Statement

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has defaulted in repayment of loans and borrowings obtained from financial institutions , banks and debenture holders, details of which are as follows:

Particulars	Amount of Default as at the Balance Sheet Date (₹ in crore)		Period of Default (Days)	
Name of the lenders	Principal	Interest*	Principal	Interest
1. Term Loans from Banks and Financial Institutions				
Andhra Bank	129.26	16.04	644	517
Axis Bank Ltd	38.16	6.16	608	548
Bank of Bahrain and Kuwait	7.50	1.19	398	517
Bank of Baroda	343.34	68.88	635	517
Bank of India	150.00	34.31	640	517
Canara Bank	210.00	35.14	471	517
Dena Bank	236.44	65.67	643	517
HDFC Bank Ltd	46.67	6.15	548	517
ICICI Bank	-	10.48	-	517
Indian Bank	60.00	16.97	495	517
Karnataka Bank	20.00	2.62	550	517
Punjab & Sind Bank	280.00	69.33	557	517
Punjab National Bank	80.00	16.43	456	517
State Bank of Bikaner and Jaipur	40.00	10.21	548	517
State Bank of Hyderabad	20.00	5.11	559	517
State Bank of Patiala	40.00	10.13	378	517
Syndicate Bank	100.00	44.51	184	517
The Federal Bank Ltd.	100.00	20.63	593	517
The Jammu and Kashmir Bank Limited	60.00	8.22	511	517
UCO Bank	100.00	25.83	689	517
United Bank of India	175.00	23.80	640	517
Vijaya Bank	75.00	11.52	478	517
2. Cash Credit from Banks and Financial Institutions				
Axis Bank Ltd	40.00	0.34	607	548
Bank of Baroda	9.74	6.04	414	517
Canara Bank	40.48	9.33	470	517
Punjab & Sind Bank	100.00	14.79	312	517
The Jammu and Kashmir Bank Limited	50.00	8.92	487	517
The Lakshmi Vilas Bank	50.00	11.63	670	517
3. Commercial Paper				
Axis Bank Ltd	124.00	12.04	471	456
Yes Bank	360.00	50.95	562	548
4. Non-Convertible Debentures	2,780.44	1,098.90	Refer Note	

Note -

The Company is prohibited to dispose off, alienate, encumber either directly or indirectly or otherwise part with the possession of any assets except in the ordinary course of business such as payment of salary and statutory dues, vide Order dated November 20, 2019 passed by the Hon'ble Delhi High Court. Consequently, the interest and principal amounts in relation to various series of debentures have remained unpaid for a period ranging between 365 to 583 days.

*Including accrued interest

Annexure A to the Independent Auditors' Report on the Financial Statement

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. According to the information and explanation provided to us, the Company did not raise any money by way of term loans during the year.

x. During the course of our examination of the books and records of Company carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanation given to us by the management we have neither came across any instance of fraud by the Company or any fraud on the Company by its officer or employee noticed or reported during the year nor have we been informed of any such instance by the management.

xi. According to the information and explanations given to us by the management, the Company has not paid/provided for managerial remuneration in accordance with the provision of section 197 read with Schedule V of the act, hence this clause is not applicable to the Company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, the requirements under paragraph 3(xii) of the Order are not applicable.

xiii. According to the information and explanations given to us and records examined by us, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards. Also refer Note 5(2) of Ind AS Financial Statements.

xiv. According to the information and explanations give to us and records examined by us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the requirements under paragraph 3(xiv) of the Order are not applicable to the Company.

xv. According to the information and explanations given to us and records examined by us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, the requirements under paragraph 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Dhiraj & Dheeraj**
Chartered Accountants
Firm's Registration Number: 102454W

CA Shailendra Dadhich
Partner
Membership Number: 425098
Place : Mumbai
Date : May 07, 2021
UDIN: 21425098AAAADH4599

Annexure B to the Independent Auditor's Report on the Financial Statement

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Reliance Home Finance Limited** of even date)

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Ind AS Financial Statements

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

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

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

Basis for Qualified Opinion

According to the information and explanation given to us and based on our audit the following material weaknesses have been identified in operating effectiveness of Company's Internal Financial Control during the financial year 2020-21:

a. The Company's internal financial control over financial reporting is not operating effectively in respect of "General-Purpose Corporate Loan product" and risk assessment, recovery measures and related documentation to mitigate the risk of the Company recognizing revenue without establishing reasonable certainty for ultimate collection. The Company needs to substantially strengthen its recovery measures for these loan products and make it prompt, more effective and robust.

Annexure B to the Independent Auditor's Report on the Financial Statement

b. In our opinion scope of internal auditor was not commensurate with the size and nature of Company's business and operations specifically in respect of loan sanctioned under General Purpose Corporate Loan product and hence the scope should be enlarged and extended.

A 'material weakness' is a deficiency, or a combination of deficiencies, in Internal Financial Control with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the Ind AS financial statements of the Company as at and for the year ended March 31, 2021, and these material weaknesses have affected our opinion on the Ind AS financial statements of the Company and we have issued a qualified opinion on the Ind AS financial statements.

For **Dhiraj & Dheeraj**
Chartered Accountants
Firm's Registration Number: 102454W

CA Shailendra Dadhich
Partner
Membership Number: 425098
Place : Mumbai
Date : May 07, 2021
UDIN: 21425098AAAADH4599

Auditor's Additional Report

Auditor's Additional Report pursuant to the requirements of Housing Finance Companies- Auditor's Report (National Housing Bank) Directions, 2016.

To,

The Board of the Directors

Reliance Home Finance Limited

The Ruby, 11th Floor, North-West Wing

Plot No. 29, Senapati Bapat Marg

Dadar (West), Mumbai 400 028

1. This report is issued pursuant to the requirements of Paragraph 2 of Housing Finance Companies- Auditor's Report (National Housing Bank) Directions, 2016 (the "Directions") on matters mentioned in Paragraph 3 and 4 of the Directions.
2. We have audited the financial statements of Reliance Home Finance Limited (hereinafter referred to as the "Company") comprising Balance Sheet as at March 31, 2021 and the related Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, on which we have issued qualified opinion in our audit report dated May 7, 2021.

Management's Responsibility for the Financial Statements

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

   In preparing the Ind AS financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.
4. The Management is also responsible for compliance with the National Housing Bank Act, 1987 (NHB Act), The Housing Finance Companies (NHB) Directions, 2010, as amended, from time to time (NHB Directions) read with other relevant NHB circulars and guidelines applicable to Housing Finance Companies, as amended from time to time, and for providing all the required information in stipulated time period to the National Housing Bank (NHB).

Auditor's Responsibility

5. Pursuant to the requirements of the Directions referred to in paragraph 1 above it is our responsibility to examine the audited books and records of the Company for the year ended March 31, 2021 and report on the matters specified in the Directions to the extent applicable to the Company.
6. We conducted our examination in accordance with the 'Guidance Note on reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and other assurance and Related Services Engagements.

Opinion

8. Based on our examination of the audited books and records of the Company for the year ended March 31, 2021 as produced for our examinations and the information and explanations given to us we report that:

8.1 The Company is engaged in the business of providing finance for housing and has initially obtained a certificate of registration (COR) no. 02.0069.09 dated January 06, 2009 in the name of Reliance Homes Finance Private Limited and pursuant to name change, the same has been reissued with COR no. 04.0074.09 dated April 27, 2009 in the name of Reliance Home Finance Private Limited and further pursuant to name change the same has been reissued with COR no. 07.0101.12 dated July 16, 2012 in the name of Reliance Home Finance Limited by the NHB, New Delhi, under section 29A of the NHB Act.

8.2 The Company is not meeting the required Net Owned Fund requirement as prescribed under Section 29A of the NHB Act due to accumulated losses.

Auditor's Additional Report

8.3 For the F.Y 2020-21, the company is not liable to transfer any amount as specified in Section 29C of the National Housing Bank Act, 1987 as the company has incurred losses during the year.

8.4 The Board of Directors of the Company has passed a resolution in its Board meeting held on May 08, 2020 for non-acceptance of public deposits;

8.5 The Company has not accepted any public deposits during the year ended March 31, 2021;

8.6 The total borrowings of the Company as on 31st March 2021 is exceeding the limits prescribed under paragraph 3(2) of the NHB Directions due to negative net owned funds as on 31st March 2021;

8.7 The Company has adopted Ind AS accounting framework, as notified Under Section 133 of the Companies Act, 2013 ("The Act") by the Ministry of Corporate Affairs (MCA) w.e.f. April 1, 2018. The Financial Statements for the year ended March 31, 2021 has been prepared by the management considering accounting methodology and principles mentioned in applicable Ind AS. The Company presents its Balance Sheet in order of liquidity in compliance with the Division III of Schedule III to the Act. The Company has complied with the requirement mentioned under respective Ind AS on income recognition, provisioning and asset classification in preparing financial statements.

NHB's Policy Circular No. NHB(ND)/DRS/Policy Circular No. 89/2017-18 dated June 14, 2018 requires Housing Finance Companies to continue to follow the extant provisions of National Housing Bank Act 1987 and Housing Finance Companies (NHB) Directions 2010 require various disclosure on income recognition, provisioning and asset classification and to provide adequate disclosures in the notes to accounts. Accordingly, the Company has provided disclosure in the notes to accounts in accordance with the aforesaid guidelines and as per Accounting Standard prescribed under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended (Indian GAAP).

The Company has complied with loan to value ratio (LTV ratio) requirement as mentioned in prudential norms except for the following case:

Agreement No.	Loan Type	Sanctioned Date	Sanctioned Amount	Final Appraisal (Security value)	Loan to value (LTV) Ratio		
					LTV on Sanctioned Date	LTV as on 31/03/21	As per NHB norms
RLHLAHM000133367	Non Housing	31/07/2009	1,05,72,894	1,15,02,000	91.92	89.93	75
RHHLPUN000010187	Housing	31/08/2011	80,49,303	1,05,62,800	76.20	78.34	75
RHLFKRT000070566	Non Housing	15/05/2018	1,78,81,818	1,26,00,000	141.92	75.97	75
RHHLHYD000057659	Housing	14/08/2017	47,40,000	58,93,000	80.43	84.16	80

The Company has complied with the prudential norms on disclosure in balance sheet, investment in real estate, exposure to capital market and engagement of broker, and concentration of credit / investments as at March 31, 2021 as specified in NHB Directions.

(Also refer Para 8.13 and 8.14 below)

8.8 The Company has correctly arrived at and disclosed the capital to risk assets ratio (CRAR) in the Schedule II to the return submitted to the NHB for the year ended March 31, 2021 However such ratio is not in compliance with the minimum CRAR prescribed in NHB Directions due to negative Net Owned Fund.

8.9 The Schedule II return for the year ended March 31, 2021 has been furnished to the NHB as specified in the NHB Directions. There was a delay in submission of Schedule II (Half Yearly Return) for the half year ended September 2020 due to some technical error in ORMIS portal, the company had informed the NHB ORMIS team via email dated Dec 1, 2020 and submitted the return on the same date through mail. The half yearly return of March 2021 has been filed within the stipulated time period as specified in the NHB Directions.

8.10 The Company has filed Schedule III - Return on Statutory Liquid Assets for the year ended March 31, 2021 as specified in the NHB Directions. Schedule III return of the June quarter was filed within the stipulated time, the return of September quarter was filed on 14th October, 2020 based on provisional financials statements which was revised on 7th January 2021.There was a delay in submission of schedule III return for the quarter ended December 2020 due to some technical error in ORMIS portal.

8.11 The Company has not opened any new branches/offices and has closed 1 branch/office during the year;

Auditor's Additional Report

8.12 The Company has not granted any loan against its own shares and for purchase of gold in any form and hence it is in compliance with provisions contained in paragraph 38 and 38A of the NHB Directions; and

8.13 As per para 32(1) of the Master Circular- The Housing Finance Companies (NHB) Directions, 2010 issued by the National Housing Bank (NHB) vide its notification no. NHB (ND)/DRS/REG/MC-01/2018 dated July 02, 2018, no Housing Finance Company shall lend to any single group of borrowers exceeding 25 percent of its owned funds. The loans sanctioned in earlier year were sanctioned in compliance with the directions as prescribed by NHB regulations. However, owning to the huge losses on account of ECL (Expected Credit Loss) provisioning in F.Y 2020-21, the NOF (Net Owned Funds) of the Company has turned negative. Hence the regulatory lending exposure norm for single and group borrowers has breached.

8.14 There had been a material shift in primary business of the Company during earlier years from Housing Finance to Non-Housing Finance which comprises more than 50% of total loan portfolio raising concern about Company continuing as a Housing Finance Company, Which is yet to be corrected.

The Company is under a debt resolution process and post successful completion of resolution the management is hopeful of meeting the Principal Business Criteria (PBC).

Restrictions on Use

9. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of the Company.

10. This report is issued pursuant to our obligations under Directions to submit a report on additional matters as stated in the above Directions, to the Board of Directors of the Company and should not be used for any other purpose. Dhiraj & Dheeraj, Chartered Accountants neither accepts nor assumes any duty or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

For **Dhiraj & Dheeraj**
Firm Reg No.: 102454W

CA Shailendra Dadhich
Partner
Membership Number: 425098
Place : Mumbai
Date : May 07, 2021
UDIN: 21425098AAAADJ4047

Balance Sheet as at March 31, 2021

(₹ in crore)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Financial assets			
Cash and cash equivalents	2	**973.62**	83.61
Bank balance other than cash and cash equivalents above	3	**336.20**	426.89
Receivables			
(I) Trade receivables	4A	**-**	-
(II) Other receivables	4B	**-**	0.65
Loans	5	**10,787.34**	13,240.11
Investments	6	**1,007.44**	950.74
Other financial assets	7	**223.60**	199.38
Non-financial assets			
Current tax assets (Net)	8	**52.47**	51.49
Deferred tax assets (Net)	9	**1,128.49**	345.61
Investment property	10	**4.30**	4.37
Property, plant and equipment	11	**43.01**	44.84
Intangible assets under development	13	**-**	0.53
Goodwill	12	**209.96**	209.96
Other intangible assets	13	**2.06**	2.62
Other non-financial assets	14	**129.51**	168.39
Total assets		**14,898.00**	15,729.19
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivative financial instruments	15	**16.60**	10.73
Payables			
(I) Trade payables	16A		
(i) total outstanding dues of micro enterprises and small enterprises		**-**	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		**-**	-
(II) Other payables	16B		
(i) total outstanding dues of micro enterprises and small enterprises		**-**	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		**0.82**	-
Debt securities	17	**5,973.59**	5,918.49
Borrowings (Other than debt securities)	18	**6,206.52**	6,521.40
Subordinated liabilities	19	**796.29**	795.34
Other financial liabilities	20	**1,784.27**	969.35
Non-financial liabilities			
Provisions	21	**37.91**	24.45
Other non-financial liabilities	22	**134.96**	22.68
EQUITY			
Equity share capital	23	**485.06**	485.06
Other equity	24	**(538.02)**	981.69
Total equity		**(52.96)**	1,466.75
Total liabilities and equity		**14,898.00**	15,729.19
Significant Accounting Policies	1		

The accompanying notes are integral part of these financial statements.

As per our report of even date attached

For Dhiraj & Dheeraj
Chartered Accountants
Firm Registration No. 102454W

Shailendra Dadhich
Partner
Membership Number : 425098

Mumbai
Dated: May 7, 2021

For and on behalf of the Board of Directors

Directors: **Chhaya Virani**, **Rashna Khan**, **Ashok Ramaswamy**, **Sushilkumar Agrawal**, **Sunil Wadilkar**

Chief Executive Officer **Ravindra Sudhalkar**
Chief Financial Officer **Vijesh B Thota**
Company Secretary & Compliance Officer **Parul Jain**

Mumbai
Dated: May 7, 2021

Statement of Profit and Loss for the year ended March 31, 2021

(₹ in crore)

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations			
Interest income	25	**788.76**	1,554.37
Fees and commission income	26	**7.08**	23.48
Other operating income	27	**7.42**	9.54
Total revenue from operations		**803.27**	1,587.39
Other income	28	**37.16**	15.52
Total income		**840.43**	1,602.91
Expenses			
Finance costs	29	**1,219.57**	1,335.86
Employee benefits expenses	30	**36.20**	72.66
Depreciation, amortisation and impairment	10, 11 & 13	**2.64**	3.62
Impairment of financial instruments	31	**1,816.30**	657.00
Others expenses	32	**68.62**	101.05
Total expenses		**3,143.32**	2,170.19
Profit/(loss) before tax		**(2,302.89)**	(567.28)
Income tax expense:			
- Current tax	35	**-**	(2.35)
- Deferred tax	35	**(782.98)**	(189.61)
Total tax expense		**(782.98)**	(191.96)
Profit for the year		**(1,519.91)**	(375.32)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		**0.30**	0.11
- Income tax relating to these items		**(0.10)**	(0.04)
Other comprehensive income for the year		**0.20**	0.07
Total comprehensive income for the year		**(1,519.71)**	(375.25)
Earnings per equity share			
- Basic (₹)		**(31.33)**	(7.74)
- Diluted (₹)		**(31.33)**	(7.74)
Significant Accounting Policies	1		

The accompanying notes are integral part of these financial statements.

As per our report of even date attached

For Dhiraj & Dheeraj
Chartered Accountants
Firm Registration No. 102454W

Shailendra Dadhich
Partner
Membership Number : 425098

Mumbai
Dated: May 7, 2021

For and on behalf of the Board of Directors

Directors: **Chhaya Virani**, **Rashna Khan**, **Ashok Ramaswamy**, **Sushilkumar Agrawal**, **Sunil Wadilkar**

Chief Executive Officer **Ravindra Sudhalkar**
Chief Financial Officer **Vijesh B Thota**
Company Secretary & Compliance Officer **Parul Jain**
Mumbai
Dated: May 7, 2021

Statement of Changes in Equity for the year ended March 31, 2021

A. Equity share capital

(₹ in crore)

Particulars	Number	Amount
As at March 31, 2020	**485,058,818**	**485.06**
Shares issued during the year	-	-
As at March 31, 2021	**485,058,818**	**485.06**

B. Other equity

(₹ in crore)

Particulars	Reserves and surplus					Total other equity
	Securities premium	Debenture redemption reserve	Statutory reserve fund	Surplus/(deficit) in the Statement of profit and loss	Employee stock option scheme	
As at March 31, 2019	**660.34**	**436.72**	**143.94**	**104.30**	**11.64**	**1,356.94**
Profit for the year ended March 31, 2020				**(375.32)**		**(375.32)**
Other comprehensive income	-	-	-	0.07	-	0.07
Total comprehensive income for the year	**-**	**-**	**-**	**(375.25)**	**-**	**(375.25)**
Transactions with owners in their capacity as owners:						
- Security Premium	-	-	-	-	-	-
- Share issue expenses routed through reserves	-	-	-	-	-	-
- Employee stock option scheme:						-
Stock option expense for the year	-	-	-	-	-	-
- Dividend paid	-	-	-	-	-	-
- Dividend distribution tax	-	-	-	-	-	-
- Transfers to:						-
Statutory reserve fund	-	-	-	-	-	-
Debenture redemption reserve	-	-	-	-	-	-
As at March 31, 2020	**660.34**	**436.72**	**143.94**	**(270.95)**	**11.64**	**981.69**

Statement of Changes in Equity for the year ended March 31, 2021

B. Other equity

(₹ in crore)

Particulars		Reserves and surplus					Total other equity
		Securities premium	Debenture redemption reserve	Statutory reserve fund	Surplus/(deficit) in the Statement of profit and loss	Employee stock option scheme	
Profit for the year ended March 31, 2021					**(1,519.91)**		**(1,519.91)**
Other comprehensive income		-	-	-	0.20	-	0.20
Total comprehensive income for the year		**-**	**-**	**-**	**(1,519.71)**	**-**	**(1,519.71)**
Transactions with owners in their capacity as owners:							
- Security Premium		-	-	-	-	-	-
- Employee stock option scheme:		-	-	-	-	-	-
Changes during the year							-
Stock option expense for the year		-	-	-	-	-	-
- Dividends paid		-	-	-	-	-	-
- Dividend distribution tax		-	-	-	-	-	-
- Transfers to:							-
Statutory reserve fund		-	-	-	-	-	-
Debenture redemption reserve		-	-	-	-	-	-
As at March 31, 2021		**660.34**	**436.72**	**143.94**	**(1,790.65)**	**11.64**	**(538.02)**
Significant Accounting Policies	1						

The accompanying notes are integral part of these financial statements.

As per our report of even date attached

For Dhiraj & Dheeraj
Chartered Accountants
Firm Registration No. 102454W

Shailendra Dadhich
Partner
Membership Number : 425098

Mumbai
Dated: May 7, 2021

For and on behalf of the Board of Directors

Directors: **Chhaya Virani**, **Rashna Khan**, **Ashok Ramaswamy**, **Sushilkumar Agrawal**, **Sunil Wadilkar**

Chief Executive Officer **Ravindra Sudhalkar**
Chief Financial Officer **Vijesh B Thota**
Company Secretary & Compliance Officer **Parul Jain**
Mumbai
Dated: May 7, 2021

Cash Flow Statement for the year ended March 31, 2021

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
CASH FLOW FROM OPERATING ACTIVITIES :		
Profit/(Loss) before tax:	**(2,302.89)**	(567.28)
Adjustments :		
Depreciation and amortisation	**2.64**	3.62
Expected Credit Loss	**1,531.56**	442.35
Other Comprehensive Income	**(0.30)**	(0.11)
Provision on repossesed asset	**7.10**	18.62
Bad Debts Written off	**6.25**	214.64
Discount on Commercial Papers	**43.75**	54.26
Amortised Brokerage Commission TL	**0.69**	6.45
Provision for Leave encashment	**-**	(0.23)
Provision for Gratuity	**(0.90)**	(0.75)
Provision on Other expenses	**0.33**	(1.89)
Intt Preference shares capital classified as liabilities	**2.48**	2.48
Interest Income -IndAS	**(81.67)**	(208.13)
PTC Borrowings - expense	**162.91**	230.52
Interest on Investment	**4.02**	(11.55)
Finance Charges	**1,009.74**	1,048.60
Profit on Sale of Investments	**(35.64)**	(5.94)
Interest on Income Tax Refund	**(0.74)**	6.58
Loss on closure of Secu account	**(0.05)**	(0.05)
Profit on sale of Fixed assets	**(0.10)**	(0.64)
Interest income on Investments	**(25.26)**	-
Operating profit before working capital changes	**323.92**	1,231.57
Adjustments for (increase)/ decrease in operating assets:		
Fixed Deposits with Banks	**(664.54)**	12.17
Loans	**2,452.77**	3,010.98
Other financial assets	**(24.21)**	535.16
Other Non financial assets	**38.87**	(40.81)
Trade payables	**1.47**	(6.97)
Other Non Financial Liabilities	**112.28**	(50.82)
Provisions	**13.46**	(0.07)
Other financial liabilities	**814.91**	40.81
Cash generated from operations	**3,068.94**	4,732.02
Less : Income taxes paid (net of refunds)	**0.86**	18.97
Net cash inflow / (outflow) from operating activities	**3,068.08**	4,713.05
CASH FLOW FROM INVESTING ACTIVITIES :		
Interest Received on Investments	**-**	1.62
Sales proceeds from disposal of property,plant and equipments	**4.31**	1.69
Purchase of investment measured at FVTPL	**(1,560.60)**	(903.22)
Purchase of investment measured at FVOCI	**(2.73)**	(5.76)
Sale of investment measured at FVOCI	**-**	50.00
Purchase of property, plant and equipments	**(0.72)**	(0.41)
Net cash inflow / (outflow) from investing activities	**(1,559.75)**	(856.08)
CASH FLOW FROM FINANCING ACTIVITIES :		
MLD Hedge position	**5.86**	10.10
Debt securities repaid	**-**	(123.95)
Proceeds from borrowings other than debt securities	**95.18**	245.66

Cash Flow Statement for the year ended March 31, 2021

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Repayment from borrowings other than debt securities	**(411.88)**	(2,760.71)
Fair valuation changes in MLD	**50.27**	(66.71)
Interest and Processing Fees Paid	**(1,156.73)**	(1,285.16)
Discount on Commercial Papers	**43.73**	53.57
Net cash inflow / (outflow) from financing activities	**(1,373.56)**	(3,927.20)
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	**134.77**	(70.23)
Add : Cash and cash equivalents at beginning of the year	**35.61**	105.84
Cash and cash equivalents at end of the year	**170.38**	35.61

Notes:

a) The previous year's figures have been regrouped and reclassified wherever necessary.

b) Cash and cash equivalents include cash in hand and bank balance.

c) Debt securities includes subordinated liabilities.

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented. (₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Equity	**423.00**	423.00
Debt securities	**5,212.33**	5,156.20
Borrowings	**2,209.66**	3,639.35
Net debt	**7,844.99**	9,218.55

(₹ in crore)

Particulars	Equity	Debt securities*	Borrowings	Total
Net debt as at March 31, 2019	423.00	5,336.76	7,386.00	13,145.76
Cash flows				
Interest paid	-	-	(1,231.59)	(1,231.59)
Fair value adjustments	-	(56.60)	-	(56.60)
Proceeds / Repayment	-	(123.95)	(2,515.06)	(2,639.01)
Net debt as at March 31, 2020	423.00	5,156.20	3,639.35	9,218.56
Cash flows				
Interest paid	**-**	**-**	**(1,112.99)**	**(1,112.99)**
Fair value adjustments	**-**	**56.13**	**-**	**56.13**
Proceeds / Repayment	**-**	**-**	**(316.70)**	**(316.70)**
Net debt as at March 31, 2021	**423.00**	**5,212.33**	**2,209.66**	**7,844.99**

*Interest paid on Debt securities includes interest of Subordinated liabilities

Significant Accounting Policies 1

The accompanying notes are integral part of these financial statements.

As per our report of even date attached

For Dhiraj & Dheeraj
Chartered Accountants
Firm Registration No. 102454W

Shailendra Dadhich
Partner
Membership Number : 425098

Mumbai
Dated: May 7, 2021

For and on behalf of the Board of Directors

Directors: **Chhaya Virani**, **Rashna Khan**, **Ashok Ramaswamy**, **Sushilkumar Agrawal**, **Sunil Wadilkar**

Chief Executive Officer **Ravindra Sudhalkar**
Chief Financial Officer **Vijesh B Thota**
Company Secretary & Compliance Officer **Parul Jain**

Mumbai
Dated: May 7, 2021

Notes to the Financial Statement for the year ended March 31, 2021

Corporate information

Reliance Home Finance Limited ('the Company') was incorporated on June 5, 2008 with Registrar of Companies, Maharashtra at Mumbai. The Company is principally engaged in housing finance business in India and is registered with National Housing Bank ('NHB') as a housing finance company (HFC) without accepting public deposits, as defined under Section 29A of the National Housing Bank Act, 1987.

1 Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of preparation

(i) Compliance

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Company complies in all material respects, with the prudential norms relating to income recognition, asset classification and other matters, specified in the Directions issued by NHB in terms of "Master Circular - The Housing Finance Companies (NHB) Directions, 2010" vide NHB Notification No. NHB(ND)/DRS/REG/MC-01/2017 dated July 1, 2017 and Housing Finance Companies - Corporate Governance (National Housing Bank) Directions, 2016 vide NHB Notification No. NHB.HFC.CG-DIR.1/ MD&CEO/ 2016, as applicable to the Company, except for in case of provisioning for bad and doubtful debts for which ECL has been provided as per IND AS requirements.

(ii) Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

(iii) The Company presents its Balance Sheet in order of liquidity in compliance with the division III of Schedule III to the Act.

b. Foreign currency translation

(i) Functional and presentation currency

Items included in financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Reliance Home Finance Limited's functional and presentation currency.

(ii) Translation and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the statement of profit and loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on nonmonetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in the statement of profit and loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

c. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in the statement of profit and loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVPL, which results in an accounting loss being recognised in the statement of profit and loss when an asset is newly originated. When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as follows:

i) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.

ii) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

d. Financial assets

(i) Classification and subsequent measurement

The Company has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds.

Classification and subsequent measurement of debt instruments depend on:

(i) the Company's business model for managing the asset; and

(ii) the cash flow characteristics of the asset.

Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured. Interest income from these financial assets is recognised using the effective interest rate method.

Fair value through other comprehensive income: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Fair value through the statement of profit and loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through the statement of profit and loss. A gain or loss on a debt investment that is subsequently measured at fair value through the statement of profit and loss and is not part of a hedging relationship is recognised in the statement of profit and loss in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Fair value option for financial assets: The Company may also irrevocably designate financial assets at fair value through profit and loss if doing so significantly reduces or eliminates an accounting mismatch created by assets and liabilities being measured on different basis.

Business model: The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Company in determining the business model for a Group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVTPL.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit and loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Company reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

a) Purchased or originated credit impaired (POCI) financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset.

b) Financial assets that are not 'POCI' but have subsequently become credit-impaired (or 'stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision).

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees. For POCI financial assets – assets that are credit-impaired at initial recognition – the Company calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the de-recognition of the investment.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in net gain/loss on fair value changes in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Gains and losses on equity investments at FVPL are included in the statement of profit and loss.

(ii) Impairment

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of the ECL allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 36, which also sets out key sensitivities of the ECL to changes in these elements.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL detailed information about the judgements and estimates made by the Company in the above areas is set out in note 36.

(iii) Modification of loans

The Company sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Company assesses whether or not the new terms are substantially different to the original terms. The Company does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Company de-recognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Company also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on de-recognition.

If the terms are not substantially different, the renegotiation or modification does not result in de-recognition, and the Company recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in the statement of profit and loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

(iv) Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Company transfers substantially all the risks and rewards of ownership, or (ii) the Company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control. The Company directly reduces the gross carrying amount of a financial asset when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

The Company enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in de-recognition if the Company:

(i) Has no obligation to make payments unless it collects equivalent amounts from the assets;

(ii) Is prohibited from selling or pledging the assets; and

(iii) Has an obligation to remit any cash it collects from the assets without material delay.

Collateral (shares and bonds) furnished by the Company under standard repurchase agreements and securities lending and borrowing transactions are not de-recognised because the Company retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for de-recognition are therefore not met. This also applies to certain securitization transactions in which the Company retains a subordinated residual interest.

e. Financial liabilities

(i) Classification and subsequent measurement

In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost, except for:

- Financial liabilities at fair value through profit or loss: this classification is applied to derivatives, financial liabilities held for trading and other financial liabilities designated as such at initial recognition. Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in the credit risk of the liability are also presented in profit or loss;
- Financial liabilities arising from the transfer of financial assets which did not qualify for de-recognition, whereby a financial liability is recognised for the consideration received for the transfer. In subsequent periods, the Company recognises any expense incurred on the financial liability; and
- Financial guarantee contracts and loan commitments.

Market linked debentures (MLDs)

The Company has issued certain non-convertible debentures, the rate of interest on which is linked to performance of specified indices over the period of the debentures. The Company has opted to designate the entire hybrid contract at FVTPL as the embedded derivative significantly modifies the cash flows that otherwise would be required by the contract. Further, the embedded derivative is not closely related to the financial liability host contract. The Company hedges its interest rate risk on MLD by taking positions in future & options based on specified indices. Any gain / loss on these hedge positions is recognised in Statement of Profit and Loss.

(ii) Derecognition

Financial liabilities are derecognised when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired.

The exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

f. Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require 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 are initially measured at fair value and subsequently measured at the higher of:

- The amount of the loss allowances and
- The premium received on initial recognition less income recognised in accordance with the principles of Ind AS 115.

Loan commitments provided by the Company are measured as the amount of the loss allowance.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Company cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

g. Repossessed collateral

Repossessed collateral represents financial and non-financial assets acquired by the Company in settlement of overdue loans. The assets are initially recognised at fair value when acquired and included in premises and equipment, other non-financial assets, investment properties or inventories within other assets depending on their nature and the Company's intention in respect of recovery of these assets, and are subsequently re-measured and accounted for in accordance with the accounting policies for these categories of assets.

h. Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The method of recognizing the resulting fair value gain or loss depends on whether the derivative is designated and qualifies as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives that are not designated as hedges

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains / (losses).

i. Revenue Recognition

In accordance with the principles of Ind AS 115, revenue is measured at fair value of the consideration received or receivable. Revenue is recognised when (or as) the Company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

When (or as) a performance obligation is satisfied, the Company recognises as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

The Company applies the five-step approach for recognition of revenue:

- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied.

Investment income consists of dividends and interest receivable for the year, realised gains and losses on debt securities classified as fair value through other comprehensive income, and realised and unrealised gains and losses on investments designated at fair value through profit or loss investments. Dividend on equity securities are recorded on ex-dividend date. Interest income is recognised as it accrues, taking into account the effective yield on the investment.

A gain or loss on investment is only realised on disposal or transfer, and is difference between the proceeds received, net of transaction costs, and its original cost or amortised cost, as appropriate.

Unrealised gains and losses, arising on investments which have not been derecognised as a result of disposal or transfer, represent the difference between the carrying value at the year end and carrying value at the previous year end or purchase value during the year, less previously recognised unrealised gains and losses in respect of disposals made during the year.

(i) Interest income

Interest income is recognised using the effective interest rate. The Company is providing moratorium to customers seeking moratorium on account of COVID-19 situation in-line with the Board Approved policy of the Company. The accumulated interest during the moratorium period of the borrowers to whom moratorium is offered is capitalized unless the borrower requests otherwise. The capitalized amount of interest is added to the loan outstanding at the end of the moratorium period.

(ii) Dividend income

Dividend income is recognised in the statement of profit and loss on the date that the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the shareholders approve the dividend.

(iii) Fees, charges and other additional interest income

Fees (including processing fees), charges and other additional interest income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the effective interest rate.

Fees, charges and additional interest income on delayed EMI / Pre – EMI that are not integral to the effective interest rate are recognised on receipt basis over the life of the instrument.

(iv) Income from direct assignment/securitisation

In case of securitisation of loans, such assets are recognised in books.

In case of assignment of loans, Excess interest spread (EIS) income is recognised as the present value of the total interest receivable is recognised as an income upfront.

(v) Servicing fee income

Servicing fees received is accounted for based on the underlying deal structure of the transaction as per the agreement.

(vi) Income from trading in derivatives

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into, and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the statement of profit and loss immediately.

Brokerage and other payments made in connection with the acquisition of derivatives are added to the cost of acquisition.

j. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current Taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

k. Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

l. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in liabilities in the balance sheet.

m. Leases

As a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

n. Non-Current Assets (or disposal groups) held for sale

Assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the asset (or disposal group) is recognised at the date of de-recognition.

Non-current Assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current Assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

o. Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives & residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

The estimated useful lives for the different types of assets are:

Asset	Useful Life
Furniture and fixtures	10 years
Office equipment	5 years
Computers	3 years
Vehicles	8 years
Buildings	60 years
Plant & machinery	8 years
Data processing machineries	3 years
Vehicles	8 years

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Act, in order to reflect the actual usage of the assets. The residual values are not more than 5 per cent of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the statement of profit and loss.

p. Intangible assets

(i) Goodwill

Goodwill on acquisitions of business is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

(ii) Other intangibles

Intangible assets are recognised where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortisation and impairment, if any.

Expenditure incurred on acquisition / development of intangible assets which are not put / ready to use at the reporting date is disclosed under intangible assets under development. The Company amortises intangible assets on a straight-line basis over the useful lives of the assets commencing from the month in which the asset is first put to use. The Company provides pro-rata depreciation from the day the asset is put to use.

The estimated useful lives for the different types of assets are:

Asset	Useful Life
Computer software/Licensing cost	3 years

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at April 1, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

q. Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have a useful life of 60 years. The useful life has been determined based on technical evaluation performed by the experts.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognised as at April 1, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

r. Off-setting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

s. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

t. Provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

u. Employee benefits

(i) Short-term obligations

Liabilities for salaries and wages, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Post-employment obligations

The Company operates the following post-employment schemes:

(a) Gratuity;

(b) Superannuation fund; and

(c) Provident fund.

Defined benefit plans

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The estimated future payments which are denominated in a currency other than INR, are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

Superannuation fund

Contribution to Superannuation Fund, a defined contribution scheme, is made at pre-determined rates to the Superannuation Fund with Life Insurance Corporation of India and is charged to the Statement of Profit and loss. There are no other obligations other than the contribution payable to the Superannuation Fund.

Provident fund

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Other long-term employee benefit obligations

Leave encashment

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss.

Phantom Shares

As a long-term incentive plan to employees, the Company has initiated Phantom Stock Option Plan which are cash settlement rights where the employees are entitled to get cash compensation based on agreed formulae. The employees are entitled to receive cash payment equivalent to appreciation in the value over the defined base price of the shares. The present value of the obligation under such plan is determined based on actuarial valuation.

v. Share-based payments

Employee Stock Option Scheme (ESOS)

The employees of the Company are entitled for grant of stock options (equity shares), based on the eligibility criteria set in the ESOS of the Company. The fair value of options granted under ESOS is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined reference to the fair value of the options granted excluding the impact of any service conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

w. Contributed Equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in other equity as a deduction, net of tax, from the proceeds.

Treasury shares are presented as a deduction from equity and no gain or loss is recognised on the purchase, sale, issue or cancellation of such shares.

x. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

y. Earnings per share

i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year and excluding treasury shares.

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

z. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crore as per the requirements of Schedule III to the Act, unless otherwise stated.

Notes to the Financial Statement for the year ended March 31, 2021

2 Cash and cash equivalents (₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	**0.17**	0.04
Balances with banks:		
In current accounts	**170.21**	35.57
Fixed Deposits with banks (with maturity less than 3 months)	**803.24**	48.00
Total	**973.62**	83.61

3 Bank balance other than cash and cash equivalents above (₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed Deposits with banks (with maturity more than 3 months)		
- Credit enhancement towards Securitisation/Direct Assignment	**332.59**	419.00
- Other Fixed deposit under lien	**3.61**	7.90
- Free Fixed Deposits	**-**	-
- Kept as deposits for Issuing Bank Guarantee	**-**	-
Total	**336.20**	426.89

Notes:

In respect of balances with Banks in Fixed Deposit accounts above includes:

(a) ₹ 332.59 crore (March 31, 2020 - ₹ 419.00 crore) kept as credit enhancement towards securitisation transaction.

(b) ₹ 3.61 crore (March 31, 2020 - ₹ 7.90 crore) kept as margin money deposits for Market Linked Debentures.

(c) NIL (March 31, 2020 - NIL) kept as deposit with bank for issuing of Bank Guarantee & Term Loan.

4 A Trade receivables (₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Receivables considered good - Secured	-	-
Receivables considered good - Unsecured	**-**	-
Total	**-**	-

4 B Other receivables (₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Receivables considered good - Secured	-	-
Receivables considered good - Unsecured	**-**	0.65
Total	**-**	0.65

5 Loans (₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
At amortised cost		
(A) Loans		
Corporate bodies	**9,734.59**	9,514.16
Small business lending	**1,536.79**	1,847.48
Residential mortgages	**2,053.73**	2,599.21
Total (A) - Gross	**13,325.11**	13,960.85
(Less): Impairment loss allowance/Expected Credit Loss	**(2,537.78)**	(720.74)
Total (A) - Net	**10,787.34**	13,240.11
Secured by tangible assets and intangible assets	**13,304.64**	13,940.38
Unsecured	**20.47**	20.47
Total (B) - Gross	**13,325.11**	13,960.85
(Less): Impairment loss allowance/Expected Credit Loss	**(2,537.78)**	(720.74)
Total (B) - Net	**10,787.34**	13,240.11

Notes to the Financial Statement for the year ended March 31, 2021

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Loans in India		
- Public sector	-	-
- Others	**13,325.11**	13,960.85
Loans outside India	-	
Total (C) - Gross	**13,325.11**	13,960.85
(Less): Impairment loss allowance/Expected Credit Loss	**(2,537.78)**	(720.74)
Total (C) - Net	**10,787.34**	13,240.11

Notes:

1. Above ECL figures includes ₹ 0.09 crore in FY 2019-20 receivables from IDMPL w.r.t. demerger in FY 2016-17 (Previous Year - Nil) Refer Note No. 50.
2. The Company had advanced loans under the 'General Purpose Corporate Loan' product to certain bodies corporate including some of the group companies. All the lending transactions undertaken by the Company are in the ordinary course of business, the terms of which are at arms' length basis and the same do not constitute transactions with related parties. However, the Company's borrowers in some cases have undertaken onward lending transactions and it is noticed that the end use of the borrowings from the Company included borrowings by or repayment of financial obligations to some of the group companies. The Company has discontinued its General Purpose Corporate Loan product from May 1, 2019 and has not done any fresh disbursements against this product since then.
3. Secured Loans and Other Credit Facilities given to customers are secured / partly secured by :
   (a) Equitable mortgage of property and / or
   (b) Pledge of shares / debentures, units, other securities, assignment of life insurance policies and/ or
   (c) Hypothecation of assets and / or
   (d) Company guarantees and / or
   (e) Personal guarantees and / or
   (f) Charge on Current Assets.
4. An analysis of changes in gross carrying amount and corresponding expected credit loss in relation to the lending is as follows.

1 **Corporate bodies**

a) Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the company's internal grading system and policies on whether ECL allowances are calculated on an individual or collective basis.

(₹ in crore)

Internal rating grade	As at March 31, 2021			Total	As at March 31, 2020			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Performing								
High grade	181.81	15.27	-	197.08	1,005.32	2,946.71	-	3,952.03
Standard grade	-	-	-	-	-	-	-	-
Sub-standard grade	-	-	-	-	-	-	-	-
Past due but not impaired	-	-	-	-	-	-	-	-
Non- performing				-				-
Individually impaired	-	-	9,537.51	9,537.51	-	-	5,562.13	5,562.13
Total	181.81	15.27	9,537.51	9,734.59	1,005.32	2,946.71	5,562.13	9,514.16

b) Analysis of changes in the gross carrying amount of term loans

(₹ in crore)

Particulars	Year ended March 31, 2021			Total	As at March 31, 2020			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Opening balance	1,005.32	2,946.71	5,562.13	9,514.16	8,437.85	219.56	13.39	8,670.79
New assets originated or purchased	-	-	-	-	150.00	-	66.00	216.00
Assets derecognised or repaid	(831.44)	(2,943.01)	(103.69)	(3,878.14)	(7,596.96)	164.77	558.87	(6,873.32)
Transfers to Stage 1	7.93	-	-	7.93	14.43	-	-	14.43
Transfers to Stage 2	-	11.57	-	11.57	-	2,562.39	-	2,562.39
Transfers to Stage 3	-	-	4,079.07	4,079.07	-	-	4,923.87	4,923.87
Amounts written off	-	-	-	-	-	-	-	-
Closing balance	181.81	15.27	9,537.51	9,734.59	1,005.32	2,946.71	5,562.13	9,514.16

c) Reconciliation of ECL balance

(₹ in crore)

Particulars	Year ended March 31, 2021			Total	As at March 31, 2020			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Opening balance	9.16	95.19	532.28	636.63	164.25	12.72	1.37	178.34
New assets originated or purchased	-	-	-	-	0.86	-	6.04	6.90
Assets derecognised or repaid	(8.19)	(94.91)	936.88	833.78	(156.89)	79.99	362.01	285.11
Transfers to Stage 1	0.07			0.07	0.95	-	-	0.95
Transfers to Stage 2		0.90		0.90	-	2.48	-	2.48
Transfers to Stage 3			946.54	946.54	-	-	162.86	162.86
Amounts written off	-	-	-	-	-	-	-	-
Closing balance	1.04	1.18	2,415.70	2,417.92	9.16	95.19	532.28	636.63

2 **Small business lending**

a) **Credit quality of assets**

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system and policies on whether ECL allowances are calculated on an individual or collective basis.

(₹ in crore)

Internal rating grade	As at March 31, 2021			Total	As at March 31, 2020			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Performing								
High grade	**911.78**	**121.30**		**1,033.08**	1,300.07	270.66		1,570.72
Standard grade	-	-	-	-	-	-	-	-
Sub-standard grade	-	-	-	-	-	-	-	-
Past due but not impaired	-	-	-	-	-	-	-	-
Non- performing				-				-
Individually impaired	-	-	**503.71**	**503.71**	-	-	276.75	276.76
Total	**911.78**	**121.30**	**503.71**	**1,536.79**	1,300.07	270.66	276.75	1,847.48

b) **Analysis of changes in the gross carrying amount of term loans**

(₹ in crore)

Particulars	Year ended March 31, 2021			Total	As at March 31, 2020			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Opening balance	**1,300.07**	**270.66**	**276.75**	**1,847.47**	3,457.51	305.22	61.28	3,824.00
New assets originated or purchased	-	-	-	-	61.95	0.23	5.84	68.03
Assets derecognised or repaid	**(489.99)**	**(234.89)**	**9.37**	**(715.51)**	(2,238.66)	(362.60)	(29.21)	(2,630.46)
Transfers to Stage 1	**101.70**	-	-	**101.70**	19.27	-	-	19.27
Transfers to Stage 2	-	**85.53**	-	**85.53**	-	327.80	-	327.80
Transfers to Stage 3	-	-	**217.59**	**217.59**	-	-	238.84	238.84
Amounts written off	-	-	-	-	-	-	-	-
Closing balance	**911.78**	**121.30**	**503.71**	**1,536.79**	1,300.07	270.66	276.75	1,847.48

c) **Reconciliation of ECL balance**

(₹ in crore)

Particulars	Year ended March 31, 2021			Total	As at March 31, 2020			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Opening balance	**12.25**	**21.07**	**24.19**	**57.51**	28.34	29.57	23.47	81.38
New assets originated or purchased	-	-	-	-	6.23	1.99	3.51	11.72
Assets derecognised or repaid	**(2.77)**	**(17.02)**	**5.65**	**(14.14)**	(23.51)	(17.71)	(9.61)	(50.82)
Transfers to Stage 1	**4.58**			**4.58**	1.19	-	-	1.19
Transfers to Stage 2		**8.00**		**8.00**	-	7.22	-	7.22
Transfers to Stage 3			**20.77**	**20.77**	-	-	6.82	6.82
Amounts written off	-	-	-	-	-	-	-	-
Closing balance	**14.06**	**12.06**	**50.61**	**76.73**	12.25	21.07	24.19	57.51

3 **Residential mortgages**

a) **Credit quality of assets**

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system and policies on whether ECL allowances are calculated on an individual or collective basis.

(₹ in crore)

Internal rating grade	As at March 31, 2021			Total	As at March 31, 2020			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Performing								
High grade	1,629.79	140.92	-	1,770.71	2,302.47	177.26	-	2,479.74
Standard grade	-	-	-	-	-	-	-	-
Sub-standard grade	-	-	-	-	-	-	-	-
Past due but not impaired	-	-	-	-	-	-	-	-
Non- performing				-				-
Individually impaired	-	-	283.02	283.02	-	-	119.48	119.48
Total	1,629.79	140.92	283.02	2,053.73	2,302.47	177.26	119.48	2,599.21

b) **Analysis of changes in the gross carrying amount of term loans**

(₹ in crore)

Particulars	Year ended March 31, 2021			Total	As at March 31, 2020			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Opening balance	2,302.47	177.26	119.48	2,599.21	3,869.54	130.82	34.32	4,034.67
New assets originated or purchased	-	-	-	-	26.48	0.42	-	26.90
Assets derecognised or repaid	(720.22)	(139.10)	(15.46)	(874.78)	(1,611.77)	(91.51)	(5.16)	(1,708.43)
Transfers to Stage 1	47.53	-	-	47.53	18.22	-	-	18.22
Transfers to Stage 2	-	102.76	-	102.76	-	137.53	-	137.53
Transfers to Stage 3	-	-	179.01	179.01	-	-	90.32	90.32
Amounts written off	-	-	-	-	-	-	-	-
Closing balance	1,629.79	140.92	283.02	2,053.73	2,302.47	177.26	119.48	2,599.21

c) **Reconciliation of ECL balance**

(₹ in crore)

Particulars	Year ended March 31, 2021			Total	Year ended March 31, 2020			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Opening balance	2.50	12.71	11.48	26.69	1.42	14.53	2.72	18.67
New assets originated or purchased	-	-	-	-	0.11	0.13	1.19	1.43
Assets derecognised or repaid	1.30	(9.41)	(1.25)	(9.35)	(0.25)	(2.23)	4.19	1.70
Transfers to Stage 1	0.31			0.31	1.23			1.23
Transfers to Stage 2		8.73		8.73		0.28		0.28
Transfers to Stage 3			16.75	16.75			3.38	3.38
Amounts written off	-	-	-	-	-	-	-	-
Closing balance	4.11	12.03	26.98	43.12	2.50	12.71	11.48	26.69

Notes to the Financial Statement for the year ended March 31, 2021

6 Investments

(₹ in crore)

Particulars	At amortised cost	At fair value through profit and Loss	Total
As at March 31, 2021			
Investment in Pass through certificates and security receipts			
- Unquoted fully paid-up			
RHF Indian Receivable Trust I Sept 30, 2016	0.29	-	0.29
RHF Indian Receivable Trust II Mar 24, 2017	0.49	-	0.49
RHF Indian Receivable Trust II Oct 31, 2018	3.15	-	3.15
RHF Indian Receivable Trust II Jan 23, 2019	0.92	-	0.92
RHF Indian Receivable Trust III Feb 22, 2019	4.63	-	4.63
Investment in mutual fund			
- Quoted, fully paid-up			
*Reliance Credit Risk Fund - Direct Plan - Growth Plan	-	7.97	7.97
*Reliance Floating Rate Fund - Direct Plan Growth Plan - Growth Option	-	9.88	9.88
*Reliance Strategic Debt Fund - Direct Plan - Growth Option	-	-	-
*Kotak Low Duration Fund	-	3.27	3.27
Baroda Liquid Fund	-	850.21	850.21
#Nippon India Liquid Fund-Direct Plan Growth Plan - Growth Option	-	122.21	122.21
Kotak Liquid Fund	-	-	-
*HDFC Banking And PSU Debt Fund	-	4.40	4.40
Total (A) - Gross	**9.50**	**997.95**	**1,007.44**
(Less): Impairment loss allowance	-	-	-
Total (A) - Net	**9.50**	**997.95**	**1,007.44**
Investments outside India	-	-	-
Investments in India	9.50	997.95	1,007.44
Total (B) - Gross	**9.50**	**997.95**	**1,007.44**
(Less): Impairment loss allowance	-	-	-
Total (B) - Net	**9.50**	**997.95**	**1,007.44**

*Mutual funds outstanding as on 31st March, 2021 are pledged with broker for margin rerquirement.
#Investment has been made as a credit enhancement against PTC transactions.

Particulars	At amortised cost	At fair value through profit or Loss	Total
As at March 31, 2020			
Investment in Pass through certificates and security receipts			
- Unquoted, fully paid up			
RHF Indian Receivable Trust I Sept 30, 2016	0.36	-	0.36
RHF Indian Receivable Trust II Mar 24, 2017	0.62	-	0.62
RHF Indian Receivable Trust II Oct 31, 2018	3.93	-	3.93
RHF Indian Receivable Trust II Jan 23, 2019	1.16	-	1.16
RHF Indian Receivable Trust III Feb 22, 2019	6.16	-	6.16
Investment in mutual fund			
- Quoted, fully paid-up			
*Reliance Credit Risk Fund - Direct Plan - Growth Plan	-	7.36	7.36
*Reliance Floating Rate Fund - Direct Plan Growth Plan - Growth Option	-	9.02	9.02
*Reliance Strategic Debt Fund - Direct Plan - Growth Option	-	5.31	5.31
*Kotak Low Duration Fund	-	3.05	3.05
Baroda Liquid Fund	-	345.61	345.61
#Nippon India Liquid Fund-Direct Plan Growth Plan - Growth Option	-	53.56	53.56
Kotak Liquid Fund	-	510.55	510.55
*HDFC Banking And PSU Debt Fund	-	4.06	4.06
Total (A) - Gross	**12.22**	**938.52**	**950.74**
(Less): Impairment loss allowance	-	-	-
Total (A) - Net	**12.22**	**938.52**	**950.74**
Investments outside India	-	-	-
Investments in India	12.22	938.52	950.74
Total (B) - Gross	**12.22**	**938.52**	**950.74**
(Less): Impairment loss allowance	-	-	-
Total (B) - Net	**12.22**	**938.52**	**950.74**

Note :

*Mutual funds outstanding as on 31st March, 2020 are pledged with broker for margin rerquirement.
#Investment has been made as a credit enhancement against PTC transactions.
Market value of investments in unquoted mutual funds represents the repurchase price of the units issued by the mutual funds.

7 Other financial assets (₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest accrued on loans	**32.33**	82.60
Interest accrued on investments	**0.20**	0.06
Interest accrued on fixed deposits	**4.88**	3.20
Sundry Advances	**45.26**	2.08
Receivable on assignment of loans	**140.31**	110.34
Deposits - Considered good	**0.63**	1.10
Total	**223.60**	199.38

8 Current tax assets (net) (₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Income tax paid in advance	**52.47**	51.49
Total	**52.47**	51.49

9 Deferred tax assets (net) (₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax assets		
Disallowance under the Income Tax Act, 1961		
Tax Losses Carried forward	**199.29**	76.34
Expected Credit Loss/other provisions	**850.01**	224.49
MAT credit entitlement	**104.76**	104.76
Other adjustments including other comprehensive income	**26.60**	26.60
Total deferred tax assets	**1,180.67**	432.19
Deferred tax liabilities		
Related to tangible and intangible assets	**(48.52)**	(49.35)
Unamortised expenditure	**(8.60)**	(21.27)
Other adjustments	**4.95**	(15.96)
Total deferred tax liabilities	**(52.18)**	(86.58)
Net deferred tax assets / (liabilities)	**1,128.49**	345.61

10 Investment property (₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Gross carrying amount		
Opening gross carrying amount / Deemed cost	**4.58**	4.58
Additions	**-**	-
Closing gross carrying amount	**4.58**	4.58
Accumulated depreciation		
Opening accumulated depreciation	**0.21**	0.13
Depreciation charge	**0.08**	0.08
Closing accumulated depreciation	**0.28**	0.21
Net carrying amount	**4.30**	4.37

Fair valuation (₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Investment properties	**4.42**	4.42

Estimation of fair value

The Company obtains independent valuations for its investment properties. The best evidence of fair value is current prices in an active market for similar properties.

Notes to the Financial Statement for the year ended March 31, 2021

11 Property, plant and equipment (₹ in crore)

Particulars	Own Assets				Total
	Buildings	Data processing machineries	Furniture and fixtures	Office Equipments	
Year ended March 31, 2020					
Gross carrying amount					
Opening gross carrying amount	48.06	3.31	3.35	0.55	55.27
Additions (₹ 13,750)	-	-	0.26	0.09	0.35
Disposals and transfers	-	-	0.73	0.32	1.05
Closing gross carrying amount	**48.06**	**3.31**	**2.88**	**0.32**	**54.57**
Accumulated depreciation					
Opening accumulated depreciation	3.82	1.53	2.30	0.10	7.75
Depreciation charge during the year	0.83	1.08	0.23	0.11	2.25
Disposals and transfers	-	-	0.18	0.09	0.27
Closing accumulated depreciation	**4.65**	**2.61**	**2.35**	**0.12**	**9.73**
Net carrying amount as at March 31, 2020	**43.41**	**0.70**	**0.53**	**0.20**	**44.84**
Year ended March 31, 2021					
Gross carrying amount					
Opening gross carrying amount	48.06	3.31	2.88	0.32	54.57
Additions	-	0.08	0.12	0.01	0.21
Disposals and transfers	-	1.71	0.45	0.19	2.35
Closing gross carrying amount	**48.06**	**1.69**	**2.55**	**0.14**	**52.43**
Accumulated depreciation					
Opening accumulated depreciation	4.65	2.61	2.35	0.12	9.74
Depreciation charge during the year	0.84	0.53	0.09	0.04	1.50
Disposals and transfers	-	1.60	0.13	0.08	1.81
Closing accumulated depreciation	**5.49**	**1.55**	**2.32**	**0.08**	**9.43**
Net carrying amount as at March 31, 2021	**42.57**	**0.14**	**0.23**	**0.06**	**43.01**

12 Goodwill (₹ in crore)

Particulars	Goodwill on business acquisition
Year ended March 31, 2020	
Gross carrying amount	
Opening gross carrying amount	209.96
Additions	-
Less: Impairment for goodwill	-
Balance as at March 31, 2020	**209.96**
Year ended March 31, 2021	
Gross carrying amount	
Opening gross carrying amount	209.96
Additions	-
Less:Impairment for goodwill	-
Balance as at March 31, 2021	**209.96**

13 Other intangible assets (₹ in crore)

Particulars	Computer softwares/ Licensing cost	Intangible assets under development
Year ended March 31, 2020		
Gross carrying amount		
Opening gross carrying amount	6.67	0.16
Additions	0.05	0.39
Disposals and transfers	-	0.02
Closing gross carrying amount	6.72	0.53

(₹ in crore)

Particulars	Computer softwares/ Licensing cost	Intangible assets under development
Accumulated amortisation		
Opening accumulated amortisation	2.81	-
Amortisation during the year	1.29	-
Disposals and transfers	-	-
Closing accumulated depreciation	4.10	-
Net carrying amount as at March 31, 2020	2.62	0.53
Year ended March 31, 2021		
Gross carrying amount		
Opening gross carrying amount	**6.72**	**0.53**
Additions	**0.51**	**-**
Disposals and transfers	**1.86**	**0.53**
Closing gross carrying amount	**5.36**	**-**
Accumulated amortisation		
Opening accumulated amortisation	**4.10**	**-**
Amortisation during the year	**1.06**	**-**
Disposals and transfers	**1.86**	**-**
Closing accumulated depreciation	**3.30**	**-**
Net carrying amount as at March 31, 2021	**2.06**	**-**

14 Other non-financial asset

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital advances	**13.53**	13.59
Prepaid expenses	**0.71**	0.38
Balance with GST & Service tax authorities	**6.96**	5.28
Stock of Acquired Properties (Secured)	**173.32**	207.04
Less : Provision for impairment	**(65.01)**	(57.90)
Total	**129.51**	168.39

15 Derivative financial instruments

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges, but the Company has elected not to apply hedge accounting requirements.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Index Linked derivative-assets/(liabilities)	**16.60**	10.73
Total	**16.60**	10.73

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

16A Trade payable

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
- Total outstanding dues of micro enterprises and small enterprises	**-**	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	**-**	-
Total	**-**	-

Notes to the Financial Statement for the year ended March 31, 2021

16B Other payable

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	**0.82**	-
Total	**0.82**	-

Disclosure of amounts payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based onthe information available with the Company regarding the status of registration of such vendors under the said Act. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date.

17 Debt securities

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
At amortised cost		
Debentures - Secured		
- Non Convertible Debentures	**5,691.05**	5,686.22
Subtotal	**5,691.05**	5,686.22
At fair value through profit and loss - Secured		
- 0% Market linked debentures	**282.54**	232.27
Subtotal	**282.54**	232.27
Total (A)	**5,973.59**	5,918.49
Debt securities in India	**5,973.59**	5,918.49
Debt securities outside India	**-**	-
Total (B)	**5,973.59**	5,918.49

(a) Security clause, maturity profile & rate of interest in respect of Secured Non-Convertible Debentures

Listed Secured Redeemable Non-Convertible Debentures ("Secured NCDs") of the Company aggregating to ₹ 5,967 crore* are secured by way of first *pari-passu* legal mortgage and charge on the Company's immovable property and additional *pari-passu* charge by way of hypothecation on the present and future book debts / receivables, outstanding money (loan book), receivable claims of the Company with other secured lenders, except those book debts and receivables charged / to be charged in favour of National Housing Bank for refinance availed / to be availed from them. The asset cover has fallen below hundred percent of outstanding debentures and adequate steps are being taken by the Company as explained in Note 18(d) in Notes to the financial statement for the year ended March 31, 2021.

* Gross amount i.e. without considering the impact of unamortised expenses.

(b) Maturity profile of Non-Convertible Debentures are as set out below:

(₹ in crore)

Particulars	Rate	Maturity Date	As at March 31, 2021	As at March 31, 2020
F Series B NCD - 12 (SEC)	9.48%	4/27/2025	**0.99**	0.99
F Series B NCD - 21 (SEC)	9.35%	7/5/2023	**24.82**	24.76
F Series B NCD - 22 (SEC)	9.35%	7/5/2023	**4.98**	4.98
F Series B NCD - 23 (SEC)	9.52%	7/26/2023	**14.92**	14.89
F Series B NCD - 26-1 (SEC)	9.90%	3/28/2024	**1.66**	1.66
F Series B NCD - 27 (SEC)	9.80%	5/15/2024	**14.94**	14.92
F Series B NCD - 28 (SEC)	9.80%	6/19/2019	**-**	-
F Series B NCD - 29 (SEC)	9.80%	6/27/2019	**-**	-
F Series B NCD - 30 (SEC)	9.75%	10/16/2019	**10.00**	10.00
F Series B NCD - 32 (SEC)	9.05%	3/26/2020	**15.00**	15.00
F Series B NCD - 33 (SEC)	9.15%	3/25/2022	**19.99**	19.98
F Series B NCD - 36 (SEC)	9.15%	9/22/2025	**14.96**	14.95
F Series B NCD - 37 (SEC)	8.82%	10/28/2022	**20.00**	20.00

Notes to the Financial Statement for the year ended March 31, 2021

Particulars	Rate	Maturity Date	As at March 31, 2021	As at March 31, 2020
F Series B NCD - 39 (SEC)	8.80%	12/15/2020	**25.00**	24.99
F Series B NCD - 4 (SEC)	10.00%	12/8/2022	**1.00**	0.99
F Series B NCD - 40 (SEC)	9.00%	3/8/2021	**50.00**	49.97
F Series B NCD - 41 (SEC)	9.00%	3/16/2021	**10.00**	9.99
F Series B NCD - 42 (SEC)	8.83%	4/11/2023	**39.91**	39.88
F Series B NCD - 43 (SEC)	8.81%	4/26/2023	**24.95**	24.94
F Series B NCD - 44 (SEC)	8.81%	5/5/2023	**14.98**	14.97
F Series B NCD - 45 (SEC)	8.95%	5/16/2025	**24.88**	24.86
F Series B NCD - 46-III (A) (SEC)	8.81%	6/24/2021	**24.99**	24.96
F Series B NCD - 46-IV (B) (SEC)	8.81%	6/23/2023	**9.97**	9.96
F Series B NCD - 46-IV (C) (SEC)	8.81%	6/23/2023	**19.94**	19.91
F Series B NCD - 47 (SEC)	8.81%	7/19/2019	**-**	-
F Series B NCD - 48 (SEC)	8.90%	7/22/2021	**49.98**	49.90
F Series B NCD - 49 (SEC)	8.90%	7/26/2019	**-**	-
F Series B NCD - 50 (SEC)	8.90%	8/12/2019	**-**	-
F Series B NCD - 51 (SEC)	8.35%	10/3/2019	**30.00**	30.00
F Series B NCD - 52 (SEC)	8.80%	10/4/2023	**10.00**	10.00
F Series B NCD - 53 (SEC)	8.35%	10/17/2019	**25.00**	25.00
F Series B NCD - 54 (SEC)	8.75%	10/26/2021	**20.00**	20.00
F Series B NCD - 55 (SEC)	8.85%	10/27/2023	**20.00**	20.00
F Series B NCD - 57 (SEC)	8.64%	5/25/2020	**100.00**	100.00
F Series B NCD - 58 (SEC)	0.00%	5/29/2020	**100.00**	100.00
F Series B NCD - 59 (SEC)	8.50%	5/7/2027	**20.00**	20.00
F Series B NCD - 60 (SEC)	8.25%	5/8/2020	**20.00**	20.00
F Series B NCD - 61 (SEC)	8.65%	8/30/2024	**25.00**	25.00
F Series B NCD - 62 (SEC)	0.00%	9/15/2020	**20.00**	20.00
F Series B NCD - 63 (SEC) Type 1	8.88%	10/11/2024	**488.47**	490.75
F Series B NCD - 63 (SEC) Type 2	8.98%	10/13/2027	**490.32**	489.30
F Series B NCD - 64 (SEC)	0.00%	4/6/2021	**25.00**	25.00
F Series B NCD - 65 (SEC)	8.60%	1/10/2023	**30.00**	30.00
F Series B NCD - 66 (SEC)	0.00%	4/15/2021	**14.00**	14.00
F Series B NCD - 67 (SEC)	8.93%	3/9/2028	**800.00**	800.00
F Series B NCD - 68 (SEC)	9.10%	6/28/2019	**400.00**	400.00
RHFL - IA	8.70%	1/2/2020	**812.00**	811.00
RHFL - IB	8.90%	1/2/2020	**1,054.64**	1,052.63
RHFL - IIA	8.90%	1/2/2022	**165.58**	165.18
RHFL - IIB	9.05%	1/2/2022	**332.94**	331.12
RHFL - IIIA	9.00%	1/2/2027	**12.72**	12.71
RHFL - IIIB	9.15%	1/2/2027	**237.51**	237.08
Grand Total			**5691.05**	5686.22

(c) Maturity profile of Market-linked Debentures are as set out below:

(₹ in crore)

Particulars	Rate	Maturity Date	As at March 31, 2021	As at March 31, 2020
MLD - M21/I	0.00%	9-Sep-19	**1.00**	1.00
MLD - M22/I	0.00%	30-Sep-19	**12.00**	12.00
MLD - M24	0.00%	30-Jul-18	**14.00**	14.00
MLD - M29	0.00%	2-Jul-18	**6.66**	6.66
MLD - M31/I	0.00%	30-Jul-19	**3.14**	3.14
MLD - M31/II	0.00%	30-Jul-19	**5.24**	5.24

Notes to the Financial Statement for the year ended March 31, 2021

Particulars	Rate	Maturity Date	As at March 31, 2021	As at March 31, 2020
MLD - M32	0.00%	7-Oct-19	**3.14**	3.14
MLD - M33	0.00%	20-Oct-18	**3.99**	3.87
MLD - M34	0.00%	29-Aug-18	**2.15**	2.06
MLD - M35	0.00%	1-Oct-18	**14.50**	13.86
MLD - M36	0.00%	28-Aug-17	**7.69**	7.42
MLD - M37	0.00%	26-Oct-17	**50.75**	45.10
MLD - M38	0.00%	2-Dec-19	**35.43**	28.71
MLD - M39	0.00%	12-Oct-20	**20.16**	19.13
MLD - M40	0.00%	13-Dec-27	**26.45**	17.14
MLD - M41	0.00%	8-Mar-22	**57.96**	38.18
MLD - M42	0.00%	6-Dec-22	**18.29**	11.62
Grand Total			**282.54**	232.27

(d) Including overdue of ₹ 2780.44 crore

18 Borrowings (other than debt securities)

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
At amortised cost		
Secured		
From banks		
Cash credit	**377.95**	326.52
Loans	**3,441.14**	3,439.32
Inter corporate deposits	**200.00**	200.00
Pass through Certificates	**1,640.44**	2,052.32
Unsecured		
Commercial paper*	**546.98**	503.23
Total (A)	**6,206.52**	6,521.40
Borrrowings in India	**6,206.52**	6,521.40
Borrowings outside India	**-**	-
Total (B)	**6,206.52**	6,521.40

Notes:

a) Term loans from banks includes ₹ 3,442.96 crore* (Previous year ₹ 3,442.96 crore*), secured by *pari-passu* first charge by hypothecation of all the standard book debts and receivables of the Company, both present and future, except for those book debts and receivables charged / to be charged in favour of National Housing Bank for refinance availed / to be availed, if any, from them, against security not exceeding ₹ 3,787.26 crore* (Previous year ₹ 3,787.26 crore*). The asset cover has fallen below hundred percent of outstanding secured term loans and adequate steps are being taken by the Company as explained in 18 (d).

* Gross amount i.e. without considering the impact of unamortised expenses.

b. Cash Credit facility of ₹ 378.11 crore (Previous year ₹ 326.52 crore), are secured by *pari-passu* first charge by hypothecation of all the standard book debts and receivables of the Company, both present and future, except for those book debts and receivables charged / to be charged in favour of National Housing Bank for refinance availed / to be availed, if any, from them, against security not exceeding ₹ 415.92 crore (Previous year ₹ 359.17 crore). The asset cover has fallen below hundred percent of outstanding Cash Credit facilities and adequate steps are being taken by the Company as explained in 18 (d).

c. Commercial papers maximum amount outstanding during the year was ₹ 484 crore (March 31, 2020 - ₹ 849 crore).

d. Since the previous financial year, due to sudden adverse developments in the financial sector, all categories of lenders in India (including Banks, Mutual Funds, etc.) have put near complete freeze on additional lending to Non-Banking Financial Companies (NBFCs) and Housing Finance Companies (HFCs) and have been insisting for reducing the existing level of borrowings which has severely impacted the financial flexibility of majority of NBFCs & HFCs.

The Lenders of the Company have entered into an inter-creditor agreement ("ICA") dated July 6, 2019 in accordance with the circular dated June 7, 2019 issued by the Reserve Bank of India (RBI) on "Prudential Framework for Resolution of Stressed Assets" with Bank of Baroda acting as the Lead Banker for arriving at the debt resolution plan.The Company has been informed by the Lead Bank vide their email dated 07 May 2021, that the ICA Lenders have been taking all steps in resolving the stress situation of the Company and the Resolution Process is currently under process. In view of the steps taken by the Company, the accounts of the Company have been prepared on Going Concern Basis.

Notes to the Financial Statement for the year ended March 31, 2021

e. **Maturity profile of Secured Term Loans from banks are as set out below-** (₹ in crore)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Term Loan from Banks (8.45%-11.50%)	1,421.36	890.01	638.08	476.56	16.95	**3,442.96**

f. Including overdues borrowing of ₹ 2311.37 crore and ICD of ₹ 200 crore.

19 Subordinated liabilities (₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
At Amortised Cost		
Preference shares other than those qualified as Equity		
- 3,10,35,980 8% Cumulative Non-Convertible Redeemable Preference Shares Of ₹ 10/- Each Fully Paid Up	**31.04**	31.04
Tier II Unsecured Non Convertible Debentures	**765.25**	764.30
Total	**796.29**	795.34
In India	**796.29**	795.34
Outside India	**-**	-
Total	**796.29**	795.34

Unsecured NCDs amounting to ₹ 768.71 crore* (Previous year ₹ 768.71 crore*) are in respect to Tier II Subordinate Debts.

* Gross amount i.e. without considering the impact of unamortised expenses.

Maturity profile of Tier II Unsecured Non Covertable Debentures are as set out below: (₹ in crore)

Particulars	Rate	Maturity Date	As at March 31, 2021	As at March 31, 2020
F Series T NCD-01 (UNSEC)	10.60%	9/18/2022	**0.99**	0.99
F Series T NCD-02 (UNSEC)	10.60%	9/18/2022	**4.96**	4.95
F Series T NCD-03 (UNSEC)	10.40%	9/21/2022	**14.84**	14.78
F Series T NCD-04 (UNSEC)	10.40%	9/24/2022	**14.84**	14.78
F Series T NCD-05 (UNSEC)	10.40%	9/24/2022	**4.50**	5.00
F Series T NCD-06 (UNSEC)	10.60%	9/18/2022	**1.98**	1.98
F Series T NCD-07 (UNSEC)	10.40%	10/4/2022	**14.94**	14.91
F Series T NCD-08 (UNSEC)	10.33%	10/10/2022	**19.81**	19.74
F Series T NCD-09 (UNSEC)	10.33%	10/10/2022	**9.91**	9.87
F Series T NCD-10 (UNSEC)	10.33%	10/18/2022	**9.91**	9.87
F Series T NCD-11 (UNSEC)	10.33%	11/26/2022	**4.77**	4.59
F Series T NCD-12 (UNSEC)	10.00%	2/7/2023	**14.71**	15.00
F Series T NCD-14 (UNSEC)	9.50%	5/29/2023	**24.59**	25.00
F Series T NCD-15A (UNSEC)	9.50%	6/9/2025	**9.94**	9.80
F Series T NCD-15B (UNSEC)	9.50%	6/9/2025	**9.94**	9.80
F Series T NCD-16 (UNSEC)	9.50%	6/12/2025	**9.88**	9.61
F Series T NCD-17 (UNSEC)	9.50%	6/13/2025	**9.94**	9.80
F Series T NCD-18 (UNSEC)	9.50%	6/29/2025	**9.94**	9.80
F Series T NCD-19 (UNSEC)	9.50%	7/1/2025	**10.00**	10.00
F Series T NCD-20 (UNSEC)	9.25%	7/3/2025	**19.89**	19.63
F Series T NCD-21 (UNSEC)	9.50%	8/21/2025	**10.00**	10.00
F Series T NCD-22 (UNSEC)	9.25%	8/23/2025	**6.96**	6.87
F Series T NCD-23 (UNSEC)	9.45%	9/15/2022	**9.98**	9.97
F Series T NCD-24 (UNSEC)	9.00%	1/21/2026	**14.95**	14.83
F Series T NCD-25 (UNSEC)	9.00%	2/10/2026	**2.99**	2.97
F Series T NCD-26 (UNSEC)	8.75%	11/23/2026	**5.00**	4.99
F Series T NCD-27 (UNSEC)	9.00%	11/25/2026	**49.81**	49.14

Notes to the Financial Statement for the year ended March 31, 2021

Particulars	Rate	Maturity Date	As at March 31, 2021	As at March 31, 2020
F Series T NCD-28 (UNSEC)	9.00%	12/7/2026	**9.98**	9.90
RHFL - IVA	9.25%	1/2/2032	**249.80**	250.03
RHFL - IVB	9.40%	1/2/2032	**185.51**	185.68
Total			**765.25**	764.30

20 Other financial liabilities

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest Payable on Preference share capital	**7.45**	4.97
Interest accrued but not due on borrowings	**100.49**	67.90
Interest due but not paid on borrowings	**1,762.85**	841.60
Collateral deposit from customers	**0.06**	0.09
Other liabilities	**1.42**	1.43
Securitisation/Assignment payable	**(88.00)**	53.36
Total	**1,784.27**	969.35

21 Provisions

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employees Benefits		
- Leave Encashment	**-**	-
- Gratuity	**0.08**	0.98
Provisions on Expenses	**37.83**	23.47
Total	**37.91**	24.45

22 Other non-financial liabilities

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance from Customers	**134.13**	20.43
Statutory dues including provident fund and tax deducted at source	**0.83**	2.25
Total	**134.96**	22.68

23 Equity share capital

(₹ in crore)

	Particulars	As at March 31, 2021		As at March 31, 2020	
		Number	Amount	Number	Amount
a)	**Authorised:**				
	Equity shares of ₹ 10 each	**70 00 00 000**	**700**	70 00 00 000	700
	Preference shares of ₹ 10 each*	**10 00 00 000**	**100**	10 00 00 000	100
	Total	**80 00 00 000**	**800**	80 00 00 000	800
	*[Refer Note no. 19]				
b)	**Issued, subscribed & fully paid-up:**				
	Equity shares of ₹ 10 each	**48 50 58 818**	**485.06**	48 50 58 818	485.06
	Total	**48 50 58 818**	**485.06**	48 50 58 818	485.06

c) **Equity shares held by holding company:**

Equity shareholders	As at March 31, 2021		As at March 31, 2020	
	Number	% holding	Number	% holding
Reliance Capital Limited* (Refer Note (h) below)	**23 23 69 188**	**47.91**	23 23 69 188	47.91

*Ceased with effect from March 5, 2020.

d) **Shares in the Company held by each shareholder holding more than 5 per cent:**

Name of the equity shareholder	As at March 31, 2021		As at March 31, 2020	
	Number	**% holding**	Number	% holding
Reliance Capital Limited	**23 23 69 188**	**47.91**	23 23 69 188	47.91

Name of the preference shareholder	As at March 31, 2021		As at March 31, 2020	
	Number	**% holding**	Number	% holding
Mr. Sunil Bhandari, Mr. Vishal Rathi & BDG Advisors Private Limited as members of BDG Associates	**3 10 35 886**	**99.99**	3 10 35 886	99.99

e) **Rights, Preferences and Restrictions:**

i) **In respect of Equity shares:**

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the holder 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 shareholder.

ii) **In respect of Preference shares*:**

3,10,35,980, 8% Cumulative Non-Convertible Redeemable Preference Shares having a par value of ₹ 10 per share shall be redeemed at par after 5 years from the date of allotment i.e. August 9, 2017 or unless otherwise agreed between the Company and preference shareholders.

*[Refer Note No.19]

f) Pursuant to the Scheme of Arrangement between India Debt Management Private Limited ("IDMPL") and the Company and their respective Shareholders, 3,10,35,980 fully paid-up 8% Cumulative Non-Convertible Redeemable Preference Shares were issued and allotted to the equity shareholders of IDMPL on August 9, 2017 without payment being received in cash.

g) Pursuant to the Scheme of Arrangement between Reliance Capital Limited ("RCap") and the Company and their respective Shareholders and Creditors:

i) 11,65,49,188 fully paid-up equity shares were issued and allotted to the holding company viz. RCap on September 4, 2017 on rights basis at a premium of ₹ 22 per share amounting to ₹ 372.96 crore;

ii) 25,26,89,630 fully paid-up equity shares were issued and allotted to the shareholders of RCap in the ratio of 1:1 on September 7, 2017 without payment being received in cash; and

iii) Upon allotment of equity shares to shareholders of RCap, RCap held 47.91 per cent of the total paid-up equity share capital of the Company and RCap would acquire such number of shares from the other promoters of the Company at an agreed value, so that the holding of RCap in the Company would be 51 per cent (Refer Note (h) below).

h) The Company was a subsidiary of Reliance Capital Limited (RCap) in terms of Section 2(87) of the Companies Act, 2013 pursuant to a voting agreement with other Promoter Group entities namely Reliance Inceptum Private Limited and Reliance Infrastructure Consulting & Engineers Private Limited. However, RCap ceased to be the holding company of the Company with effect from March 5, 2020 pursuant to the invocation of pledge on the equity shares and reduction in shareholding of these Promoter Group entities during the year,

i) Out of the above shares 3,29,10,000 equity shares were allotted as fully paid-up bonus shares to its existing shareholders in the financial year 2012-13.

j) The Company has not declared dividend on Preference shares since September 18, 2018.

k) The Company has not bought back any shares during the period of last 5 financial years.

l) **Reconciliation of number of shares outstanding:**

	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	**Amount (₹ in crore)**	No. of Shares	Amount (₹ in crore)
Equity Shares				
Opening Balance	**48 50 58 818**	**485.06**	48 50 58 818	485.06
Addition during the year	**-**	**-**	-	-
Closing Balance	**48 50 58 818**	**485.06**	48 50 58 818	485.06
Preference Shares				
Opening Balance	**3 10 35 980**	**31.04**	3 10 35 980	31.04
Addition during the year	**-**	**-**	-	-
Closing Balance	**3 10 35 980**	**31.04**	3 10 35 980	31.04

Notes to the Financial Statement for the year ended March 31, 2021

m) For employee stock option scheme Refer Note No. 44.

n) As on March 31, 2021, the Company has not:

i) issued any shares where calls are unpaid; and

ii) forfeited any shares.

24 Other equity

(₹ in crore)

Particulars	**As at March 31, 2021**	As at March 31, 2020
Debenture redemption reserve*		
Opening balance	**436.72**	436.72
Add: Amount transferred from Statement of Profit and loss	**-**	-
Add/(Less) : Changes during the year		
Closing balance	**436.72**	436.72
Securities premium account		
Opening balance	**660.34**	660.34
Ass: Issued during the year		
Add/(Less) : Changes during the year	**-**	-
Closing balance	**660.34**	660.34
Special reserve fund#		
Opening balance	**143.94**	143.94
Add: Amount transferred from Statement of Profit and loss	**-**	-
Add/(Less) : Changes during the year		
Closing balance	**143.94**	143.94
Surplus/(deficit) in the statement of profit and loss		
Opening balance	**(270.95)**	104.30
Add: Amount transferred from Statement of Profit and loss	**(1,519.71)**	(375.25)
Add: Pursuant to Scheme of Arrangement (Refer Note No. 43(a))		
Less: Dividend	**-**	-
Less: Tax on dividend	**-**	-
Less: Transfer to special reserve	**-**	-
Less: Transfer to statutory reserve fund		
Less: Transfer to debenture reserve fund	**-**	-
Add/(Less) : Changes during the year	**-**	-
Closing balance	**(1,790.65)**	(270.95)
Share based options outstanding account		
Opening balance	**11.64**	11.64
Add/(Less) : Changes during the year	**-**	-
Closing balance	**11.64**	11.64
Total	**(538.02)**	981.69

* Created pursuant to the Companies (Share capital and debentures) Rules, 2014.

\# Created pursuant to section 29C of the National Housing Bank Act, 1987.

Nature and purpose of reserve

a. Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

b. Debenture redemption reserve

The Company being a housing finance company registered with the National Housing Bank, is not required to transfer to DRR in respect of debentures in terms of Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014.

c. **Special reserve**

The special reserve created as per Section 29C of the NHB Act, 1987, qualifies for deduction as specified u/s 36(1)(viii) of the Income Tax Act, 1961 and accordingly Company has been availing tax benefits for such transfer. An amount equivalent to 20% of the profits is transferred to special reserve fund as per Prudential Norms of NHB.

d. **Employee stock option scheme**

The Employee stock option scheme is used to recognise the grant date fair value of options issued to employees under share based.

25 Interest income (₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
On financial assets measured at amortised costs:		
Interest on loans	**767.52**	1,513.26
Interest on deposits with banks	**25.26**	29.76
On financial assets measured at FVTPL:		
Interest income from investments	**(4.02)**	11.35
Total	**788.76**	1,554.37

26 Fees and commission income (₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Servicing Fees	**1.18**	5.50
Other Operating Charges	**5.90**	16.80
Brokerage Commission on Property Solution	**-**	1.18
Total	**7.08**	23.48

27 Other operating income (₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Bad Debts Recovered	**7.42**	9.54
Total	**7.42**	9.54

28 Other income (₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit on sale of investments	**35.64**	5.94
Interest on income tax refund	**0.74**	6.58
Miscellaneous income	**0.47**	3.00
Profit on sale of Fixed assets	**0.31**	-
Total	**37.16**	15.52

29 Finance costs (₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
On financial liabilities measured at amortised cost:		
Interest on borrowings	**614.99**	717.64
Interest on Non convertible debentures	**587.75**	598.36
Interest on Preference shares	**2.48**	2.48
Other finance charges	**-**	0.01
On financial liabilities measured at fair value:		
Interest on Non convertible debentures	**14.34**	17.37
Total	**1,219.57**	1,335.86

Notes to the Financial Statement for the year ended March 31, 2021

30 Employee benefits expenses

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and wages	**33.74**	67.57
Contribution to provident and other funds	**1.74**	3.57
Share based payments to employees	**-**	-
Staff welfare expenses	**0.72**	1.52
Total	**36.20**	72.66

31 Impairment on financial instruments

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
On financial instruments measured at amortised cost:		
Expected credit loss(net of provision)	**1,810.05**	442.35
Investments writtern off	**-**	-
Bad Debts writtern off	**6.25**	214.64
Total	**1,816.30**	657.00

32 Other expenses

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Auditor's Remuneration	**0.42**	0.36
Bank Charges	**0.26**	0.86
Credit Cost	**0.02**	0.41
Collection Cost	**3.76**	6.09
Corporate Social Responsibility Expenditures	**-**	-
Directors' Sitting Fees	**0.32**	0.29
Legal & Professional Fees	**29.56**	37.04
Loss on Sale of Fixed Asset	**0.41**	0.64
Marketing Expenses	**0.13**	0.55
Management Expenses	**8.08**	8.07
Miscellaneous Expenses	**0.10**	0.16
Postage,Telegram & Telephone	**0.47**	0.96
Provision for stock of aquired assets	**7.10**	18.62
Printing and Stationary	**1.77**	2.09
Rates and Taxes	**1.52**	1.26
Repairs & Maintenance-Others	**10.82**	14.75
Travelling & Conveyance	**0.27**	1.29
Sundary Balances w off	**0.85**	0.40
Rent	**2.75**	7.20
Total	**68.62**	101.05

33 Breakup of Auditors' remuneration

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Statutory Audit fees (including limited review fees)	**0.19**	0.19
Certification Fees	**0.23**	0.17
Total	**0.42**	0.36

Other than this, there was out of pocket expense of ₹ 0.01 crore which we had paid to the auditors for FY 2020-21.

34 Contribution for corporate social responsibility (CSR)

During the year 2020-21, the Company was not required to spend on CSR pursuant to the provisions of Section 135 of the Act.

Further, during the year 2019-20, the Company was required to spend an amount of ₹ 3.23 crore on CSR activities. The Company is facing severe financial stress and accordingly the Lenders have entered into an Inter Creditor Agreement (ICA) in terms of RBI Circular No. DBR.No.BP.BC.45/21.04.048/2018-19, dated June 7, 2019 on July 6, 2019. As part of the same, all cashflows of the Company are under direct supervision and control of the Lenders, for the purpose of debt resolution.

Further, the Hon'ble Delhi High Court vide its Order dated November 20, 2019, has placed restraint on the Company on incurring expenses other than in ordinary course of business.

In view of the aforesaid, the Company had not spent the amount on CSR activities for the year 2019-20 and will not spend the same for 2020-21 as well. The Company is committed to spend on CSR in the long term.

35 Income tax

a) Component of income tax expenses

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current tax	-	-
Adjustment in respect of current income tax of prior years		(2.35)
Deferred tax	(782.98)	(189.61)
Total	**(782.98)**	(191.96)

b) Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31, 2021 and March 31, 2020 is, as follows:

(₹ in crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Accounting profit before tax	(2,302.89)	(567.28)
Tax at India's statutory income tax rate of 34.94% (previous year 34.94%)	(804.72)	(198.23)
Tax effect of the amount which are not taxable in calculating taxable income :		
- Others	21.74	6.27
Income tax expense at effective tax rate	(782.98)	(191.96)
Effective tax rate	34.00%	33.84%

c) Movement in Deferred tax assets/liabilities

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax assets / liabilities:

As at March 31, 2021

(₹ in crore)

Particulars	As at March 31, 2020	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	Year ended March 31, 2021
Deferred tax liability :				
Property, plant and equipment	(49.35)	0.83	-	**(48.52)**
Unamortised expenditure	(21.27)	12.66	-	**(8.60)**
Other Adjustments	(15.96)	20.91	-	**4.95**
	(86.58)	34.40	-	**(52.18)**
Deferred tax asset :				
Disallowance under the Income Tax Act, 1961	-	-		**-**
Tax losses carried forward	76.34	122.95	-	**199.29**
Provision for NPA/diminution in the value of Assets	224.49	625.53	-	**850.01**
Mat credit entitlement	104.76	-	-	**104.76**
Other Adjustments	26.44	-	-	**26.44**
Other Comprehensive Items	0.17	-	-	**0.17**
	432.19	748.48	-	**1,180.67**
Net deferred tax asset/liability	345.61	782.88	-	**1,128.49**

d) Significant estimates

The Company has recognised deferred tax assets for the carry forward of unused tax losses to the extent that it is probable that the future taxable profit will be available against which the unused tax losses can be utilised.

36 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ in crore)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	**After 12 months**	**Total**	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	**973.62**	**-**	**973.62**	83.61	-	83.61
Bank balance other than cash and cash equivalents above	**336.20**	**-**	**336.20**	422.50	4.39	426.89
Receivables			**-**			-
(I) Trade receivables	**-**	**-**	**-**	-	-	-
(II) Other receivables	**-**	**-**	**-**	0.65	-	0.65
Loans	**740.55**	**10,046.79**	**10,787.33**	4,941.66	8,298.45	13,240.11
Investments	**9.50**	**997.95**	**1,007.44**	0.58	950.16	950.74
Other financial assets	**83.29**	**140.31**	**223.60**	89.05	110.34	199.38
			-			-
Non-financial assets			**-**			-
Current tax assets (Net)	**52.47**	**-**	**52.47**	51.49	-	51.49
Deferred tax assets (Net)	**-**	**1,128.49**	**1,128.49**	-	345.61	345.61
Investment property	**-**	**4.30**	**4.30**	-	4.37	4.37
Property, plant and equipment	**-**	**43.01**	**43.01**	-	44.84	44.84
Intangible assets under development	**-**	**-**	**-**	0.53	-	0.53
Goodwill		**209.96**	**209.96**	-	209.96	209.96
Other intangible assets	**-**	**2.06**	**2.06**	-	2.62	2.62
Other non-financial assets	**129.51**	**-**	**129.51**	168.39	-	168.39
Total assets	**2,325.13**	**12,572.87**	**14,898.00**	5,758.45	9,970.74	15,729.19
Financial liabilities						
Derivative financial instruments	**16.60**	**-**	**16.60**	10.73	-	10.73
Payables			**-**			-
(I) Trade payables			**-**			-
(i) total outstanding dues of micro enterprises and small enterprises	**-**	**-**	**-**	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	**-**	**-**	**-**	-	-	-
(II) Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	**-**	**-**	**-**	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	**0.82**	**-**	**0.82**	-		-
Debt securities	**3,454.85**	**2,518.74**	**5,973.59**	2,786.07	3,132.42	5,918.49
Borrowings (Other than debt securities)	**4,181.82**	**2,024.70**	**6,206.52**	3,689.20	2,832.20	6,521.40
Subordinated liabilities		**796.29**	**796.29**		795.34	795.34
Other financial liabilities	**1,784.20**	**0.06**	**1,784.27**	969.26	0.09	969.35
Non-financial Liabilities			**-**			-
Provisions	**37.91**	**-**	**37.91**	24.45	-	24.45
Other non-financial liabilities	**134.96**	**-**	**134.96**	22.68	-	22.68
Total liabilities	**9,611.16**	**5,339.80**	**14,950.95**	7,502.39	6,760.05	14,262.44
Net	**(7,286.03)**	**7,233.07**	**(52.96)**	(1,743.94)	3,210.69	1,466.75

37 Fair value measurement

a) Financial instruments by category

(₹ in crore)

Particulars	As at March 31, 2021 FVTPL	As at March 31, 2021 Amortised cost	As at March 31, 2020 FVTPL	As at March 31, 2020 Amortised cost
Financial assets				
Cash and cash equivalents	**-**	**973.62**	-	83.61
Bank balance other than cash and cash equivalents above	**-**	**336.20**	-	426.89
Other receivables		**-**		0.65
Loans	**-**	**10,787.34**	-	13,240.11
Investments	**997.95**	**9.50**	938.52	12.23
Other financial assets	**-**	**223.60**	-	199.38
Total financial assets	**997.95**	**12,330.25**	938.52	13,962.87
Financial liabilities				
Derivative financial instruments	**16.60**	**-**	10.73	-
Payables				
(I) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	**-**	**-**	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	**-**	**-**	-	-
(II) Other payables				
(i) total outstanding dues of micro enterprises and small enterprises	**-**	**-**	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	**-**	**0.82**	-	-
Debt securities	**282.54**	**5,691.05**	232.27	5,686.22
Borrowings (Other than debt securities)	**-**	**6,206.52**	-	6,521.40
Subordinated liabilities	**-**	**796.29**	-	795.34
Other financial liabilities	**-**	**1,784.27**	-	969.35
Total financial liabilities	**299.13**	**14,478.94**	243.00	13,972.31

b) 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 values are disclosed 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 Ind AS. An explanation of each level follows underneath the table.

As at March 31, 2021 (₹ in crore)

Assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVTPL	-			**-**
- Debentures and bonds	**997.95**	**-**	**-**	**997.95**
- Mutual funds	**997.95**	**-**	**-**	**997.95**
Total financial assets				
Financial liabilities				
Debentures	**-**	**282.54**	**-**	**282.54**
Derivatives not designated as hedges				
- Options	**-**	**16.60**	**-**	**16.60**
Total financial liabilities	**-**	**299.13**	**-**	**299.13**

As at March 31, 2020 (₹ in crore)

Assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVTPL				-
- Debentures and bonds	-	-	-	-
- Mutual funds	938.52	-	-	938.52
Total financial assets	938.52	-	-	938.52

As at March 31, 2020 (₹ in crore)

Assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
Financial liabilities				
Debentures	-	232.27	-	232.27
Derivatives not designated as hedges				
- Options	-	10.73	-	10.73
Total financial liabilities	-	243.00	-	243.00

Notes:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between levels 1, 2 and 3 during the year. For transfers in and out of level 3 measurements.

c) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- Listed equity investments (other than subsidiaries and associates - Quoted bid price on stock exchange
- Mutual fund - net asset value of the scheme· Debentures or bonds - based on market yield for instruments with similar risk / maturity, etc.
- Interest rate swaps – the present value of the estimated future cash flows based on observable yield curves
- Private equity investment fund - price to book value method and
- Other financial instruments – discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities, a contingent consideration receivable and certain derivative contracts, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

For remaining financial assets and liabilities that are measured at amortised cost, the carrying amounts are same as fair values.

38 Financial risk management

Introduction

Introduction

The Company has operations in India. Whilst risk is inherent in the company's activities, it is managed through and integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limit and other controls. The company is exposed to credit risk, liquidity risk and market risk.It is also subject to various operation and regulatory risks. Hence this process of risk management is critical to the Company's continuing profitability and each individual witin the company is accountable for the risk exposures relating to his or her responsibilities.

Risk Management Framework

The company's risk management is carried out by Risk Management Committe under policies approved by the board of directors. The board provides written principles for overall risk management, as well as policies covering specific area.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade and other receivables, Investments, financial assets measured at amortised cost	Aging analysis	Probability Prediction Modelling techniques
Liquidity risk	Debt securities, Borrowings (other than debts), subordinated liabilities, policy liabilities	Rolling cash flow forecasts	Availability of committied credit lines, borrowing facilities, Asset liability measurement.
Market exchange Interest rate	Long term borrowings at variable rate	Sensitivity analysis	
Operational Risk	Due to failure of Internal process, systems, pepole and external risk arising out of Legal Frauds, customer complaints etc.	Frauds reported to Regulator and litigations due to unsolved customer complaints	Fraud Containment Measures

Committees

In order fto bring collective knowledge in decision making, the Company has undertaken a Committee approach to deal with the major risk arising in the organisation. Committes, their formation and the roles are provided below:

Top Level Committee:

Risk Management Committee of Board

Company has a Risk Management Committee of Board in place which consists of Independent Directors and CEO of the company.

The role of Committee is as follows:-

- Review and approve modifications to existing policies, procedures and other risk parameters on a periodic (at least annual) basis
- The Risk Management Committee would monitor on overall process of evaluation and assessment, progress of evaluation of control effectiveness, key control deficiencies observed and counter measures to address these. Monitoring would also include significant changes in assessment of key risks or new risks identified, if any
- Review and monitor the risk management plan.

Internal Committee:

Credit risk management Committee (CRMC), Operation risk Management committee (ORMC) and Information Security Risk Management Committee (ISRMC)

Company has an internal Credit risk management Committee, Operation risk Management committee and Information Security Risk Management Committee whose major function include review of Product Policies, assessment of risks in the company and suggesting control/mitigation measures thereof, protecting information by mitigating information risks.

(1) Credit risk management

Credit risk is the risk of suffering financial loss, should any of the company's customers, clients or market counterparties fail to fulfil their contractual obligations to the company. Credit risk arises mainly from loans and advances, and loan commitments arising from such lending activities.

Credit risk is the single largest risk for the company's business; management therefore carefully manages its exposure to credit risk. The credit risk management and control are centralised in a credit risk management team which reports regularly to the Board of Directors.

- **Loans and advances (incl. loan commitments and guarantees)**

  The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The company measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD). This is similar to the approach used for the purposes of measuring Expected Credit Loss (ECL) under Ind AS 109.

(2) Expected credit loss measurement

Ind AS 109 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the company.

If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired.

If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.

Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.

(3) Significant increase in credit risk (SICR)

The approach provides a principle based framework to compute expected credit losses (ECL). It requires an entity to evaluate the credit risk in a financial asset as on each reporting date. In case, there is no significant increase in credit risk, asset is classified as a Stage 1 asset and an amount equal to 12-months expected credit losses is provided for. However, in case there is a significant increase in credit risk, the asset is classified as a Stage 2 asset and the entity is required to provide for an amount equal to the lifetime expected credit losses. Already impaired assets are classified as Stage 3 assets and the entity is required to provide for an amount equal to the lifetime expected credit losses.

As mentioned above, under IND AS 109 all assets are further classified into three stages based on the change in credit risk since inception. These three stages are described below:

Stage 1 includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-months expected credit losses ('ECL') are recognized.

Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognized.

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL is recognized.

Staging can be done basis qualitative and quantitative criteria with DPD as a backstop arrangement.

Quantitative criteria:

- Financial instruments that have had a significant increase in credit risk since initial recognition to where DPD status is greater than 30 DPD and less than or equal to 90 DPD (unless they have low credit risk at the reporting date) but that do not have objective evidence of NPA. For these assets, lifetime ECL are recognized. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument.

  These thresholds have been determined separately for Home Loan, LAP, Construction finance and Other products by assessing how the Lifetime PD moves prior to an instrument becoming delinquent. The Lifetime PD movements on instruments which do not subsequently become delinquent have also been assessed, to identify the "natural" movement in Lifetime PD which is not considered indicative of a significant increase in credit risk.

Qualitative criteria:

For Construction Finance portfolios, if the borrower meets one or more of the following criteria:

- Delay in project due to approval issue
- Slow down in unit sales
- slow down in collections from customers

The assessment of SICR incorporates forward-looking information and is performed on a quarterly basis at a portfolio level for all Retail & Construction Finance instruments held by the company.

The above approach is quantitatively modelled using following formula

ECL = Probability of default (PD) x Exposure at default (EAD) x Loss given default (LGD)

This model defines these parameters based on historical data and suitable regulatory assumptions.

- Probability of default: It defines the probability of a borrower to default in its commitment over a time of the asset. In IND AS 109 context, PD is calculated for two time horizon. 12 Months PD and life time PD. ●12 Months PD: likelihood of default in 12 months for an asset ●Life time PD: likelihood of default in the lifetime of an asset
- Exposure At default: It is the total amount of an asset the entity is exposed to at the time of default. EAD is defined based on the characteristics of the asset. Here EAD can be considered as principal plus accrued interest. EAD can be alternatively arrived at by discounting contractual cash flows with EIR. For current computations, we are following the first definition of principal plus accrued interest that is slightly more conservative approach. For example in a loan portfolio, EAD is dependent on the outstanding exposure of an asset, sanctioned amount of a loan and credit conversion factor for non-funded exposures. Amortization schedule may be considered for EAD in future, though for the purpose of this project EAD does not consider amortization schedule which is on a conservative basis.
- Loss Given Default (LGD): It is the part of an asset that is lost provided the asset default. The recovery rate is derived as a ratio of discounted value of recovery cash flows (incorporating the recovery time) to total exposure amount at the time of default. Recovery rate is calculated for each segment separately. Loss given default is computed as (1 - recovery rate) in percentage terms.LGD is measured in a way that reflects the time value of money. This means that cash shortfalls associated with default are required to be discounted back to the default date. However note that for LGD, the historical data points will be subsequently retained to ensure the data richness that is important for LGD computations. Thus all defaults from 2012 onwards are considered.

(4) Definition of default and credit-impaired assets

The company defines a financial instrument as in default, which is fully aligned with the definition of credit impaired, when it meets one or more of the following criteria:

Quantitative criteria

An account is classified as a default if it's DPD > 90 i.e. the account has failed to make it contractual payments for more than 90 days.

Qualitative criteria

The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- The borrower is in long-term forbearance
- The borrower is deceased
- The borrower is insolvent

Notes to the Financial Statement for the year ended March 31, 2021

- The borrower committed Fraud
- The borrower is in breach of financial covenant(s)
- An active market for that financial asset has disappeared because of financial difficulties
- Concessions have been made by the lender relating to the borrower's financial difficulty
- It is becoming probable that the borrower will enter bankruptcy
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the company and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout the company's expected loss calculations.

5) ECL Model Development process

a) **Segmentation**

As discussed previously the first step in the model development process is segmentation / pooling. This is especially important to treat similar type of loans reflecting homogeneous risk characteristics in a consistent manner. The segmentation scheme is based on the amount of data available and historic performance. It was observed that the entire portfolio had sufficient population distribution under Affordable Housing (AH), Housing Loan (HL), Loan against Property (LAP) & Construction Finance (CF). Due to insufficient number of accounts on SME, MF & Infra portfolios they are merged into a single sub portfolio "Others" post discussion with management. However, going forward depending upon availability of data, size of the portfolio the segmentation can be reviewed.

It is observed that the even though Construction Finance has a relatively small number of accounts compared to the other major portfolios it has the highest share in terms of sanctioned amount amongst all the other portfolios. This indicates that the average ticket size under CF is substantially bigger compared to other portfolios. Affordable Housing has the largest share in terms of the number of accounts and the lowest in terms of sanctioned amount among the large. Meanwhile, SME, Infra & MF combined constitute the smallest pool ("Others") with the least number of accounts and combined sanctioned amount.

b) Staging & Historical Default Rates

In order to compute the probability of default a snapshot approach was adopted in order to observe the transition of accounts into different "pools" on a yearly basis (Jan to Jan, year-on-year). Year on year delinquent and non- delinquent information at account level for the period of 2012-2018 was used for analyzing transition of accounts into defined DPD (days-past-due) buckets. These DPD buckets are defined as:

Stage Classification	DPD Buckets
Stage 1	Bucket 0 (DPD 0)
Bucket 1	(DPD 1-30)
Stage 2	Bucket 2 (DPD 31-60)
Bucket 3	(DPD 61-90)
Stage 3	Bucket 4 (DPD 90+)

Upon observing the yearly default rates across the years, it was noted that these rate varied randomly against macro-economic variables due to fewer number of data points as well as defaults , while there was been no drastic change in macroeconomic conditions over the last few years. Considering this, we have computed forward looking PD basis weighted average of last 4 years default rate in the ratio 1:2:3:4, with 4 being assigned to the most recent year. Going ahead, with sufficient data points available, other approaches can be tested. Hence in order to compute the Point-in-Time (PiT) PDs as expected in IFRS 9 standard a weighted average of the probability of defaults were taken for the last 4 years with higher weights for more recent years.

c) Lifetime Probablitiy of Default (PD)

Remaining Maturity

The remaining maturity is calculated initially by comparing maturity date with reporting date which forms the basis of probability of default over the lifetime of assets.

Note that if an sccount has already matured before the reporting date then the remaining life is assumed to be 1 year to ensure that the cmputation is on conservative side to avoid negative tenure coming into picture.

Lifetime PD

Lifetime PD is the probability of a default when assessed over the entire lifetime of a financial asset. It is also referred as cumulative PD.

For all the portfolios, using the projected 12 Months PD and Long term Default rates, lifetime PD is calculated using survival logic for each asset type and each pool for the remaining lifetime of the assets.

The underlying assumption of this method is that is considers the same macroeconomic scenario for following year as that of first year. Hence, marginal PD for all the following years will be same as that of first year. Also the PD has been computed at borrower level and not facility level. In case a borrower has multiple facilities, we have taken DPD status of the latest facility of the borrower in order to compute the transition matrix.

We have taken for the Lifetime PD maturity up to 10 years for AH, HL, LAP, Others and 6 years for CF on the basis historical observations.

d) Exposure at default (EAD)

Exposure at default is the total value an entity is exposed to when a loan defaults. It is the predicted amount of exposure that an entity may be exposed to when a debtor defaults on a loan. The outstanding principal and accrued interest reported as of the reporting date for computation of ECL is used as the EAD for all the portfolios. This is a conservative approach compared to the one where amortization schedule is used to arrive at EAD. Also prepayment is not considered, which is again a conservative approach. Any form of cash collateral would be directly adjusted to EAD. Also securitization considered under loan book and ECL is calculated as per procedure laid down in this document.

e) Loss given default (LGD)

Historical recovery has been considered to calculate Loss Given Default (LGD). For all closed NPA cases (fully recovered, fully written off, partial write off) which defaulted between January 2012 and March 2019 are considered while arriving at historical LGD. The computation was done base on the time value recovery on sale of the underlying collaterals in these NPA Assets. The assumptions taken by the management includes the discounted recovery value is based on Customer IRR. Recovery has been computed for 60 months from the date of NPA basis analysis done on historical recovery data. We have capped the discounted recovery to the EAD as of NPA date.

f) ECL computation

The Final ECL computation is done based on the weighted multiplies on the lifetime PD value, Exposure at default and the historical loss given default values. However prudent additional provision are made in stressed accounts where the management had seen deterioration in the security values.

(6) Credit risk exposure

Maximum exposure to credit risk – Financial instruments subject to impairment

The following table contains an analysis of the credit risk exposure of loan assets for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Company's maximum exposure to credit risk on these assets.

(₹ in crore)

	2021					2020
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Purchased credit-impaired**	**Total**	Total
	12-months ECL	**Lifetime ECL**	**Lifetime ECL**			
Porduct						
Affordable Home	1,029.30	83.72	133.84	-	**1,246.85**	1,492.93
Home Loan	863.15	83.98	213.88	-	**1,161.01**	1,539.63
Loan Against Property	549.97	81.67	281.55	-	**913.19**	1,138.02
Construction finance	278.06	27.03	257.80	-	**562.89**	642.94
Other loans	2.61	1.17	9,437.38	-	**9,441.16**	9,147.33
Gross carrying amount	**2,723.09**	**277.57**	**10,324.45**	**-**	**13,325.11**	13,960.85
Less :Loss allowance	19.22	25.26	2493.29	-	**2,537.78**	720.74
Carrying amount	**2,703.87**	**252.31**	**7,831.16**	**-**	**10,787.34**	13,240.11

(7) Collateral and other credit enhancements

The Company employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. The Company has internal policies on the acceptability of specific classes of collateral or credit risk mitigation.

The Company prepares a valuation of the collateral obtained as part of the loan origination process. The principal collateral types for loans and advances are:

- Mortgages over residential properties;
- Charges over business assets such as premises, inventory and accounts receivable; and
- Longer-term finance and lending to corporate entities are generally secured.

The Company closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Company will take possession of collateral to mitigate potential credit losses. Financial assets that are credit-impaired and related collateral held in order to mitigate potential losses are shown below:

(₹ in crore)

Particulars	Gross exposure	Impairment allowance	Carrying amount	Fair value of collateral held
Credit-impaired assets				
Loans to individuals:	3,043.36	78.71	2,964.65	2,962.65
Loans to others	10,281.75	2,459.06	7,822.69	7,698.84
Total credit-impaired assets	**13,325.11**	**2,537.78**	**10,787.34**	**10,661.49**

The following table shows the distribution of LTV ratios for the Company's mortgage credit-impaired portfolio:

(₹ in crore)

Mortgage portfolio - LTV distribution	Credit-impaired (Gross carrying amount)
Lower than 50%	2,914.58
50 to 60%	764.27
60 to 70%	435.30
70 to 80%	352.71
80 to 90%	362.71
90 to 100%	131.01
Higher than 100%	8364.55
Total	**13,325.11**

(8) Loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-months and Lifetime ECL;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period due to these factors:

(₹ in crore)

Particulars	Stage 1 12-months	Stage 2 Lifetime	Stage 3 Lifetime	Purchased credit-impaired	Total
Loss allowance as at 1 April 2020	23.91	128.97	567.85	-	**720.74**
Movements with P&L impact					
Transfers:					
Transfers from Stage 1 to Stage 2	0.00	17.49	0.00	-	**17.49**
Transfers from Stage 1 to Stage 3	0.00	0.00	94.97	-	**94.97**
Transfers from Stage 2 to Stage 1	4.86	0.00	0.00	-	**4.86**
Transfers from Stage 2 to Stage 3	0.00	0.00	889.10	-	**889.10**
Transfer from Stage 3 to Stage 1	0.10	0.00	0.00	-	**0.10**
Transfers from Stage 3 to Stage 2	0.00	0.14	0.00	-	**0.14**
No change in Stage	14.26	7.64	1,507.77	-	**1,529.67**

Notes to the Financial Statement for the year ended March 31, 2021

(₹ in crore)

Particulars	Stage 1 12-months	Stage 2 Lifetime	Stage 3 Lifetime	Purchased credit-impaired	Total
New financial assets originated or purchased	0.00	0.00	1.47	-	**1.47**
Loss allowance as at 31 March 2021	**19.22**	**25.27**	**2,493.29**	**-**	**2,537.78**
Total net P&L charge during the period	19.22	25.27	2,493.29	-	2,537.78
Other movements with no P&L impact					
Financial assets derecognised during the period	(4.69)	(103.71)	1,925.44	-	1,817.04
Loss allowance as at 31 March 2021	**19.22**	**25.27**	**2,493.29**	**-**	**2,537.78**

The following table further explains changes in the gross carrying amount of the mortgage portfolio to help explain their significance to the changes in the loss allowance for the same portfolio as discussed above:

(₹ in crore)

Particulars	Stage 1 12-months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
Gross carrying amount as at 1 April 2019	4,607.86	3,394.63	5,958.36	-	**13,960.85**
Transfers:					
Transfer from Stage 1 to Stage 2	-	198.30	-	-	**198.30**
Transfer from Stage 1 to Stage 3	-	-	1,030.03	-	**1,030.03**
Transfer from Stage 2 to Stage 1	145.72	-	-	-	**145.72**
Transfer from Stage 2 to Stage 3	-	-	3,383.19	-	**3,383.19**
Transfer from Stage 3 to Stage 1	11.44	-	-	-	**11.44**
Transfer from Stage 3 to Stage 2	-	1.66	-	-	**1.66**
No change in Stage	2,565.78	77.62	5,895.26	**-**	**8,538.66**
New financial assets originated or purchased	0.14	-	15.98	-	**16.12**
Gross carrying amount as at 31 March 2021	**2,723.08**	**277.57**	**10,324.46**	**-**	**13,325.11**

The total amount of expected credit losses at initial recognition for purchased or originated credit-impaired financial assets recognised during the year was ₹ 2531 crore.

(9) Write-off policy

The company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the company's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

(10) Modification of financial assets

The company sometimes modifies the terms of loans provided to customers due to commercial renegotiations, or for distressed loans, with a view to maximising recovery.

Such restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to term loans.

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset. The company monitors the subsequent performance of modified assets. The company may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-months ECL). This is only the case for assets which have performed in accordance with the new terms for twelve consecutive months or more.

The company continues to monitor if there is a subsequent significant increase in credit risk in relation to such assets through the use of specific models for modified assets.

39 Liquidity risk and funding management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Notes to the Financial Statement for the year ended March 31, 2021

ALCO committee monitors rolling forecasts of the Company liquidity position (comprising of the undrawn facilities), maturities of the financial assets(both loan and investment) and cash / cash equivalents. In addition, the company's liquidity management policy involves projecting cash flows in major timeframe buckets and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. Also behavioural analysis of the pre-payments of loan assets is undertaken based on past statistical occurances and incorporated in the cash flow projections. The ALCO committee is also appraised of the sensitivity variables that effects the projected cash flows and the best & worst case scenerios are appraised for any change in these variables.

(a) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	**69.99**	92.48

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR.

(b) Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at March 31, 2021 (₹ in crore)

Contractual maturities of assets and liabilities	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Financial assets						
Cash and cash equivalents	-	973.62	-	-	-	973.62
Bank balance other than cash and cash equivalents above	-	-	3.61	-	332.59	336.20
Derivative financial instruments	-		-	-	-	-
Receivables	-	-	-	-	-	-
Loans	-	193.44	547.11	8,081.31	1,965.48	10,787.34
Investments	-	997.95	-	-	9.50	1,007.44
Other financial assets	-	62.04	26.04	55.56	79.95	223.59
Total financial assets	**-**	**2,227.04**	**576.76**	**8,136.87**	**2,387.52**	**13,328.19**
Financial liabilities						
Derivative financial instruments	-	16.60	-	-	-	16.60
Payables						-
(I) Trade payables						-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
(II) Other payables		-	-	-	-	-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		0.82	-	-	-	0.82
Debt securities	-	2,846.42	608.43	905.39	1,613.35	5,973.59
Borrowings (Other than debt securities)	-	3,455.26	726.56	1,160.03	864.67	6,206.52
Subordinated liabilities	-	-	-	266.80	529.49	796.29
Other financial liabilities	-	1,143.72	633.04	-	7.51	1,784.27
Total financial liabilities	-	**7,462.81**	**1,968.02**	**2,332.21**	**3,015.03**	**14,778.08**
Net	**-**	**(5,235.77)**	**(1,391.26)**	**5,804.66**	**(627.52)**	**(1,449.89)**

Notes to the Financial Statement for the year ended March 31, 2021

As at March 31, 2020 (₹ in crore)

Contractual maturities of assets and liabilities	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Financial assets						
Cash and cash equivalents	-	83.61	-	-	-	83.61
Bank balance other than cash and cash equivalents above	-	-	4.51	3.39	419.00	426.89
Derivative financial instruments	-		-	-	-	-
Receivables		0.65				0.65
Loans	-	530.17	4,411.50	6,856.21	1,442.24	13,240.11
Investments	-	938.52	-	12.23	-	950.74
Other financial assets	**-**	**83.42**	**19.65**	**96.30**	**-**	**199.37**
Total financial assets	**-**	**1,636.36**	**4,435.65**	**6,968.13**	**1,861.23**	**14,901.38**
Financial liabilities						
Derivative financial instruments	-	10.73	-	-	-	10.73
Payables						-
(I) Trade payables						-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
(II) Other payables		-	-	-	-	-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-	-	-
Debt securities	-	2,595.62	162.98	1,515.60	1,644.29	5,918.49
Borrowings (Other than debt securities)	-	2,508.93	1,180.27	2,316.56	515.64	6,521.40
Subordinated liabilities	-	-	-	152.12	643.21	795.34
Other financial liabilities	-	616.06	342.27	5.97	5.06	969.36
Total financial liabilities	**-**	**5,731.34**	**1,685.52**	**3,990.26**	**2,808.19**	**14,215.31**
Net	**-**	**(4,094.97)**	**2,750.13**	**2,977.88**	**(946.96)**	**686.07**

1) Market Risk

Market the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and equity prices.

2) Cash flow and fair value interest rate risk

The company's main interest rate risk arises from long-term borrowings with variable rates, which expose the company to cash flow interest rate risk. The company policy is to hedge its interest rate risk by means of disbursing only floating rate loans and any increase in borrowing cost is subsequently passed on to the loan customers.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

3) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Variable rate borrowing	**5,795.34**	6,050.43
Fixed rate borrowing	**7,234.33**	7,184.79
Total Borrowing	**13,029.66**	13,235.22

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

Particulars	As at March 31, 2021	As at March 31, 2020
Variable rate Borrowing	**44%**	46%
Fixed rate Borrowing	**56%**	54%
Total Borrowing	**100%**	100%

An analysis by maturities is provided is the percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings.

40 Transfer of financial assets - Securitisation

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:

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Securitisations		
Carrying amount of transferred assets measured at amortised cost	**1,663.07**	2,076.17
Carrying amount of associated liabilities (Borrowings - measured at amortised cost)	**1,640.44**	2,052.32
Fair value of assets	**1,663.07**	2,076.17
Fair value of associated liabilities	**1,640.44**	2,052.32

41. Disclosures pursuant to Para 5 (II) of the Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 vide National Housing Bank ('NHB') Notification No. NHB.HFC.CG-DIR.1/ MD&CEO/ 2016, as applicable to the Company.

(i) The Company is a Housing Finance Company (HFC) registered with National Housing Bank. The Company has not obtained registration from any other financial sector regulators.

(ii) Ratings assigned by rating agencies and migration of ratings during the year.

Rating agency	Borrowings type	Rating
A. NCDs issued on Private Placement basis:		
Brickwork Ratings India Private Limited	Long Term NCDs ₹ 3,000 crore	BWR D
Brickwork Ratings India Private Limited	Tier II Unsecured Debt ₹ 400 crore	BWR D
Brickwork Ratings India Private Limited	Long Term Upper Tier II NCD Private Placement ₹ 100 crore	BWR D
Brickwork Ratings India Private Limited	Market linked Debentures ₹ 100 crore	BWR PP-MLD D
CARE Ratings Limited	Long Term Debt ₹ 8139.99 crore	CARE D
CARE Ratings Limited	Tier II Unsecured Debt ₹ 333 crore	CARE D
CARE Ratings Limited	Market linked Debentures ₹ 200 crore	CARE PP MLD D
CARE Ratings Limited	Long Term Upper Tier II NCD Private Placement ₹ 100 crore	CARE D
B. NCDs issued through Public Issue:		
Brickwork Ratings India Private Limited	Long Term NCDs for Public Issue ₹ 2,618.27 crore	BWR D
Brickwork Ratings India Private Limited	Long Term Upper Tier II NCDs Public Issue ₹ 435.71 crore	BWR D
CARE Ratings Limited	Long Term NCDs for Public Issue ₹ 2618.27 crore	CARE D
CARE Ratings Limited	Long Term Upper Tier II NCD Public Issue ₹ 435.71 crore	CARE D
C. Commercial Paper:		
ICRA Limited	Short-term Debt CP ₹ 1,200 crore	[ICRA] D
Brickwork Ratings India Private Limited	Short-term Debt CP ₹ 700 crore	BWR D

le below shows the credit quality

Notes to the Financial Statement for the year ended March 31, 2021

(iii) Penalties by NHB or any other Regulators

Pursuant to snap Inspection undertaken by National Housing Bank (NHB) between July 24, 2019 and July 26, 2019 with reference to Company's position as on March 31, 2018 and onwards, NHB has imposed penalty on the Company as under:

Details of Penalites	**Date of payment to NHB**
1. ₹ 10,000 for contravention of certain provisions of NHB Policy Circular No. 34 (Guidelines on Fair Practices Code for HFCs)	Paid on April 9, 2020
2. ₹ 175,000 for contravention of certain provisions of HFCs (NHB) Directions, 2010	Paid on July 9, 2020
3. ₹ 20,000 for contravention of certain provisions of HFC (NHB) Directions, 2010	Paid on Sept 22, 2020
4. ₹ 55,000 for contravention of certain provisions of the NHB Act, 1987 and Directions and Circulars issued thereunder	Paid on November 12, 2020
5. ₹ 30,000 for contravention of certain provisions of the NHB Act, 1987 and Directions and Circulars issued thereunder	Paid on March 17, 2021

(iv) Joint ventures and overseas subsidiaries

Items	**As at March 31, 2021**	As at March 31, 2020
Area, country of operation	**India**	India
Joint venture partners with regard to Joint ventures and Overseas subsidiaries	**None**	None

(v) Related Party Transactions

Details of all material transactions with related parties has been given in Notes No 47 of the financial statements.

42 Disclosures pursuant to Annexure IV of Para 5 (II) of the Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 vide National Housing Bank ('NHB') Notification No. NHB.HFC.CG-DIR.1/ MD&CEO/ 2016, as applicable to the Company.

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 extent 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 regards by NHB from time to time and the same have been prepared in accordance with Accounting Standards prescribed under section 133 of the Companies Act, read with the Companies (Accounting Standards) Rules, 2006, as amended (Indian GAAP).

These figures are not traceable in the Financial Statements as at March 31, 2021, the differences are arising as the discloures are made as per the regulatory requiremements viz-a-viz, the Financial statements are prepared as per IND AS as prescribed under section 133 of the Companies Act 2013.

Comparitive numbers in these disclosures have been provided as per the Audited Financial Statements as at and for the year ended March 31, 2020.

1 Regulatory Capital (₹ in crore)

Capital to risk assets ratio (CRAR):	**As at March 31, 2021**	As at March 31, 2020
Tier I capital	**(1,727.61)**	885.87
Tier II capital	**0.00**	896.43
Total capital	**(1,727.61)**	1,782.30
Risk weighted assets		
CRAR (%)	**-13.91%**	13.00%
CRAR - Tier I capital (%)	**-13.91%**	6.46%
CRAR - Tier II capital (%)	**-**	6.54%
Amount of subordinated debt considered as Tier II capital *	**628.31**	712.51
Amount raised by issue of perpetual debt instruments	-	-

* Includes Upper Tier II Capital as per NHB circular No. NHB(ND)/DRS/Pol-No-23/2008 dated April 24, 2008.

Notes to the Financial Statement for the year ended March 31, 2021

Note:

I. Unsecured Non Convertible Debentures Subordinate Tier II series of ₹ 768.71 crore, for which discounted value is ₹ 628.31 crore.

II. Tier II Capital has been excluded in the computation of Total Capital as Tier Capital should not be greater than 50% of Tier I Capital as per regulatory norms which in the case of the Company is negative (1727.61 crore).

III. Detailed Breakup of Tier II Capital is as below:

	(₹ in crore)
Preference shares (other than those compulsorily convertible into equity)	31.04
General provisions and loss reserves	41.95
Subordinated debt	628.31
Total Tier II Capital	701.30

After considering Tier II Capital in total Capital, the CRAR of the Company will be **-8.26%.**

2 Reserve Fund u/s 29C of NHB Act, 1987

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	**103.94**	103.94
b) Amount of special reserve u/s 36(1)(viii)of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	**40.01**	40.01
Total	**143.95**	143.95
Addition / Appropriation / Withdrawal during the year		
Add :		
a) Amount transferred u/s 29C of the NHB Act, 1987	-	-
b) Amount of Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s. 29C of the NHB Act, 1987.	-	-
Less :		
a) Amount appropriated from Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	**103.94**	103.94
b) Amount of special reserve u/s 36(1)(viii)of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	**40.01**	40.01
Total	**143.95**	**143.95**

3 Investments

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
1) Value of Investments		
i) Gross Value of Investments		
a) In India	**997.95**	938.60
b) Outside India	-	-
ii) Provisions for Depreciation		
a) In India		
b) Outside India	-	-
iii) Net Value of Investments		
a) In India	**997.95**	938.60
b) Outside India	-	-

2) Movement of provisions held towards depreciation of investments

i) Opening Balance	-	-
ii) Add: Provisions made during the year/ Transfer pursuant to Scheme of Arrangement	-	-
iii) Less: Write-off / write-back of excess provisions during the year	-	-
iv) Closing balance	-	-

4 Derivatives

i) Forward Rate Agreement (FRA) / Interest Rate Swap (IRS) (₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
(I) The notional principal of swap agreements	-	-
(II) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(III) Collateral required by the HFC upon entering into swaps	-	-
(IV) Concentration of credit risk arising from the swaps	-	-
(V) The fair value of the swap book	-	-

ii) Exchange Traded Interest Rate (IR) Derivative (₹ in crore)

Particulars	As at March 31, 2021
(I) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument- wise)*	-
(II) Notional principal amount of exchange traded IR derivatives outstanding as on March 31, 2021	-
(III) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	-
(IV) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	-

*Intra-day transaction considered on gross basis and not net

Derivatives expiring considered as being traded to arrive at notional principal traded

iii) Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure

The Company has Board approved risk management policy for capital market exposure including derivatives contract trading. Trading in derivates are primarily for the Market Linked Debentures (MLD) portfolio. Risk Management Team independently calculate sensitivities and revalues portfolio on daily basis and ensures that risk limits are adhered on daily basis. Market risk limits have been established at portfolio level.

The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards there are no foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts (Refer "Significant Accounting Policy" point 1)

B. Quantitative Disclosure (₹ in crore)

Particulars	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional Principal Amount)	-	-
(a) Traded during the year	-	-
(b) Outstanding as on March 31, 2021	-	-
(ii) Marked to Market Positions	-	-
(a) Assets (+)^	-	-
(b) Liability (-)	-	-
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures	-	-

^ Long Position in Derivatives considered under Assets

Notes to the Financial Statement for the year ended March 31, 2021

5(a) Disclosures relating to Securitisation

(₹ in crore)

Sr.No	Particulars	2020-21	2019-20
1.	No. of SPVs sponsored by the Company for Securitisation Transactions (Nos.)	**15**	15
2.	Total amount of securitised assets as per books of the SPVs sponsored by the Company	**1,762.20**	1,884.70
3.	Total amount of exposures retained by the Company to comply with Minimum Retention Requirement (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	**332.59**	418.99
	• Others	**109.65**	52.68
4.	Amount of exposures to securitisation transactions other than Minimum Retention Requirement (MRR)		
	a) Off-balance sheet exposures towards Credit Enhancements		
	i) Exposure to own securitizations	-	-
	• First loss	-	-
	• Others		
	ii) Exposure to third party securitizations		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures towards Credit Enhancements		
	i) Exposure to own securitizations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitizations		
	• First loss	-	-
	• Others	-	-

5(b) Disclosures relating to Assignment

(₹ in crore)

Sr. No.	Particulars	2020-21	2019-20
1.	No. of Direct Assignments (Nos.)	**42**	43
2.	Total amount of assigned assets as per books of the Assignor	**1,665.00**	2,189.88
3.	Total amount of exposures retained by the Company to comply with Minimum Retention Requirement (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	**-**	-
	• Others	**273.78**	385.47
4	Amount of exposures to securitisation transactions other than Minimum Retention Requirement (MRR)		
	a) Off-balance sheet exposures towards Credit Enhancements		
	i) Exposure to own securitizations		
	• First loss	**-**	-
	• Others	**-**	-
	ii) Exposure to third party securitizations		
	• First loss	**-**	-
	• Others	**-**	-
	b) On-balance sheet exposures towards Credit Enhancements		
	i) Exposure to own securitisations		
	• First loss	**7.49**	10.45
	• Others	**-**	-
	ii) Exposure to third party securitisations		
	• First loss	-	-
	• Others	**-**	-

Notes to the Financial Statement for the year ended March 31, 2021

6 Details of Financial Assets Sold to Securitisation/ Reconstruction Company for Assets Reconstruction (₹ in crore)

Particulars		2020-21	2019-20
(i)	No. of accounts	-	-
(ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
(iii)	Aggregate consideration	-	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / (loss) over net book value	-	-

7 Details of Assignment transactions undertaken by the Company (₹ in crore)

Particulars		2020-21	2019-20
(i)	No. of accounts	-	1,250
(ii)	Aggregate value (net of provisions) of accounts assigned	-	601.18
(iii)	Aggregate consideration (Including MRR)	-	601.18
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value	-	-

8(a) Details of Non Performing Financial Assets Purchased (₹ in crore)

Particulars			2020-21	2019-20
1	(i)	No. of accounts Purchased During the year	-	-
	(ii)	Aggregate Outstanding	-	-
2	(i)	Of these, number of accounts restructured during the year	-	-
	(ii)	Aggregate outstanding	-	-

8(b) Details of Non Performing Financial Assets Sold (₹ in crore)

Particulars		2020-21	2019-20
(i)	No. of accounts Sold During the year	-	-
(ii)	Aggregate Outstanding	-	-
(iii)	Aggregate consideration received	-	-

9 Asset Liabilities Management Maturity pattern of certain items of asset and liabilities (At Book Value) (₹ in crore)

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 months & up to 2 months	Over 2 months & up to 3 months	Over 3 months & up to 6 months	Over 6 month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Liabilities											
Borrowings from Bank	**2,601.59**	**-**	**-**	**50.00**	**219.89**	**206.66**	**251.42**	**497.11**	**-**	**-**	**3,826.67**
	(1,623.73)			(155.38)	(130.00)	(251.06)	(473.00)	(1,119.36)	(16.95)		(3,769.48)
Market Borrowings	**3,552.42**	**-**	**14.00**	**-**	**25.00**	**50.00**	**558.52**	**447.75**	**719.30**	**2,115.38**	**7,482.37**
	(3,051.25)	(44.00)	-	(220.00)	-	(23.00)	(145.45)	(908.50)	(775.00)	(2,271.38)	(7,438.58)
Foreign Currency Liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	-	-	-	-	-	-	-	-	-
Assets											
Loans and advances	**7.77**	**25.74**	**19.62**	**52.14**	**60.54**	**150.62**	**311.67**	**472.29**	**8,174.83**	**858.40**	**10,133.63**
	(5,555.81)	(38.80)	(6.01)	(62.89)	(89.39)	(273.24)	530.88)	(1,355.25)	(1,022.61)	(1,641.18)	(10,576.05)
Investments	**-**	**-**	**0.04**	**0.04**	**997.99**	**0.12**	**0.26**	**1.15**	**1.34**	**6.50**	**1,007.44**
	-	-	(0.05)	(0.05)	(926.46)	(0.15)	(0.30)	(1.38)	(1.61)	(8.61)	(938.60)
Foreign Currency Assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	-	-	-	-	-	-	-	-	-

Notes :

(a) All unquoted equity shares have been included in 'Over 5 years'. The maturity pattern has been prepared in line with various regulations issued by NHB from time to time, best practices and based upon best estimate of the management with regard to the timing of various cashflows.

(b) The classification of Assets and Liabilities into current and non-current is carried out based on their residual maturity profile as per requirement of Schedule III to the Companies Act, 2013. The above maturity pattern of assets and liabilities has been prepared by the Company after taking into consideration guidelines for assets-liabilities management (ALM) system in housing finance companies issued by NHB, best practices and best estimate of the Assets-Liability Committee / Management with regard to the timing of various cash flows and estimate of foreclosure of the loans expected in next one year, which has been relied upon by the auditors.

(c) Loans and advances under Assets include the principal outstanding as per IGAAP.

10 Exposures

(a) Exposure to Real Estate

(₹ in crore)

Category	As at March 31, 2021	As at March 31, 2020
a. Direct Exposure		
i. Residential Mortgage	**1,031.13**	1,338.13
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented		
(Out of above, Individual Housing loans upto ₹ 15 lakhs - Current year - ₹ 410.18 crore (Previous year - ₹ 428.92 crore)		
ii. Commercial Real Estate	**1,136.64**	2,344.37
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits		
iii. Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a) Residential	**9.50**	12.08
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	**2,177.27**	3,694.58

Notes :

i) For the exposure to real estate only loans secured by way of mortgage/hypothecation of housing properties, commercial properties and land are considered.

ii) In computing the above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditors.

(b) Exposure to Capital Market

(₹ in crore)

Category	As at March 31, 2021	As at March 31, 2020
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	**-**	-
ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	**-**	-
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	**-**	-
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	**-**	-
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	**-**	-

Notes to the Financial Statement for the year ended March 31, 2021

(₹ in crore)

Category		As at March 31, 2021	As at March 31, 2020
vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii)	Bridge loans to companies against expected equity flows / issues;	-	-
viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market		-	-

11 Details of Financing of the Parent Company Product

There are no parent Company products which are financed by the Company during the year.

12 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Company

All the loans were sanctioned in compliance with the directions as prescribed by NHB regulations. Owning to the huge losses on account of increased ECL (Expected Credit Loss) provisioning in FY 2021, the NOF (Net Owned Funds) of the Company has turned negative. Hence the lending exposure for single and group borrowers has breached as per the regulatory norms.

13 Unsecured Advances

(₹ in crore)

	As at March 31, 2021	As at March 31, 2020
Advances against Securities of Intangible Assets	-	-
Total Advances against Securities of Intangible Assets	-	-

14 Remuneration of Directors

(₹ in crore)

	As at March 31, 2021	As at March 31, 2020
Directors' Sitting Fees	**0.30**	0.29
Total Directors' Sitting Fees	**0.30**	0.29

15 Net Profit or Loss for the period, prior period items and changes in accounting policies

Particulars	As at March 31, 2021	As at March 31, 2020
During the year there is no changes in the accounting policies and no prior period items	-	-

43 Additional Disclosures

Disclosures pursuant to Para 5 of Annex 4 of the Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 vide National Housing Bank ('NHB') Notification No. NHB.HFC.CG-DIR.1/ MD&CEO/ 2016, as applicable to the Company.

1. Provisions and Contingencies

(₹ in crore)

Particulars		As at March 31, 2021	As at March 31, 2020
a)	Provision for depreciation on Investments		-
b)	Provision made towards Income tax	-	-
c)	Provision for NPA & Doubtful Debts	**2,469.75**	889.19
d)	Provision for Standard Assets		
	- Teaser Loan		
	- Commercial Real Estate	**6.91**	(20.94)
	- Commercial Real Estate -Residential Housing	**14.65**	(9.89)
	- Other Standard Assets	**7.82**	(26.13)
e)	Other Provisions and Contingencies (with details)		
	- Provision for Repossessed assets	**65.01**	18.62
	- Others Provision	-	-

Notes to the Financial Statement for the year ended March 31, 2021

2. Break up of Loans & Advances and Provision Thereon

(₹ in crore)

	Housing		Non Housing	
	As at March 31, 2021	As at March 31, 2020	**As at March 31, 2020**	As at March 31, 2020
Standard Assets				
a) Total Outstanding Amount	**1,182.44**	1,741.73	**428.88**	4,261.01
b) Provisions made	**22.43**	8.63	**6.95**	27.75
Sub-Standard Assets				
a) Total Outstanding Amount	**200.54**	208.72	**3,269.13**	4,579.50
b) Provisions made	**20.67**	31.31	**948.48**	686.93
Doubtful Assets – Category-I				
a) Total Outstanding Amount	**178.66**	20.02	**4,565.20**	299.99
b) Provisions made	**23.41**	5.01	**1,380.12**	75.00
Doubtful Assets – Category-II				
a) Total Outstanding Amount	**14.84**	3.72	**294.89**	0.48
b) Provisions made	**1.71**	1.49	**95.30**	0.19
Doubtful Assets – Category-III				
a) Total Outstanding Amount	**0.02**	-	**0.48**	-
b) Provisions made	**-**	-	**0.05**	-
Loss Assets				
a) Total Outstanding Amount	**-**	-	**-**	-
b) Provisions made	**-**	-	**-**	-
Total				
a) Total Outstanding Amount	**1,576.49**	1,974.19	**8,558.58**	9,140.98
b) Provisions made	**68.22**	46.43	**2,430.90**	789.86

3. Exposure

a) Concentration of Loans & Advances

(₹ in crore)

	As at March 31, 2021	As at March 31, 2020
Total Advances to twenty largest borrowers	**4,166.50**	4,474.28
Percentage of Advances to twenty largest borrowers to Total Advances of the Company	**41.12%**	40.25%

b) Concentration of all Exposures

(₹ in crore)

	As at March 31, 2021	As at March 31, 2020
Total Exposure to twenty largest borrowers	**4,166.50**	4,474.28
Percentage of Exposures to twenty largest borrowers to Total Exposure of the Company	**41.10%**	30.38%

c) Concentration of NPAs

(₹ in crore)

Particulars	**As at March 31, 2021**	As at March 31, 2020
Total Exposure to top ten NPA accounts	**2,164.85**	2,113.23

Notes to the Financial Statement for the year ended March 31, 2021

d) Sector-wise NPAs

Particulars	**Percentage of NPAs to total advances in that sector**	
	2020-21	2019-20
Housing		
Individual	**13.78%**	5.67%
Builder Loans - Residential projects	**44.11%**	22.90%
Loans to Corporates - Residential projects #	**-**	-
Others	**-**	-
Non Housing		
For mortgage/property/home equity loans	**25.50%**	12.85%
Loans to Corporates - Non Residential projects #	**36.01%**	17.40%
Loans to Corporates - Others #	**98.83%**	56.86%

Corporate means all other loans other than Individual

e) Movements of NPA

(₹ in crore)

Particulars	**As at March 31, 2021**	As at March 31, 2020
Net NPAs to Net Advances (%)	**79.25%**	40.43%
Movement of NPAs (Gross)		
(a) Opening Balance	**5,112.43**	98.63
(b) Additions during the year/ Pursuant to Scheme of Arrangement	**3,431.13**	5,252.95
(c) Reductions during the year	**(8.12)**	(239.15)
(d) Closing balance	**8,535.44**	5,112.43
Movement of Net NPAs		
(a) Opening Balance	**4,312.51**	82.02
(b) Additions during the year/ Pursuant to Scheme of Arrangement	**2,465.74**	4,265.88
(c) Reductions during the year	**(7.96)**	(35.39)
(d) Closing balance	**6,770.29**	4,312.51
Movement of provisions for NPAs		
(a) Opening Balance	**799.92**	16.61
(b) Additions during the year/ Pursuant to Scheme of Arrangement	**965.39**	987.07
(c) Write-off/write-back of excess provisions	**(0.15)**	(203.76)
(d) Closing balance	**1,765.15**	799.92

Gross Non Performing Assets and Net Non Performing Assets given above excluding bonds & debentures.

NPA provisions has been considered above as per IGAAP requirement. However the Company has made provisions as per IndAS ECL model amounting to ₹ 2,469.75 crore for NPA accounts

4. Overseas Assets (for those with joint Ventures and Subsidiaries abroad)

There are no Overseas Assets.

5. Off- balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

There are no Off-balance Sheet SPVs sponsored by the Company which are required to be consolidated as per accounting norms.

6. Customer Complaints (as certified by the management)

Particulars	**As at March 31, 2021**	As at March 31, 2020
(a) No. of complaints pending at the beginning of the year	**16**	13
(b) No. of complaints received during the year	**595**	1 216
(c) No. of complaints redressed during the year	**590**	1 213
(d) No. of complaints pending at the end of the year	**21**	16

Notes to the Financial Statement for the year ended March 31, 2021

44 Employees Stock Option Scheme ("ESOS / Scheme")

The Company had formulated 'Reliance Home Finance Limited - Employee Stock Option Scheme' ("ESOS" / "Scheme") which covers eligible employees of the Company, its subsidiaries and holding company. The vesting of the options is from expiry of one year till four years as per Scheme. Each Option entitles the holder thereof to apply for and be allotted / transferred one Equity Share of the Company upon payment of the exercise price during the exercise period.

Details of ESOS are as under:

Date of Grant	**Nil**
Price of Underlying Stock (₹)	Nil
Exercise / Strike Price (₹)	

The fair value of the options granted was estimated on the date of grant using the Black Scholes Model with the following assumptions:

Date of Grant	**Nil**
Risk Free Interest Rate	
Expected Dividend Yield	
Expected Life (years)	Nil
Expected Volatility	
Weighted Average Fair Value (₹)	

Particulars	**No. of Stock Options as on March 31, 2021**
Outstanding at the beginning of the year	**16,024,684**
Granted	**Nil**
Exercised	**Nil**
Lapsed / Forfeited / Surrendered	**Nil**
Outstanding at the end of the year	**16,024,684**
Exercisable at end of the year	**-**

45 Employee benefits

a) Defined contribution plan

Contribution to defined contribution plans, recognised as expense for the year is as under: (₹ in crore)

Particulars	**2020-21**	2019-20
Employer's contribution to provident fund	**1.27**	2.71
Employer's contribution to superannuation fund	**-**	-
Employer's contribution to pension scheme	**-**	-
Total	**1.27**	2.71

b) Defined Benefit plans

The following table summarise the components of the net employee benefit expenses recognized in the Statement of Profit and Loss, the fund status and amount recognised in the balance sheet for the gratuity benefit plan. The said information is based on certificates provided by the actuary.

(₹ in crore)

Particulars		**Gratuity benefit funded**	
		2020-21	2019-20
I	**Table showing change in Present Value of Defined Benefit Obligation:**		
	Liability at the beginning of the period	**2.90**	3.63
	Interest Cost	**0.18**	0.28
	Current Service Cost	**0.41**	0.89
	Liability Transferred In/ Acquisitions	**0.00**	-

Notes to the Financial Statement for the year ended March 31, 2021

(₹ in crore)

Particulars		Gratuity benefit funded	
		2020-21	2019-20
	(Liability Transferred Out/ Divestments)	**(0.12)**	-
	Benefit paid from the fund	**(0.84)**	(1.80)
	Liability Transferred in / Acquisitions	**-**	-
	Actuarial (gain)/loss on obligations –Due to change in Demographic Assumptions	**-**	(0.04)
	Actuarial (gain)/loss on obligations –Due to change in Financial Assumptions	**(0.06)**	0.39
	Actuarial (gain)/loss on obligations –Due to Experience	**(0.09)**	(0.46)
	Present value of defined benefit obligation at the end of the period	**2.38**	2.90
II	**Changes in the fair Value of Plan Assets and the reconciliation thereof:**		
	Fair Value of Plan Assets at the beginning of the period	**1.92**	1.90
	Interest income	**0.12**	0.15
	Contributions by the Employer	**1.06**	1.74
	Assets Transferred in/Acquisitions	**0.00**	-
	(Assets Transferred Out/ Divestments)	**(0.12)**	-
	Benefit paid from the fund	**(0.84)**	(1.80)
	Return on Plan Assets, excluding interest income	**0.16**	(0.08)
	Fair value of Plan Assets at the end of the period	**2.29**	1.92
III	**Amount recognised in the Balance Sheet**		
	Present value of benefit obligation at the end of the period	**(2.38)**	(2.90)
	Fair Value of Plan Assets at the end of the period	**2.29**	1.92
	Funded status (Surplus/ (deficit))	**(0.08)**	(0.98)
	Net (liability)/asset recognised in Balance sheet	**(0.08)**	(0.98)
IV	**Expenses recognised in the Statement of Profit and Loss Account**		
	Current Service Cost	**0.41**	0.89
	Net Interest Cost	**0.06**	0.13
	Expected return on Plan Assets	**-**	-
	Net Actuarial (gain)/loss to be recognized	**-**	-
	Expense recognised	**0.47**	1.03
V	**Expenses Recognized in the Other Comprehensive Income (OCI)**		
	Actuarial (Gains)/Loans on Obligation For the period	**(0.14)**	(0.11)
	Return on Plan Assets, excluding interest Income	**(0.16)**	0.08
	Change in Asset Ceiling	**-**	-
	Net (Income)/Expenses For the Period Recognized in OCI	**(0.30)**	(0.03)
VI	**Balance sheet Reconciliation**		
	Opening Net Liability	**0.98**	1.73
	Expense recognised in Statement of Profit and Loss	**0.47**	1.03
	Expense recognised in OCI	**(0.30)**	(0.03)
	Net Liability / (Asset) Transfer In	**-**	-
	Employer's Contribution paid	**(1.06)**	(1.74)
	Net Liability / (Assets) recognised in Balance Sheet	**0.08**	0.98
VII	**Category of Assets Funded**		
	Insurance Fund		
VIII	**Assumptions**		
	Discount Rate	**6.04%**	7.78%
	Rate of return on Plan Assets	**6.04%**	7.78%
	Salary Escalation Rate	**6.00%**	6.00%

Notes to the Financial Statement for the year ended March 31, 2021

	Particulars of the amounts for the year and previous years	Gratuity for the year ended March 31,					
		2021	2020	2 019	2 018	2 017	2 016
VIII.	Present value of benefit obligation	**2.38**	2.90	3.63	3.70	3.81	2.96
	Fair value of plan assets	**2.29**	1.92	1.90	2.36	3.83	0.93
	Excess of obligation over plan assets	**0.08**	0.98	1.73	1.34	(0.02)	2.03
IX	**Experience Adjustment**						
	Experience adjustment on Plan Assets Gain/(Loss)	**0.16**	(0.08)	(0.06)	0.12	0.15	(0.09)
	Experience adjustment on Plan Liabilities(Gain)/Loss	**(0.09)**	(0.46)	(0.67)	(0.59)	0.02	0.85

(₹ in crore)

	Particulars	Gratuity benefit funded	
		2020-21	2019-20
X	**Maturity Analysis of the Benefit Payments: From the Fund**		
	Projected benefits payable in future years from the date of reporting		
	1st Following Year	**0.11**	0.13
	2nd Following Year	**0.13**	0.14
	3rd Following Year	**0.30**	0.15
	4th Following Year	**0.13**	0.31
	5th Following Year	**0.25**	0.27
	Sum of Years 6 to 10	**0.90**	0.94
	Sum of Years 11 and above	**2.51**	3.44

(₹ in crore)

	Particulars	Gratuity benefit funded	
		2020-21	2019-20
XI	**Sensitivity Analysis [refer note (iii)]**		
	Projected benefit obligation on Current Assumptions	**2.38**	2.90
	Delta Effect of +1% Change in Rate of Discounting	**(0.18)**	(0.24)
	Delta Effect of -1% Change in Rate of Discounting	**0.20**	0.27
	Delta Effect of +1% Change in Rate of Salary Increase	**0.20**	0.27
	Delta Effect of -1% Change in Rate of Salary Increase	**(0.18)**	(0.24)
	Delta Effect of +1% Change in Rate of Employee Turnover	**(0.00)**	(0.01)
	Delta Effect of -1% Change in Rate of Employee Turnover	**0.00**	0.01

Notes:

i) The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

ii) General Descriptions of significant defined plans:

a) Gratuity Plan

Gratuity is payable to all eligible employees of the Company on superannuation, death and permanent disablement, in terms of the provisions of the Payment of Gratuity Act 1972 or as per the Company's Scheme whichever is more beneficial.

iii) The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occusing at the end reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumtions would occur in isolation of one another as some of the assumtions may be corelated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit meathod at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

Notes to the Financial Statement for the year ended March 31, 2021

iv) **Risks associated with defined benefit plan**

Gratuity is a defined benefit plan and company is exposed to the following risks:

Interest Rate Risk: A fall in the discount rate which is linked to the government securities, rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to the market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of the Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality Risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

Other Employee Benefits – Phantom Stock

I. Details of Option granted, forfeited and exercised

	2020-21 (Options)	2019-20 (Options)
Outstanding as at Beginning of the year	**-**	147,300
Granted		
Exercised		
Lapsed/ Forfeited/ Surrendered	**-**	147,300
Outstanding as at end of the year	**-**	-
Exercisable as at end of the year		-

II. Terms and conditions of the Scheme

Date of grant	
Details of vesting schedule and condition	Phantom stock granted under the scheme would vest within not less than 1 year and not more than 5 years from the last date of vesting of such Phantom stock option. Vesting of Phantom stock option would be subject to continued employment with the company and the Phantom stock option would vest on passage of time.
Appreciation as per Phantom stock option	Excess of fair market of share on the date of exercise determined in terms of Phantom stock option scheme over the base price.
Exercise Period	**In case of continuation of employment :** Vested Phantom stock option can be exercised any time Upto 3 years from the date of last vesting of Phantom stock options and **In case of cessation of employment :** Different periods depending on kind of cessation as per provision of the Phantom stock option scheme
Settlement of Phantom Stock Option	Within 90 days from the date of exercise by cash

III. Fair value of the Option granted was estimated on the date of grant based on the following assumptions

Discount rate	6.96% per annum.
Expected life	4 Years

IV. The Company's liability toward the Phantom stock option is accounted for on the basis of an independent actuarial valuation done at the year end. As per the valuation the liability for the year is ₹ Nil (Previous year ₹ 0.60 crore) which is debited to Statement of profit and loss account and the liability is shown in the Balance sheet under the head Other current liabilities and clubbed under Other payables.

46 Segment reporting

The Company is mainly engaged in the housing finance business and all other activities revolve around the main business of the Company. Further, all activities are conducted within India and as such there is no separate reportable segment, as per the Ind AS 108 - "Operating Segments" specified under Section 133 of the Act. The proportion of non-housing loan is more than the proportion of housing loan. The Company is in the process of increasing the housing loan portfolio and is confident of the achieving the same in due course.

47 Related party disclosures

A. List of Related Parties and their relationship

i) Associate Company

Reliance Capital Limited

ii) Major Investing Party

Reliance Capital Limited (w.e.f. March 6, 2020)

iii) Subsidiaries of Associate Company

1 Reliance Capital Pension Fund Limited
2 Reliance General Insurance Company Limited
3 Reliance Nippon Life Insurance Company Limited
4 Reliance Health Insurance Limited
5 Reliance Commercial Finance Limited
6 Reliance Securities Limited
7 Reliance Commodities Limited
8 Reliance Financial Limited
9 Reliance Wealth Management Limited
10 Reliance Money Solutions Private Limited
11 Reliance Money Precious Metals Private Limited
12 Reliance Exchangenext Limited
13 Reliance Corporate Advisory Services Limited
14 Quant Capital Private Limited
15 Quant Broking Private Limited
16 Quant Securities Private Limited
17 Quant Investment Services Private Limited
18 Gullfoss Enterprises Private Limited
19 Reliance Underwater Systems Private Limited

iv) Key Management Personnel

Shri Ravindra Sudhalkar	Chief Executive Officer
Shri Vijesh B Thota	Chief Financial Officer (w.e.f. May 9, 2020)
Ms. Parul Jain	Company Secretary & Compliance Officer
Shri Pinkesh Shah	Chief Financial Officer (CFO w.e.f. August 7, 2018 up to May 8, 2020)

B. Transactions during the year and balance outstanding with related parties:

Reliance Communications Limited (ceased to be related party w.e.f February 5, 2019)

C. Transactions during the year and balance outstanding with related parties:

(₹ in crore)

Particulars	Major Investing / Associate Company	Subsidiaries of Associate Company	Total
With Reliance Capital Limited			
Equity Share Capital			
a) Issued during the year	-	-	-
	(-)	(-)	(-)
b) Matured /Redeemed during the year	-	-	-
	(-)	(-)	(-)
c) Balance as at March 31, 2021	**232.37**	**-**	**232.37**
	(232.37)	(-)	(232.37)
Security Premium Received on Issue of Equity Share			
a) Received during the year	-	-	-
	-	(-)	-
b) Matured /Redeemed during the year	-	-	-
	(-)	(-)	(-)
c) Balance as at March 31, 2021	**661.59**	**-**	**661.59**
	(661.59)	(-)	(661.59)

Notes to the Financial Statement for the year ended March 31, 2021

(₹ in crore)

Particulars	Major Investing / Associate Company	Subsidiaries of Associate Company	Total
Income			
Brokerage Commission on Property Solution	-	-	-
	(-)	(-)	(-)
Expenses			
Management Fees	**6.00**	**-**	**6.00**
	(6.00)	(-)	(6.00)
Reimbursement of Expenses	**-**	**-**	**-**
	(-)	(-)	(-)
Interest on Inter Corporate Deposits	**-**	**-**	**-**
#[₹ 43836]	(#)	(-)	(#)
Security Issue for Non Convertible Debentures			
Security Issue for Non Convertible Debentures	**-**	**-**	**-**
	(-)	(-)	(-)
ICD			
Received during the year	**-**	**-**	**-**
	(-)	(-)	(-)
Repaid during the year	**-**	**-**	**-**
	(-)	(-)	(-)
With Reliance Commercial Finance Limited			
ICD			
Received during the year	**-**	**-**	**-**
	(-)	(-)	(-)
Repaid during the year	**-**	**-**	**-**
	(-)	(-)	(-)
Loans			
Given during the year	**-**	**-**	**-**
	(-)	(-)	(-)
Interest on Loan	**-**	**-**	**-**
	(-)	(-)	(-)
Received during the year	**-**	**-**	**-**
	(-)	(-)	(-)
Income			
Valuation Charges Received	**-**	**-**	**-**
	(-)	(-)	(-)
Expenses			
Other Reimbursements	**-**	**1.84**	**1.84**
	(-)	(-)	(-)
With Reliance General Insurance Company Limited			
Non Convertible Debentures -Secured			
Redeemed during the Year	**-**	**-**	**-**
	(-)	(-)	(-)
Balance as at March 31, 2021	**-**	**65.00**	**65.00**
	(-)	(65.00)	(65.00)
Expenses			
Insurance Premium paid	**-**	**0.05**	**0.05**
	(-)	(2.61)	(2.61)

Notes to the Financial Statement for the year ended March 31, 2021

(₹ in crore)

Particulars	Major Investing / Associate Company	Subsidiaries of Associate Company	Total
Interest Accrued on Non Convertible Debentures	-	-	-
	(-)	(-)	(-)
With Reliance Nippon Life Insurance Company Limited			
Non Convertible Debentures -Unsecured			
Issued during the year	-	-	-
	(-)	(-)	(-)
Redeemed during the year	-	-	-
	(-)	(-)	(-)
Balance as at March 31, 2021	-	-	-
	(-)	(-)	(-)
Expenses			
Term Insurance Premium	-	**1.06**	**1.06**
	(-)	(0.31)	(0.31)
With Reliance Corporate Advisory Services Private Limited			
Non Convertible Debentures -Secured			
Issued during the Year	-	-	-
	(-)	(81.55)	(81.55)
Balance as at March 31, 2021	-	**81.55**	**81.55**
	(-)	(81.55)	(81.55)
With Reliance Securities Limited			
Non Convertible Debentures -Secured			
Issued during the year	-	-	-
	(-)	(-)	(-)
Balance as at March 31, 2021	-	-	-
	(-)	(-)	(-)
Expenses			
Brokerage Paid	-	**1.59**	**1.59**
	(-)	(1.65)	(1.65)
Commission Paid	-	-	-
	(-)	(-)	(-)
Income			
Margin Money Receivable	-	-	-
	(-)	(-)	(-)
With Reliance Financial Limited			
Non Convertible Debentures -Secured			
Issued during the year	-	-	-
	(-)	(6.85)	(6.85)
Redeemed during the Year	-	-	-
	(-)	(5.60)	(5.60)
Balance as at March 31, 2021	-	**1.25**	**1.25**
	(-)	(1.25)	(1.25)
With Reliance Communications Limited			
Expenses			
Rent & Maintenance	-	-	-
	(-)	(-)	(-)

Notes to the Financial Statement for the year ended March 31, 2021

(₹ in crore)

Particulars	Major Investing / Associate Company	Subsidiaries of Associate Company	Total
With Reliance Infrastructure Limited			
Expenses			
Rent & Maintenance	-	-	-
	(-)	(2.00)	(2.00)
With Reliance Wealth Management Limited			
Expenses			
Distribution & Structuring Fees	-	-	-
	(-)	(-)	(-)
With Reliance Health Insurance Limited			
Expenses			
Commission	-	-	-
	(-)	(0.02)	(0.02)

Employee Benefit Expenses for the year 2020-21 includes ₹ 2.65 crore to Mr. Ravindra Sudhalkar, ₹ 0.54 crore to Mr. Vijesh B Thota and ₹ 0.49 crore to Ms. Parul Jain. Corresponding figures for the year 2019-20 were ₹ 5.15 crore to Mr. Ravindra Sudhalkar and ₹ 0.49 crore to Ms. Parul Jain.

Notes:
1. Figures in bracket indicate previous year figures
2. The current year and previous year figures are excluding GST/service tax
3. Expenses incurred towards public utilities services such as telephone and electricity charges have not been considered for related party transaction.
4. The above disclosed transactions entered during the period of existence of related party relationship. The balances and transactions are not disclosed before existence of related party relationship and after cessation of related party relationship.
5. For transactions occurred pursuant to the Scheme of Arrangement, please refer Note No. 51

48 Basic and diluted earnings per share:

The computation of earnings per share is set out below:

(₹ in crore)

Particulars	2020-21	2019-20
Amounts used as the numerators		
Net Profit after tax	**(1,519.91)**	(375.25)
Net Profit attributable to equity shareholders	**(1,519.91)**	(375.25)
Weighted average number of equity shares (for Basic earnings per share)	**48 50 58 818**	48 50 58 818
Weighted average number of equity shares (for Dilutes earnings per share)	**48 50 58 818**	48 50 58 818
Basic earnings per share of face value ₹ 10 each (In ₹)	**(31.33)**	(7.74)
Diluted earnings per share of face value ₹ 10 each (In ₹)	**(31.33)**	(7.74)

49 Contingent Liabilities and Commitments (As Certified by the Management) (₹ in crore)

	Particulars	As at March 31, 2021	As at March 31, 2020
Contingent Liabilities			
i)	Guarantees to Banks and Financial Institutions on behalf of third parties	**0.25**	0.25
ii)	Claims against the Company not acknowledge as debt	**3.34**	3.30
iii)	Income-tax disputed by the company and under CIT appeal (net of amount paid)	**0.36**	0.38
iv)	Interest on ICD	**6.21**	-
Commitments			
iv)	Estimated amount of contracts remaining to be executed on capital account (net of advances)	**8.27**	8.38
vi)	Undrawn Committed Credit lines (Undisbursed amount of housing loans/ other loans sanctioned)	**246.55**	346.79

50 Scheme of Arrangement between the Company and India Debt Management Private Limited

The Board of Directors of the Company at their meeting held on June 20, 2016 has considered and approved a Scheme of Arrangement between the Company and India Debt Management Private Limited ("the Demerged Company" or "IDMPL") and their Shareholders. The Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 ("the Scheme") for demerger of Credit Business of IDMPL into the Company has been sanctioned by the National Company Law Tribunal, Mumbai Bench vide Order dated April 5, 2017. The Scheme has become effective on April 21, 2017 upon filing with the Registrar of Companies, Maharashtra at Mumbai with effect from March 31, 2016 i.e. Appointed Date. Pursuant to the Scheme, the Company has issued and allotted 3,10,35,980 8% Cumulative Non-Convertible Redeemable Preference Shares to the equity shareholders of IDMPL on August 9, 2017.

51 Scheme of Arrangement between the Company and Reliance Capital Limited

The Board of Directors of the Company at their meeting held on October 28, 2016 has considered and approved a Scheme of Arrangement between the Company and its holding company viz. Reliance Capital Limited ("the Demerged Company" or "RCap") and their respective Shareholders and Creditors. The Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 (the 'Scheme') for demerger of Real Estate Lending Business of RCap into the Company has been sanctioned by the National Company Law Tribunal, Mumbai Bench vide Order dated August 10, 2017. The Scheme has become effective on September 5, 2017 upon filing with the Registrar of Companies, Maharashtra at Mumbai with effect from April 1, 2017 i.e. Appointed Date.

Pursuant to the Scheme, the Real Estate Lending Business of RCap has been transferred to the Company. Hence, in accordance with the Scheme:

(i) On Scheme becoming effective with effect from Appointed Date, the Company has recorded all the assets and liabilities as appearing in the books of the Demerged Undertaking of RCap related to Real Estate Lending Business at their respective book value as on Appointed Date. The following assets and liabilities pertaining to the Demerged Undertaking of RCap were transferred to RHFL and shares of the Company were issued to the shareholders of RCap.

Particulars	(₹ in crore)
Assets	
Fixed assets	8.17
Loans and advances including accrued interest (Net of Provision ₹ 1.36 Crore)	654.82
- Corporate loans	615.00
- Other HL loans-Standard	31.60
- Other HL loans-NPA (Net of provision ₹ 1,36,26,497)	2.74
Other assets - Interest receivable	5.48
Assets reposessed under SARFAESI Act (Net of Provision ₹ 0.69 Crore)	0.84
Total Assets	**663.83**
Liabilities	
Share Capital	
- Issue of 25,26,89,630 equity shares @ ₹ 10	252.69
Borrowings	
- CP	590.12
Total Liabilities	**842.81**
Goodwill on Merger	**178.98**

(ii) The Company has issued and allotted 11,65,49,188 equity shares of ₹ 10 each at a premium of ₹ 22 per equity share to its holding company viz. RCap on September 4, 2017 on rights basis.

(iii) The Company has issued and allotted 25,26,89,630 equity shares of ₹ 10 each to the shareholders of RCap in the ratio of 1:1 on September 7, 2017.

(iv) The Assets and Liabilities of ₹ 663 crore and ₹ 590 crore, respectively, were transferred as on the Appointed Date and have been recorded at their respective book values. The excess of consideration paid by the Company over the net assets acquired by the Company has been accounted as Goodwill, which is being amortised over a period of ten years.

52 Outstanding Future & Option as on March 31, 2021

Name of Option	No. of contracts	Units	
		Long	Short
Futures	2,589	1,717,235	-
	(1,319)	(1,194,371)	(37,425)
Put Options	1,034	300	77,250
	(1,270)	(16,575)	(78,675)
Call Options	599	-	44,925
	(421.00)	-	(31,575)

Notes to the Financial Statement for the year ended March 31, 2021

Figures in bracket indicate previous year figures.

53 During the year, no fraud on the company is identified and same has been reported to National Housing Bank (NHB).

54 The Company was informed by its previous auditors that a report under Section 143(12) of the Companies Act, 2013 in Form ADT-4 has been filed with the Ministry of Corporate Affairs (MCA) in June 2019. The Company has examined the matter and has concluded that the issues raised by the previous auditors, do not merit reporting under the said Section. The Company also appointed legal experts, who independently carried out an in-depth examination of the matter and the issues raised by the previous auditor. The legal experts have concluded and confirmed that there was no matter attracting Section 143(12) of the Companies Act, 2013. MCA has sought certain information on this matter and the Company has provided all the information in this regard.

55 The Company being a housing finance company registered with the National Housing Bank, is not required to transfer to Debenture Redemption Reserve in respect of debentures in terms of Rule 18(7) of the companies (Share Capital and Debentures) Rules, 2014.

56 The Company is exposed to certain risks relating to its ongoing business operations. The primary risks are managed using index linked derivative instruments. All long-term contracts (including derivative contracts) are assessed by the Company for material foreseeable losses periodically. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long-term contracts (including derivative contracts) has been made in the books of accounts.

57 The SARS-CoV-2 virus responsible for COVID-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in global and local economic activities. On March 24, 2020, the Indian government announced a strict 21-day lockdown which was further extended by 19 days across the country to contain the spread of the virus. The extent to which the COVID-19 pandemic will impact the Company's results will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020, the Company would be granting a moratorium of upto three months on the payment of all instalments and / or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers classified as Standard, even if overdue, as on February 29, 2020. For all such accounts where the moratorium is granted, the asset classification shall remain stand still during the moratorium period (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification under the Income Recognition, Asset Classification and Provisioning norms).

58 Previous year figures have been regrouped/reclassified wherever necessary.

As per our report of even date attached

For Dhiraj & Dheeraj
Chartered Accountants
Firm Registration No. 102454W

Shailendra Dadhich
Partner
Membership Number : 425098

Mumbai
Dated: May 7, 2021

For and on behalf of the Board of Directors

Directors: **Chhaya Virani**, **Rashna Khan**, **Ashok Ramaswamy**, **Sushilkumar Agrawal**, **Sunil Wadilkar**

Chief Executive Officer **Ravindra Sudhalkar**
Chief Financial Officer **Vijesh B Thota**
Company Secretary & Compliance Officer **Parul Jain**
Mumbai
Dated: May 7, 2021

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Audited Figures (₹ in crore) (as reported before adjusting for qualifications)	Adjusted Figures (₹ in crore) (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	840.43	840.43
	2.	Total Expenditure	3143.32	3143.32
	3.	Net Profit/(Loss)	(1519.91)	(1519.91)
	4.	Earnings Per Share	(31.33)	(31.33)
	5.	Total Assets	14898.00	14989.00
	6.	Total Liabilities	14950.95	14950.95
	7.	Net Worth	(47.87)	(47.87)
	8.	Any other financial item(s) (as felt appropriate by the	Nil	Nil

II. Audit Qualification (each audit qualification separately):

a. **Details of Audit Qualification:**

Attention is drawn to note 8 of the Statement with regards to the loan advanced under the 'General-Purpose Corporate Loan' product with significant deviations to certain bodies corporate including group companies and outstanding as at March 31,2021 aggregating to ₹ 7,965.24 crores and secured by charge on the current assets of the borrowers. As stated in the said note, majority of company's borrowers have undertaken onward lending transaction and end use of the borrowings from the company included borrowings by or for repayment of financial obligation to some group companies. There has been overdue of ₹ 9,257.68 crores of these loan as on March 31, 2021. In view of substantial overdues, we are unable to substantiate the management assertion on the recoverability of principal and interest including time frame of recovery of aforesaid loans outstanding as on March 31, 2021. The company's exposure to the borrowers are secured against charge on current assets and is dependent on the recovery of the onward lending of the borrowers which depends on external factors not wholly within the control of the company/borrower.

Further we draw attention to note 3 of the statement on the material shift in primary business of the company from Housing Finance to Non- Housing Finance which comprise more than 50% of total loan portfolio raising concern about Company continuing as a Housing Finance Company.

b. **Type of Audit Qualification** — Qualified Opinion

c. **Frequency of qualification:** Whether appeared first time / repetitive / since how long continuing — Since March 2019

d. **Audit Qualification(s) where the impact is quantified by the auditor, Management's Views**

Not quantified

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

(i) Management's estimation on the impact of audit qualification: Not estimated

(ii) If management is unable to estimate the impact, reasons for the same:

As stated by the statutory auditor, the company's exposure to the borrowers are secured against charge on the current assets and is dependent on the recovery of onward lending of the borrowers which further depends on external factors not wholly within control of the Company/borrower.

III. (iii) Auditors comments on (i) or (ii) above

The company's exposure the borrower are secured against charge on current assets and is dependent on the recovery of the onward lending of the borrowers which depends on external factors not wholly within the control of the company/borrower. Hence we agree with the management's estimation in (i) above that the impact of our audit qualification is not quantifiable for the reason stated in (ii) above.

Ravindra Sudhalkar (Chief Executive Officer)
Vijesh B Thota (Chief Financial Officer)
Chhaya Virani (Audit Committee Chairperson)

Statutory Auditor
For Dhiraj & Dheeraj
Chartered Accountants
Firm Registration No. 102454W

Shailendra Dadhich
Partner
Membership Number: 425098
Place: Mumbai
Date: May 7, 2021

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