

Management Discussion & Analysis

1. Introduction

Inflation emerged as a key global challenge in FY23 as escalations in geo-political tensions led to surge in energy prices, food and non-food commodities and disruption in global supply chains. Inflation surged to a two-decade high in 2022 across the globe, with the consumer price inflation peaking in late 2022. While there are signs of easing, trends in core inflation indicate that price pressures remain broad-based and sticky.

To curb in rising inflation, central banks across the world initiated monetary tightening viz., raising interest rates and curbing liquidity. The monetary policy rates have been hiked by 5% in the US and 2.50% in UK until May'23. RBI, on its part, raised the monetary policy rate 6 times by 2.5% since May'22 to 6.5% in Feb'23 and sharply reduced systemic liquidity. Taking into account the easing of Crude oil prices and expectation of a normal monsoon in its April 2023 MPC meeting, the CPI inflation forecast was revised to 5.2% for FY 2023-24 from an earlier projection of 5.3% and is within RBI's tolerance threshold 2% - 4%.

The tightening cycle may dampen the pace of economic growth this year and if sustained on a prolonged basis, likely put pressure on the asset quality for financial services in general.

Globally the aggressive rate hikes have claimed several casualties – Credit Suisse in Europe, regional banks in US Silicon Valley Bank, First Republic Bank, Signature Bank and many more. Indian economy, with RBI's proactive assessment/approach, has fared better compared to the global peers in the fight with inflation. The inflation trajectory for FY24 is lower, within the regulator's comfort range. Geopolitical crises, global inflation, monsoon, and monetary policy stance will be the key variables to be closely monitored that will weigh on the overall outlook.

The domestic, especially, rural consumption remains strong/steady and should improve earnings for the sector, gradually assuaging the excessive strain of the pandemic years. Our business expansion - branch rollouts and team expansion was completed in FY'22 and this year, we focussed on improving productivity and portfolio quality.

In the backdrop of deeper understanding of our customers and better preparedness to scale the business, we managed to achieve the highest ever growth in terms of disbursements and portfolio. Fourth quarter, we grossed Rs. 116 cr or Rs. 39 cr of monthly disbursement. For the year, gross disbursement aggregated Rs. 367 cr.

At the beginning of fourth quarter, Hindenburg published a report on Adani Group which lead to excessive volatility in the capital markets for the Group companies. As a result, the term facilities processing for Adani Housing have been taking longer than usual. We adopted a cautious stance to conserve liquidity during this period and moderated the monthly disbursements by c. 25-30%. The business fund requirements during this period were met through portfolio income and accruals, undrawn sanctions, direct assignment transactions and co-lending program. In May'23,



the Supreme Court appointed Committee, in its report, has addressed all issues raised in the Hindenburg report and found nothing adverse related to the Group.

2. Adani Housing Finance Private Limited (Adani Housing Finance)

2.1 Overview

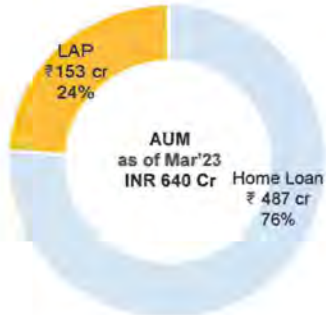
In sync with Adani Group’s vision of “Growth with Goodness”, Adani Housing Finance, aims to meet the housing needs of ‘young India’ and is focussed on affordable housing segment to realize home-ownership aspirations of millions of lower and middle income families in semi-urban and rural India. Our aim is to leverage technology and provide efficient, transparent and cost-effective solutions to our home borrowers.

Adani Housing focusses on affordable housing segment and provides loans ranging from Rs. 2 lakh to 30 lakh for home loans and non-housing loans. Home Loans: purchase or construction for self residential use, Non-Housing Loans against self occupied residential property (SORP), self occupied commercial property (SOCP), rented residential property (RRP).

After receiving NHB license in June 2018, Adani Housing commenced business in Gujarat and Maharashtra and expanded operations in FY22 / FY23 to 5 states with 86 branches.

Portfolio as on March 31, 2023 and Trends this year

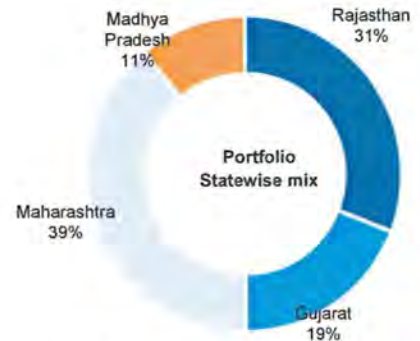




5 States

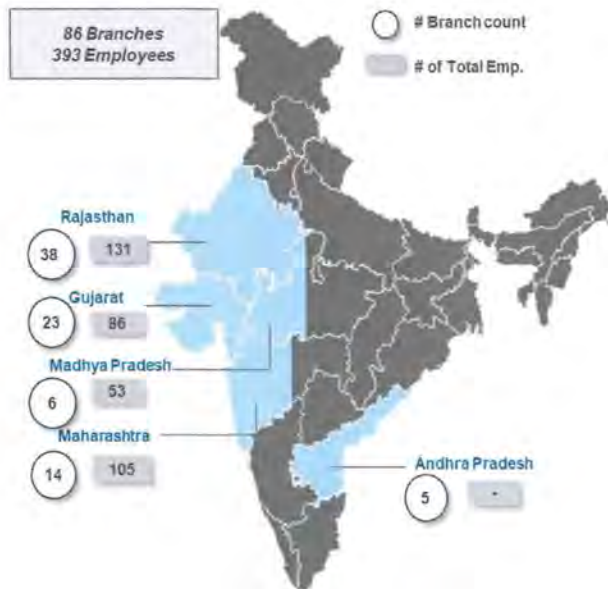
86 Branches

Team # 386



AP state disbursed Rs. 0.6 crs in Mar23

AUM grew c.62% YoY to Rs. 640 cr from Rs. 396 cr as of Mar'22. The on-book loan assets were Rs. 455 cr as on Mar 31, 2023 compared with Rs. 338 cr in the previous year. Maharashtra and Rajasthan are our largest states and contributed 70% of the AUM. Gujarat and Madhya Pradesh contributed c.19% and 11% of the AUM. Towards the end of FY23, we commenced operations in Andhra Pradesh and made disbursements of Rs. 60 lakh.



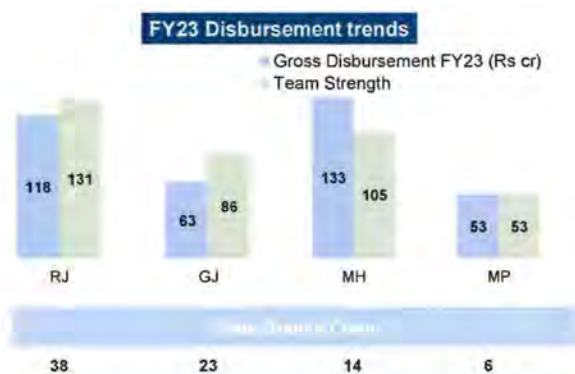
*AP – team onboarding under process as of Mar 31st

In FY24 we shall expand further in Andhra Pradesh and commence operations in 2 new states - Karnataka and Telengana, spreading our presence across approximately 18-20 branch in the these states. We also see opportunity in Madhya Pradesh and propose to expand our footprint in the state.

With the residual impact of Covid waning in Maharashtra and Gujarat and we are selectively relaxing our policy stance across the states. In FY24, we propose to balance out the product focus and improve the branch and team presence across states.



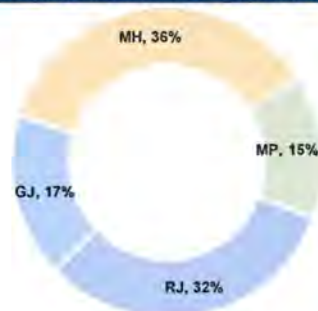
We now have 86 branches across 5 states mostly covering the western states of the country. In FY'23, we added 39 new branches (branch count was 47 as of March 31, 2022), expanded our team to 386 (329 in the previous year) and added over 3,463 new borrower customers.



*5 branches setup in Andhra Pradesh. Business to commence in Q1FY24

The gross disbursements increased steadily every quarter throughout the year. In Q4, the gross disbursement was Rs. 116 cr, 33% higher than previous quarter. Overall, during the year, Adani Housing Finance disbursed loans aggregating Rs. 367 cr almost double of the previous year. This year we added approximately 3,463 fresh customers taking the total active borrowers at 7,014.

Disbursement Trends - State mix



Alternate Sourcing Channel

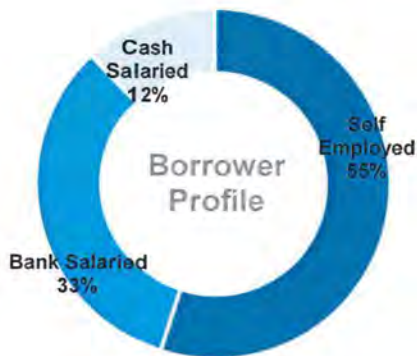
In second half, in partnership with CSC, we rolled out a pilot for lead referral in Rajasthan across 1500 CSC centers. Promotional activities – banners/hoardings, announcement over PA system etc were undertaken around these locations. In the 6 month period, 1,157 leads were generated of which 22 loans aggregating Rs. 5.3s cr were disbursed. We see a good potential in this channel and will continue to roll out at other locations.



3. Business Review

3.1 Asset Portfolio Mix

Housing/LAP Loans (Rs. 640 crore / 7,014 borrowers)

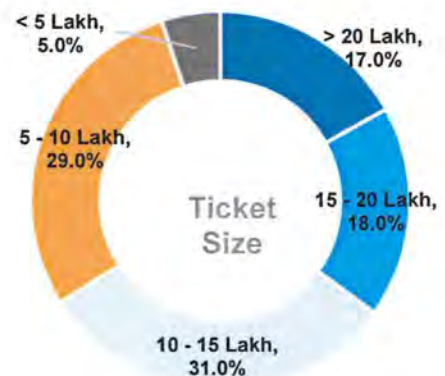
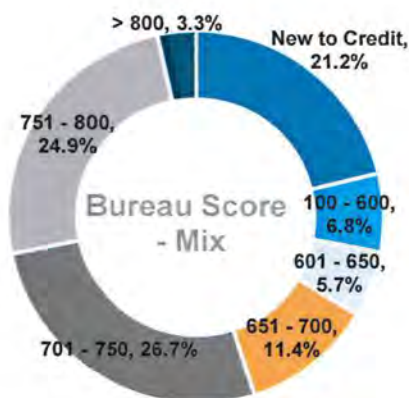


From a product perspective, Home Loan : LAP Loans is 75:25. Almost 45% of borrowers are salaried with only c. 12% are cash salaried profile. 55% of the portfolio is self employed

From a bureau score mix perspective, 55% of the portfolio has credit score of more than 700. Approximately 21% of the portfolio is new to credit (NTC category).

The top 20 borrowers have an average ticket size of Rs. 30 lakhs and are only 1.8% of the total loan assets. 68% of the loan book has the ticket size less than Rs. 15 lakhs. The overall average ticket size for the book is c. Rs. 12.3 lakhs

Borrowers	Avg Tkt size
7,014	Rs. 12.3 lakhs



3.2 Financial Performance Highlights

	SUMMARY (Rs. Cr)	FY 2023	FY 2022	FY 2021
BALANCE SHEET	AUM	640	396	255
	Loan Assets*	455	338	223
	Net Worth	149	135	129
	Borrowings	329	260	131
	Deposits/Investments	26	62	5
INCOME STATEMENT	Interest Income#	85.6	48.3	34.4
	(-) Interest Expense	26.6	14.2	8.6
	Net Interest Income (NII)	59.0	34.1	25.8
	(+) Non Interest Income	0.5	1.1	0.4
	(-) Operating Expenses	38.2	26.6	17.6
	Pre-provisioning operating Profit (PPOP)	21.4	8.7	8.6
	Impairment	1.4	0.6	10.0
	Depreciation	0.1	0.1	0.1
	Profit Before Tax	19.9	8.0	5.9
	Profit After Tax	14.4	5.8	6.9
KEY RATIOS	CRAR	42.84%	56.46%	105.63%
	Debt/Equity Ratio	2.21x	1.93x	1.02
	Gross NPA % / Net NPA	1.43% / 0.88%	1.09% / 0.61%	0.94% / 0.35%
	Cost to Net Income	64.1%	75.4%	67.1%
	Net Interest Income (NIM) (incl pf)	13.5%	11.9%	13.2%
	Return on Assets (RoA)	3.3%	2.0%	3.5%
	Return on Equity (RoE)	10.2%	4.4%	6.2%

*Including accrued interest, net of provisions # Includes revenue from operations

AUM

AUM grew c.62% YoY from Rs. 396 cr as of Mar'22 to Rs. 640 cr as of Mar'23. The on-book portfolio registered a growth of 35% to Rs. 455 cr in the period. In the last 3 year given the covid related slowdown, we have grown our AUM with CAGR of c. 36%.

Earnings Profile & Profitability

The company turned profitable since FY21, its 3rd year of operations, a period that was marked with major market challenges for new entrants – IL&FS & DHFL crises followed by severe stress of pandemic. With increasing business scale and operational efficiency, the overall profitability



trend is improving. The Total income for the year FY23 was Rs. 85.6 cr, 75% higher than Rs. 48.3 cr in FY22 and Rs. 34.4 cr in FY21.

The net interest margin (NIM) has stayed healthy since inception. In FY23, Net Interest Margin grew at 73% to Rs. 59 cr. NIM (%) expanded to 13.5% compared to 11.9% in FY22.

This year we focused on improving productivity in addition to branch expansion and the Cost to Net Income ratio improved to 64.1% from 75.4 in FY22.

Pre-provisioning operating profit jumped to Rs. 21.4 cr from Rs. 8.7 last year. The PAT for the year was Rs. 14.4 cr compared to Rs. 5.8 cr in FY22.

The Return on Asset improved to 3.3% from 2% in previous year. The Return on Equity was 10.2%.

Capital Adequacy

Company is well capitalized with CRAR as of March 31, 2023, at 42.84% comfortably above the regulatory requirement.

Month	Tier I	Tier II	CRAR
Mar 31, 2022	55.57%	0.89%	56.46%
Sep 30, 2022	44.09%	0.95%	45.04%
Mar 31, 2023	41.96%	0.88%	42.84%

Borrowings & Leverage

Gross fresh borrowings for the year aggregated Rs. 150 cr and the closing borrowings were Rs. 331 cr (26% higher over previous year). Overall, the funding requirement was partly offset by Direct Assignment transactions.

Leverage during year was moderate with D/E ratio of 2.2 times as of Mar'23.

3.3 Portfolio Quality: Movement of NPA, Provisions and Restructured Accounts

The excesses caused by Covid are gradually easing out and is reflected in the borrower behaviour and our portfolio performance.

Collection Efficiency, measured as collections against the monthly billing (prepayment/repayments excluded) trends has been improving closer to pre-Covid levels,

Product	FY20	FY21	FY22	FY23
Collection Efficiency	98%	90%	95%	97%



Collection Efficiency - FY'23



NPA trend since the Covid outbreak,

March 31, 2021 – 0.94%

March 31, 2022 – 1.09%

March 31, 2023 – 1.43% (revised IRAC norms) & 1.29% (under old norms which is comparable to previous years)

2021 and 2022 have largely absorbed the impact of the Covid waves on the portfolio and GNPA has only increased slightly during the period. Overall, our performance fared better than our peers and we attribute this to our product strategy, prudent underwriting framework and collection strategy.

With focussed efforts by our on-ground Collections and Sales team, normalisation of borrower's financial health, the GNPA on 90+ DPD basis was 1.29% in Mar'23 compared with 1.09% on previous FY.

Effective Oct 1, 2022, the revised framework on recognition and upgradation of NPA's for NBFCs was implemented and under the revised framework, the GNPA was 1.43%. There was a momentary increase in Dec'22 to 2.54% from 1.74% in Sep'23. The Stage 2 delinquent or the portfolio at risk (PAR) showed steady improvement during the year and was 3.8% of the AUM by end of the year, lower in absolute terms as well as a proportion of portfolio.

Month	Gross NPA	Net NPA	90+DPD	PAR (Stage 2+) Rs cr % AUM
Jun 30, 2022	1.91%	1.25%	1.91%	24.6 6.5%
Sep 30, 2022	1.74%	0.96%	1.74%	27.9 6.4%
Dec 31, 2022	2.54%	1.55%	1.95%	21.0 4.5%
Mar 31, 2023	1.43%	0.88%	1.29%	17.1 3.8%

Product-wise NPA Summary

Products	Portfolio O/s (Rs. cr)	Portfolio (%)	Avg. Ticket Size (Rs. Lakh)	NPA (Rs. cr)	NPA segment (%)
Home Loan	332	73%	11.1	5.5	1.66%
LAP Loan	123	27%	8.7	1.0	0.81%
Total	455			6.5	1.43%



Early warning signals (EWS) triggers have been modified to be more stringent, especially with respect to the early bounces which are monitored and allocated to Collections team in the bucket 1 (30 days overdue) instead of bucket 2 earlier (60 days overdue). We have also increased the involvement of Sales to closely monitor the freshly onboarded cases. In the revised format sales team has collection responsibility till 12 months on board (MOB) instead of 6 MOB practised earlier. This helps in establishing a better connect and strong relationship with borrower in the initial phase of the loan which adds to another guardrail for Sales team to source good quality loans.

Provisions

Stage wise Provision as of March 31, 2023

Asset portfolio	Loan Assets (Rs.cr)	% of total	Provision (Rs. cr)	Provision (%)
Stage 1 (0 - 30 dpd)	438.2	96.3%	2.4	0.6%
Stage 2 (31 - 90 dpd)	10.6	2.3%	0.9	8.0%
Stage 3 (90+ dpd)	6.5	1.4%	2.5	38.8%
Total Loans and Advances	455.3	100%	5.8	1.3%

Provision coverage – FY23 Vs FY22

ECL Provisioning Details (Rs. Cr)	Mar-23	Mar-22
Stage 3 Assets	6.53	3.68
% Portfolio in Stage 3	1.43%	1.09%
ECL Provision % Stage 3	38.74%	45.38%
Stage 1 and 2 Assets	448.76	334.70
% Portfolio in Stage 1 and 2	98.57%	98.91%
ECL Provision % Stage 1 and 2	0.74%	0.93%
Total Assets	455.29	338.33
Total ECL Provision	5.85	4.8
ECL Provision %	1.28%	1.41%
Coverage Ratio (Total Provision to Stage3)	90%	130%

As of Mar 31, 2023, total ECL provisions were Rs. 5.85 cr which is 90% of Gross NPAs. Pursuant to revised NPA recognition norms effective Oct'22, there was an incremental NPA recognition of Rs. 0.66 cr for which additional provisioning was made at 15% i.e. Rs. 0.1 Cr. The point to note here is that some of these borrowers have been paying but are unable to clear all overdues in a single instance and hence are classified as NPAs as required under the revised IRAC guidelines. The ECL provision on the Stage 3 assets was 39% (under revised guidelines).



Restructured Portfolio

We were rationale in restructuring borrower accounts during covid. The total restructured portfolio as of March 31, 23 was Rs. 10.49 cr or 2.3% of AUM. With a strong in-house collection team (soft & hard collection), duly supported by the call centre and robust in house legal recovery mechanism has ensured timely collection/ recovery.

Product	March 31, 2023		March 31 2022	
	Cases (#)	Amount (Rs. Cr)	Cases (#)	Amount (Rs. Cr)
Home Loans	78	9.6	83	11.0
Loans against Property	11	0.9	15	1.1
Total	89	10.5	98	12.1

3.4 Resource Mobilisation, ALM and Liability Management

Borrowings

Borrowings as at March 31, 2023 amounted to Rs. 331 crore as against Rs. 262 cr in the previous year. The Borrowings contributed c. 69% of funds employed as at March 31, 2023. Of the total borrowings, bank borrowings consisted 56%, NHB Refinance was c. 9% and direct assignment program constituted 35%.



Borrowings: **Rs. 331 cr** (FY 22@ Rs 260 cr)

Direct Assignment – **Rs. 172 cr**

During the year, gross fresh term loan borrowings done Rs. 150 cr from 3 lenders. Gross term loan repayment of Rs. 90.2 cr debt during the year.

	Rs crs
Opening Borrowing - Apr'22	262.1
Repayment - Bank Loan	90.2
NCD/CPs	0.0



OD/WCDL	53.3
Availment - Bank Loan	150.0
NCD/CPs	0.0
OD/WCDL/ICD	62.8
Closing Borrowing - Mar'23	331.4

Direct Assignment and Co-lending Partnerships

Banks, both private and public sector, are increasingly keen on growing their retail asset books. Over the past 2 years, we see an increase in appetite for pool purchases and co-lending partnerships. Our portfolio, affordable housing loans, qualify as priority sector and generates higher appetite from public sector banks.

This year the share of DA/Co-lending book in overall funding pie increased to 35% from 10% last year. Given the inclination from lenders/investors, and diversifying the liability mix, we expect the share to be around 30% of gross fund requirement annually.

We continue to widen our investor base and now have established relationship with over 5 lenders/investors for direct assignment transactions. In FY'23, in addition to banking investors, we concluded DA transaction with 1 new non-banking investor.

Direct Assignment – During the year, we concluded assignment transactions of Rs. 155 cr across Home Loans & LAP with 3 investors in 5 tranches.

Co-lending program – Overall banks have made lot of progress with the IT infrastructure and their internal credit policies / processes to expand this vertical and we see an increasing interest for forming partnership amongst the public sector and private banks.

Cost of Funds



During the year, our overall cost of funds (COF) increased c. 131 bps to 9.05% in Mar'23 compared to Mar'22. The average COF for the year, however, was c. 8.3%.

100% of the borrowing are floating rate – MCLR linked and repriced during the year, as the Reserve Bank commenced monetary policy tightening from May'22. The borrowing rates on fresh term loan

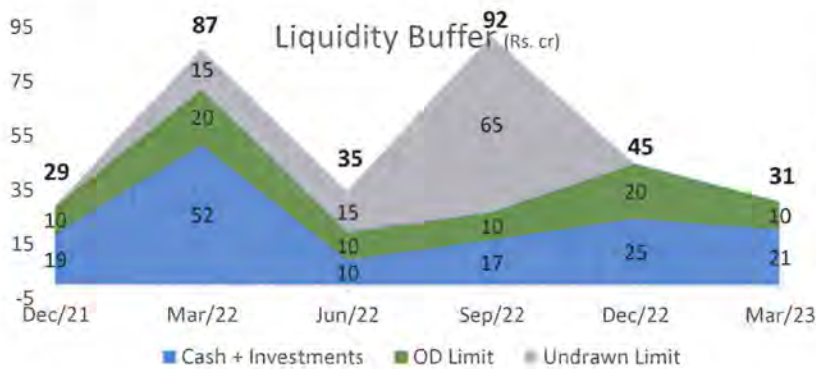
were largely between 8.50-9.00%.

With macro economic developments, the borrowing costs on our outstanding loans and fresh loans are expected to increase in medium term for FY24. In FY 23, the average increase in MCLR



rates is around 125bps compared to 250bps hike in monetary policy repo rate and accordingly the borrowing costs are likely to reset by 50-75bps during FY24. Our focus for FY24 is to control this increase by negotiating tighter credit spreads with the existing lenders for fresh borrowings. Broadly speaking, with inflation tapering off the trajectory, interest rate is also expected to reverse and we will also focus on revising the reset to index to 3 month or 6 month MCLR instead of 1 year MCLR.

Liquidity Buffer:



During the year, adequate liquidity buffer was maintained to address any uncertainties with respect to fresh funding limits and support growing business requirement.

Asset Liability Management



Since inception, in order to maintain a balanced ALM profile, we have sought only longer tenor loans (5-7 years) from all lenders, although, in the initial business phase, lenders are inclined to extend shorter tenor loans. In FY23, of Rs. 150 cr, Rs. 115 cr was 7 year term loan and Rs. 35 cr was 3 tenor. On the Asset side, although the loans are longer tenor – over 15 years, we observe an annual prepayment rate between 10-12% and the behavioural tenor of these loans is accordingly between 6-7 years.

The ALM profile, there is a cumulative mismatch of -6% in the 6-12 month bucket. Broadly speaking, this gap should improve as older shorter tenor borrowings run off and are replaced with longer tenor borrowings.



Credit Rating

CRISIL Ratings has reaffirmed company's long term credit rating at 'CRISIL AA –' (High Degree of Safety) with a stable outlook and highest short term rating at CRISIL A1+.

4 Risk Management

4.1 Risk Management Framework

Our Risk management framework has 4 pillars as below:

- Dynamic credit risk policy
- Underwriting standards
- Risk Analytics
- Collections management

Dynamic Credit Risk policy

Adani Housing manages the credit risk through a balanced, structured credit policy framework - well-defined selection criteria, boundary conditions and deviations. Risk based approval authority is delegated by our Board of Directors and the Risk Management Committee and our risk governance framework ensures adherence to the approval matrix. The credit policy is very dynamic in nature and reviewed and calibrated regularly, based on the micro and macro industry changes.

Underwriting standards

The fundamentals of the underwriting regarding the credit, capacity, collateral and capital is ascertained through a well-trained team with adequate experience in respective product and geography. Most of the verifications - KYC, bank statements, Income Tax returns, property verifications, vehicle registration details are done digitally and part of the ever-evolving digital underwriting journey. The team is regularly trained on policy and overall risk management.

Risk Analytics

We have a comprehensive portfolio monitoring mechanism. Our Risk Analytics team uses historic information to extrapolate trends which presents opportunities to better identify, measure and mitigate risk. The team integrates multiple sources of data which includes internal –transactional and behavioural data, external data - credit bureau and market information. A well-tuned early warning system helps us identify and take preventive measures to arrest any deterioration of the portfolio. The Risk analytics team provides valuable feedback for Credit policy configuration.



Risk analytics support deeper customer insights for better decisioning by way of predictive and perceptive information.

Data drawn / inference help to predict risk from a micro and macro point of view.

Collection management

With a strong emphasis on debtor management, we have a well-defined organization structure and SOPs for overdue accounts. We leverage technology for digital collection (multiple channels – NACH, e-Nach, UPI) and call center support for regular pre-presentation reminders, overdue follow-ups. Our rule-based collection management system provides a 360-degree visibility of customers to our field team.

We have a strong dedicated debtor management team which includes a robust legal recourse cell.

4.2 Internal Audit and Control

Adani Housing has an adequate system of internal control in place which has been designed to provide a reasonable assurance with regard to maintaining proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliance with regulations and for ensuring reliability of financial reporting.

Adani Housing has robust internal audit program, where the Group level internal auditors conduct a risk-based audit with a view to not only test adherence to laid down policies and procedures but also to suggest improvements in processes and systems.

5 Human Resource

At Adani Housing Finance, we believe that key pillars to our business are people, processes, products and technology. Our endeavor is to create a conducive environment in which all four pillars work in harmony for the success of the organization and its people. We believe people are our biggest assets and they will play a stellar role in the growth and success of the Company.

The Company believes that people are its key assets and focuses on nurturing and developing human talent that delivers continued growth & customer delight. Lots of importance is placed on recruiting quality employees and they are groomed internally to take on higher responsibilities within the organization. Further on the job training and induction is imparted to staff to have a better understanding of the company, its culture and business. These initiatives coupled with adequate compensation levels, including appropriate incentive schemes matched with the market and good employee welfare schemes has helped us retain top talent.

Adani Housing Finance had 412 employees as on March 31, 2023.

Key HR Initiatives



1. **Reward and Recognition Program** –The Company has introduced a comprehensive reward and recognition program for its employees to recognize their stellar performance throughout the year.
2. **Employee happiness and wellness Program** - The Company has introduced multiple employee engagement as well as wellness related programs for its employees. For example. cricket tournament, Festivals celebrations, Dance and singing competitions, Zumba Session, Talk on sedentary lifestyle etc.
3. **Other initiatives**
 - a. Retention of top talent is now made an important part of all people manager's KRA/ KPIs.
 - b. The company has launched various Sales & Collections related contests, wherein employees who have achieved the set business parameters have a chance to travel to international & domestic destinations.

6 Outlook of the Company

FY23 ended as a mixed bag for us,

- Tough macro economic developments causing cost pressures from the borrowing side,
- Temporary risk aversion caused by the Hindenburg report on the Adani Group delaying fresh funding discussion in Q4,
- On the positive side, with the improving scale and operational leverage, we had the highest profitability recorded this year,
- Business across states is gaining traction and this has reflected in the disbursement volumes.

We look at FY24 with a lot of hope and expect to achieve trend growth from second quarter.

This year our focus shall be on,

- Geographic diversification shall result in increasing business.
- Increase focus on alternate sourcing partnership – QR codes, CSC partnership, lender partnership programs.
- Review & benchmark performance at a business executive, branch and segment level to increase productivity
- Focus on people, process, productivity and profitability



7 Cautionary Statement

Statements made in the Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations may be "Forward-looking statements" within the meaning of applicable laws & regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the domestic & overseas markets in which the Company operates, changes in the government regulations, tax laws & other statutes and other incidental factors.

For and on behalf of the Board


Mr. Gaurav Gupta
Director & Chairman
DIN:01669109



Place: Mumbai

Date: 8th September 2023

BOARD'S REPORT

**To,
The Members
Adani Housing Finance Private Limited**

Your Directors are pleased to present the Annual Report of your Company along with the Audited Financial Statements for the year ended 31st March 2023.

INDUSTRY OUTLOOK

At present the worldwide economy is facing economic slowdown with high inflation. The tightening of financial conditions in most regions, financial markets volatility, Russia Ukraine war and the lingering of COVID 19 pandemic weigh heavily on the global growth. The Russia-Ukraine prolonged war has pose threat to the major economies of the world because of their linkage with Russia and Ukraine particularly in relation to the energy products. Large scale disruptions in global supply chains were observed as Russia produces nearly a fifth of global natural gas and a significant amount of oil and supplies a tenth of the world's production of aluminium and nickel. Also, the countries importing grains have also experienced very large inflationary pressures because Ukraine is a major exporter. Very high rates of inflation have caused central banks to implement a monetary policy tightening to curb prices.

However, for India the sectoral composition of the economy has helped in reducing the impact of global supply chain disruptions. The services sector dominates the Indian economy by contributing over 50 per cent of the gross valued added, while the manufacturing sector contributes less than 20 per cent. Since disruptions of the global supply chain affect the manufacturing sector significantly, the overall impact on the economy has been lower.

Further, the Housing sector in the country bounced back from the impact of pandemic with the gradual unlock and resumption of activities. The sector has demonstrated resilience in the form of quick revival with an increased demand for home ownership. The pandemic brought about a change in the individual home buyers' sentiment in favour of owning a house. With easing of curbs, there was an increase of interest in the residential housing sector and more so in the readily available and affordable segment. Further there has been significant improvement in the collection/recovery rate of the NBFC.



Further, the COVID-19 pandemic has changed the market dynamics and the norm of work from home has brought tier-II and tier-III cities in the reckoning of real estate opportunities. These cities are emerging as hubs for logistics and warehousing. Several upcoming industrial corridors are running through many of these smaller cities, and this will provide seamless connectivity. The unprecedented rise in homeownership sentiment, faster adoption of technology and digital marketing and innovative business practices have served to soften the overall impact of Covid-19 on the Indian residential housing sector.

Hence, looking at the reasonable challenges and immense opportunities available in the Country, it is expected that the Company shall continue its growth story and shall add more milestone in its success in the coming years.

FINANCIAL RESULTS

Summary of Financial Results for the year ended 31st March 2023 is as under:

(Amount in million)

Sr. No.	Particulars	For the year ended 31st March 2023	For the year ended 31st March, 2022
1	Revenue From operations	856.07	489.04
2	Other income	5.28	5.13
3	Total income	861.35	494.17
4	Finance costs	265.76	141.57
5	Impairment on financial instruments	13.75	7.76
6	Employee benefits expenses	220.55	163.32
7	Depreciation, amortization and impairment	0.97	1.17
8	Other expenses	161.02	100.34
9	Total expenses	662.05	414.16
10	Profit before tax	199.30	80.01
11	Total Tax expenses	54.96	22.42
12	Profit After Tax	144.34	57.59
13	Other comprehensive income / (loss) for the year	0.31	0.04
14	Total comprehensive income for the period	144.65	57.63
15	Transfer to Special Reserve u/s 29C of the NHB Act, 1987	(28.87)	(11.52)
16	Surplus carried to Balance Sheet	106.85	(8.93)



DIVIDEND

No Dividend has been declared for the current financial year.

INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY

The Information on the State of Affairs of the Company has been given as part of Management Discussion & Analysis Report forming part of Annual Report of the Company.

REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

During the year we continued to build our business in Maharashtra, Gujarat, Rajasthan Madhya Pradesh and Andhra Pradesh with 59 branches & 27 spoke locations as on 31st March 2023.

During the year under review, your Company earned revenue of Rs. 861.35 million as against Rs. 494.17 million in the previous year. The total expenditure during the year under review was Rs. 662.05 million as against Rs. 414.16 million in the previous year. The Profit after tax was Rs. 144.34 million as against Rs. 57.60 million in the previous year.

The mission of the Company is to focus on the affordable housing segment, catering to the aspirations of mid and low-income Indian families who want to own a home.

CAPITAL STRUCTURE

AUTHORISED SHARE CAPITAL

The Authorised share capital of the Company for the year ended 31st March 2023 is Rs. 750,000,000/- (Rupees Seven Hundred & Fifty million) divided into 75,000,000 (Seven Five million) Equity Shares of Re. 10/- each.

PAID-UP SHARE CAPITAL

The Paid-up capital of the Company for the year ended 31st March 2023 is Rs. 750,000,000/- (Rupees Seven Hundred & Fifty million) divided into 75,000,000 (Seven Five million) Equity Shares of Rs. 10/- each.



LOAN OUTSTANDING

As on 31st March 2023, Company has a Loan book of Rs. 4,552.91 million comprising of Housing Loans of Rs. 3,324.26 million and non-housing loans of Rs. 1,228.65 million in comparison with 3,383.29 million of Loan portfolio in previous year 2021-22, comprising of housing loans of Rs. 2,755.48 million and non-housing loans 627.81 million.

BANK LOANS

AHFPL raised fresh funding of Rs. 1,500 million from Banks during year. Term loans are secured by way of hypothecation over loan receivables & Investment receivables. Outstanding loans as at March 31, 2023 were Rs. 4,552.91 million.

PUBLIC DEPOSITS

The Company is registered as Housing Finance Company not accepting Public Deposits.

CREDIT RATINGS

The Company's borrowings enjoy the following Credit Ratings:

Nature of Borrowing	Rating/ Outlook
	CRISIL
Short Term	
Bank Borrowings	CRISIL A1+
Long Term	
Bank Borrowings	CRISIL AA-/Stable
Non-Convertible Debentures	CRISIL AA-/Stable

NON- PERFORMING ASSETS AND PROVISIONS FOR CONTINGENCY

Your Company adhered to the prudential guidelines for Non- Performing Assets (NPAs), issued by RBI, as amended from time to time. The Company has created provisions for contingencies on standard Assets (housing loan and property loans) in accordance with it.

The amount of Gross Non- Performing Assets (NPAs) as on March 31, 2023 Rs. 65.25 million which is equivalent to 1.43 % of the loan portfolio of the Company, as against



Rs. 36.85 million i.e. 1.09% of the portfolio as on March 31, 2022. The Net NPA as on March 31, 2023, is Rs. 39.94 million i.e. 0.88% of the NPA as against Rs. 20.19 million i.e. 0.60% of the NPA as on March 31, 2022. The total cumulative provisions towards NPA as at March 31, 2023 is Rs. 25.31 million as against Rs. 16.66 million in the previous financial year 2021-22.

In order to prevent frauds in loan cases involving multiple lending from different banks / housing finance companies, the Government of India has set up the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) under section 20 of the SARFAESI Act 2002 to have a central database of all mortgages created by lending institutions. The object of this registry is to compile and maintain data relating to all transactions secured by mortgages. Your Company is registered with CERSAI.

RISK MANAGEMENT FRAMEWORK

The Company is guided by the Risk Management Framework Policy framed in accordance with the Directions issued by Reserve Bank of India.

The risk strategy laid down by your Company helps foster a disciplined culture of risk management and control. In conjunction with these practices, your Company intends to optimise its capital needs through growth, by achieving highest returns on capital employed while managing risks appropriately.

Your Company continuously monitors loan portfolio. Portfolio level delinquency metrics are tracked at regular intervals with focus on detection of early warning signals of stress. These limits are periodically reviewed based on changes in the macro-economic environment, regulatory environment and industry dynamics. Existing credit exposure in the portfolio is continuously monitored and reviewed. Key sectors are analysed in detail to suggest strategies, considering both risks and opportunities. Corrective action, if required, is taken well in advance.

PRUDENTIAL NORMS FOR HOUSING FINANCE COMPANIES

It may be apprised that on 1st October 2021, RBI issued Scale Based Regulations, revising the regulatory norms for NBFCs. This revised regulatory directions were applicable from 1st October 2022. Your Company has been categorised under the Middle Layer framework. Further from 1st October 2022 (except otherwise mentioned specifically), HFCs shall continue to follow regulations as currently applicable to them. Additionally, they also need to comply with the extant SBR framework.



The Company is in compliance with guidelines on income recognition, asset classifications, provisioning, provisioning for bad and doubtful debts, capital adequacy, accounting and disclosure policies, fair practice code and asset liability management issued by NHB/RBI from time to time.

Your Company's Board has approved Know Your Customer & Anti Money Laundering Policy (KYC & AML Policy) and adheres to the said Policy.

Your Company has in place a Fair Practices Code (FPC), which includes guidelines on appropriate staff conduct when dealing with the customers and on the organisation's policies vis-à-vis client protection.

Your Company has an effective grievance redressal mechanism and as on 31st March 2023 there are no complaints which are pending for closure.

CAPITAL ADEQUACY RATIO (CAR)

As per the provisions of notification issued by RBI vide Master Direction – Non-Banking Finance Company – Housing Finance Company (Reserve Bank) Directions, 2021 on February 17, 2021, your Company is presently required to maintain a minimum capital adequacy of 15%.

The capital adequacy ratio as at 31st March, 2023 is 42.84% (41.96% - Tier I and 0.88% Tier II) in comparison to capital adequacy ratios as at 31st March, 2022, which was 56.46% (55.57% - Tier I and 0.89% - Tier II).

SPECIAL RESERVE (U/S 29C OF THE NATIONAL HOUSING BANK ACT, 1987)

During the period under review, your Company has transferred Rs. 28.87 million to Special Reserve as per the requirement of the Section 29C of the National Housing Bank Act, 1987.

HOLDING/SUBSIDIARY COMPANY

During the year under review, the Company has no Subsidiary Company. However, the Company is a Subsidiary of Adani Finserve Private Limited.



DIRECTORS OF THE COMPANY

Mr. Anuj Mehra was inducted as Independent Director in the Company w.e.f. 3rd January 2023. The composition of the Board of the Company is as follows:-

Sr. No.	Name	Type director
1.	Mr. Gaurav Gupta	Non-Executive Director
2.	Mr. Sagar Adani	Non-Executive Director
3.	Mr. Amlendra Prasad Saxena	Independent Director
4.	Mr. Anuj Mehra	Independent Director

Your Company being Private Limited Company, none of the Directors are required to retire by rotation.

The Company has received necessary declaration from Independent Director under Section 149(7) of the Companies Act, 2013, that he meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013. Further the Company has also received the Declaration and Undertaking from Directors, as per the requirement of "Non-Banking Financial Companies – HFC(RBI) Directions 2021.

KEY MANAGERIAL PERSONNEL

Mr. Rakesh Sharma is the Chief Executive Officer and Mr. Manish Singh Payal is the Company Secretary & Compliance officer of the Company.

FORMAL ANNUAL EVALUATION:

Company evaluated the performance of its Directors. However, as your Company is neither a Listed Company nor a public Company having a paid-up capital of Rs. 25 crores or more, the statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual Directors is not required to be disclosed.

EMPLOYEE STOCK OPTION SCHEME (ESOS)

Members of the Company have approved various Employee Stock Option schemes for attracting, retaining and rewarding Employees of the Company. Board of the Company has granted the options to the eligible employees of the Company, as detailed hereunder:-



Sr. No.	Particulars	Employee Stock Option Scheme
1.	Options granted	Refer to the Note No. 43 of the Financial Statements
2.	The Pricing formula	
3.	Options vested	
4.	Options exercised	

POLICY AGAINST SEXUAL HARASSMENT

Company has in place policy against the sexual harassment and the said policy seeks to protect women employees from sexual harassment at the place of work. The primary objective of the same is to safeguard the interest of female employees in the Company and also provides for punishment in case of false and malicious representations. The policy has been communicated to the employees.

During the year, no complaint has been received by the Sexual Harassment Committee.

DISCLOSURE ON MAINTENANCE OF COST RECORDS

The Company engaged in Housing Finance activity during the year under review is not required to maintain cost records in accordance with the provisions of the Act.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Housing Finance Companies are exempt from the provisions of the section 186 (except sub- Section (1)) of the Companies Act, 2013. Hence the said provision is not applicable to the Adani Housing Finance Pvt Limited.

NUMBER OF BOARD MEETINGS

During the period under review Thirteen (13) Board Meetings were held on 27th May 2022, 8th June 2022, 30th June 2022, 16th August 2022, 14th September 2022, 23rd September 2022, 15th November 2022, 29th November 2022, 2nd January 2023, 3rd January 2023, 24th January 2023, 23rd February 2023 and 21st March 2023.

DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:—



- a) in the preparation of the annual accounts for the year ended 31st March 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b) 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, 2023 and of the profit and loss of the Company for the year ended on that date;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) the Directors had prepared the annual accounts on a going concern basis.
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS

In accordance with the provisions of the Section 139 of the Companies Act, 2013, the Company had appointed the Statutory Auditors, M/s. MBD & CO. LLP, Chartered Accountants for a period of five years at its first Annual General Meeting, subject to ratification of appointment by members in every subsequent Annual General Meeting of the Company.

However, the said requirement is dispensed with according to related provision of Companies Amendment Act, 2017 becoming effective and accordingly, the appointment of Auditors is not to be ratified by the members in the General Meeting.

In lines with the above stated, the shareholders are further informed that M/s. MBD & CO. LLP., Chartered Accountants will continue to be remain the Statutory Auditors of the Company till the 6th Annual General Meeting of the Company without further ratification.



STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR:

The Company duly ensure the Fit and Proper Criteria, as prescribed by RBI read with the provisions of Companies Act, 2013 and other applicable provisions of law, regarding the appointment of Directors. Your Directors, including the Director appointed during the FY 2022-23, also submitted the required Disclosures and Undertakings to confirm the aforesaid compliance.

COMPANY'S POLICY RELATING TO DIRECTORS' APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE

The Company pursuant to the provisions of Section 178 of the Companies Act 2013 has formulated and adopted a Nomination & Remuneration Policy which is available on the website of the Company i.e. <https://www.adanihousing.in/Download>

AUDITORS REPORT

The Auditors Report to the Members on the Accounts of the Company for the financial year ended March 31, 2023 does not contain any qualification and is self-explanatory, hence does not call for any comment of Board.

SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s. Chirag Shah & Associates, Company Secretaries in whole-time practice, based in Ahmedabad, to carry out the Secretarial Audit of the Company for the year under consideration i.e., FY 2022-23.

There are no qualifications, reservations, adverse remarks or disclaimers, mentioned in Secretarial Audit Report provided by the aforesaid Secretarial Auditor in the prescribed format i.e., MR-3, since the Company has ensured compliance of all applicable statutory provisions.

The report of the Secretarial Auditor is enclosed as Annexure A

Further, as there is no qualification, reservation or adverse remark or disclaimer is given by the Statutory Auditors in their Audit Report and by the Company Secretary in practice in their Secretarial Audit Report, hence there is no explanation or comments have been given by the Board in the Report.



VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The Company has framed Vigil Mechanism / Whistle Blower Policy ("Policy") to enable Directors and employees to report genuine concerns or grievances, significant deviations from key management policies and reports any non-compliance and wrong practices, e.g., unethical behaviour, fraud, violation of law, inappropriate behaviour / conduct, etc.

The functioning of the Vigil Mechanism is reviewed by the Audit Committee from time to time. None of the Directors or employees have been denied access to the Audit Committee of the Board.

The objective of this mechanism is to maintain a redressal system which can process all complaints concerning questionable accounting practices, internal controls, or fraudulent reporting of financial information.

COMPLIANCE OF SECRETARIAL STANDARDS

The Company complies with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

CORPORATE SOCIAL RESPONSIBILITY:

As per the provisions of section 135 of Companies Act, 2013, read with the rules made thereunder, minimum 2% of the average net profit of the company made during three immediately preceding financial years, was required to be spent by a Company on CSR activities (as defined in schedule VII of the Companies Act, 2013). The average net-profit for last three financial years, was at Rs. 2,47,11,491. Accordingly, the amount being 2% of average net-profit for last three financial years viz. Rs. 4,95,000.

The Company spent the aforesaid amount through Adani Foundation, being an Indian non-profit organization founded in 1996 by Mr. Gautam Adani and eligible to undertake CSR Activities. It is considered one of the major corporate-funded foundations operating in India, working to uplift communities by playing the role of a facilitator. It uses a need-based, process-driven and participatory approach to promote the well-being of our country's largest strength – its human resources. The said foundation has its footprint and expertise in diversified areas, including Education, Health care, Community Infrastructure, Sustainable livelihood, Swaccha Bharat Abhiyaan amongst others.



The CSR Committee of the Company comprises of the following members:-

- Mr. Gaurav Gupta - Director
- Mr. AP Saxena - Independent Director
- Mr. Anuj Mehra - Independent Director

The Company has also formulated a Corporate Social Responsibility Policy which is available on the website of the Company (<https://www.adanihousing.in/Download/>). An annual report on the CSR containing the details on CSR spending is attached as annexure B to this report.

Terms of reference of the CSR Committee: -

- a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013
- b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a)
- c) Monitor the Corporate Social Responsibility Policy of the Company from time to time.
- d) Update the Board on the implementation of various programmes and initiatives.

COMMITTEES OF THE BOARD

The Details of Committee of Board inter-alia including Composition, Terms of Reference and number of meetings are disclosed in Corporate Governance Report, as annexed as annexure C.

ANNUAL RETURN

The Annual Return of the Company is available on the website of the Company at <https://www.adanihousing.in/Download/>.



REPORTING OF FRAUD

During the year under review, the Company has identified a Fraud amounting to Rs. 1.2 million. The Company has reported the same to the regulators within the stipulated timeline.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143 (12) OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

During the year under review, no fraud was identified and reported by the Statutory Auditors under sub-section 12 of Section 143 of the Companies Act, 2013 along with Rules made there-under other than those which are reportable to the Central Government.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All the related party transactions entered into during the financial year were in the ordinary course of business and on an arm's length pricing basis and none of the transactions with the related parties fall under the scope of Section 188(1) of the Companies Act, 2013. Accordingly, the disclosure of related party transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC 2 is not applicable. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. However, Company provided Form AOC 2 and the Policy on related party transaction as Annexure D' are attached to this report.

HUMAN RESOURCE DEVELOPMENT

Human Resource Development is considered important for effective implementation of business plans. Constant endeavours are being made to offer professional growth opportunities and recognitions, apart from imparting training to employees. During the reporting year, in-house training programmes were provided to employees, inter alia, in lending Operations, Documentation, KYC & ALM Policy, IT System & Security, and Accounts etc. Adani Housing total headcount stands at 412 employees.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company and its operations in future.



MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT.

We wish to apprise that Adani Group which holds 100% equity shares in the Company through Adani Finserve Pvt Ltd ("AFPL / Holding Company"), intends to exit from the Company and its fellow subsidiary, Adani Capital Pvt Ltd ("ACPL").

BCC Atlantis II Pte. Ltd. ("Investor") is proposed to acquire majority stake in ACPL from the holding company and AHFPL as under:

The Board of AHFPL has assented to the transaction. However, the same is subject to the approval of RBI. The application to RBI for its approval on the referred changes in shareholding in the Company along with ACPL has been filed on 18th August 2023.

THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR: NA**THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF: NA**

To ensure the compliance with all the applicable provisions of Law, your Company has availed the services of the Compliance Module software in the name of "Legatrix Compliance Solution". This is an IT-enabled legal support service relating to legal and regulatory compliances. The Company monitors and ensures the compliance of all the applicable laws, through this Compliance Solution.

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

Since your Company is not a manufacturing Company, the information pertaining to Conservation of Energy and Technology Absorption as stipulated under Section 134(3)(m) of the Companies Act, 2013 read with applicable rules made thereunder is not applicable to the Company.

During the Financial Year 2022-23, Company incurred expenses in foreign exchange. Details of the expenses are disclosed in the Note no. 52.27of the Financial Statements.



PARTICULARS OF EMPLOYEES:

The Company do not fall within the purview of purview of the provisions of Section 197 of the Companies Act, 2013, read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 . A nil report has been enclosed as Annexure E in this regard.

ACKNOWLEDGEMENT

Your Directors wish to place on record their gratitude to the Reserve Bank of India, National Housing Bank, the Company's Customers, Bankers, Members, Vendors and others for the continued support and faith reposed in the Company. The Board also places on record its deep appreciation for the dedication and commitment of the employees at all levels. The Directors also would like to thank the Credit Rating Agencies for their co-operation.

For and on behalf of the Board


Mr. Gaurav Gupta
Director & Chairman
DIN:01669109



Place: Mumbai
Date: 8th September 2023



CHIRAG SHAH & ASSOCIATES

Company Secretaries

1213, Ganesh Glory, Nr. Jagatpur Crossing,
Besides Ganesh Genesis,

Off. S.G. Highway, Ahmedabad - 382 481.

Ph.: 079-40020304, 6358790040/41/42

E-mail : chi118_min@yahoo.com

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2023

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

To,
The Members,
ADANI HOUSING FINANCE PRIVATE LIMITED
801 Shikhar Complex, Srimali Soc.,
Navrangpura, Ahmedabad 380009

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ADANI HOUSING FINANCE PRIVATE LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit by using appropriate Information technology tools like virtual data sharing by way of data room and remote desktop access tools, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023, 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. The physical Inspection or Verification of documents and records were taken to the extent possible:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

- (i). The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii). The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii). The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;



- (iv). Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v). The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011: **Not Applicable to the company during the Audit period**
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015: **Not Applicable to the company during the Audit period**
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018: **Not Applicable to the company during the Audit period**
 - d. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021: **Not Applicable to the company during the Audit period**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008:- **Not Applicable to the company during the Audit period**
 - 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 to the company during the Audit period**
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009:-**Not Applicable to the company during the Audit period;**
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018:-**Not Applicable to the company during the Audit period;** and
 - i. SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015:- **Not Applicable to the company during the Audit period.**
- (vi). Laws specifically applicable to the industry to which the company belongs, as Identified by the management, that is to say:
1. National Housing Bank Act, 1987;
 2. The Housing Finance Companies (NHB) Directions, 2010;
 3. Guidelines on Know your Customer and Anti-Money Laundering Measures;
 4. Returns to be submitted by Housing Finance Companies;
 5. Guidelines for Asset Liability Management System in Housing Finance Companies;
 6. Housing Finance Companies Corporate Governance (National Housing Bank) Directions, 2016;



7. Housing Finance Companies -Auditor's Report (National Housing Bank) Directions, 2016;
8. Guidelines on Fair Practices Cod for Housing Finance Companies;
9. Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021.

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

- a. Secretarial Standards issued by The Institute of Company Secretaries of India;
- b. The Listing Agreements entered into by the Company with Stock Exchange(s):-
During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, Company has passed a special resolution in extra ordinary general meeting dated 31/05/2022, giving right to the lender for conversion of outstanding Debt Into Equity Share Capital Of The Company, in case of default.



Place: Ahmedabad
Date: 02/09/2023

CS Dhwani Rana
Partner
Chirag Shah and Associates
FCS No. 12523
C P No.: 21737
UDIN: F012523E000918615
Peer Review Certi. No. 704/2020

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



'Annexure A'

To,
The Members
ADANI HOUSING FINANCE PRIVATE LIMITED
801 Shikhar Complex, Srimali Soc.,
Navrangpura, Ahmedabad 380009

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.



Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtain from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

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.

Place: Ahmedabad
Date: 02/09/2023



CS Dhvani Rana
Partner
Chirag Shah and Associates
FCS No. 12523
C P No.: 21737
UDIN: F012523E000918615
Peer Review Certi. No. 704/2020





Annual Report on CSR Activities to be Included In the Board's Report For Financial Year 2022-23

1. Brief outline on CSR Policy of the company.

Board in its Meeting dated 28th September 21 adopted the CSR Policy of the Company in compliance with section 135 of the Companies Act.

- a) The Company endeavours to contribute to CSR activities as specified under Schedule VII of the Companies Act, 2013. A corpus with an amount at least 2% of the Average Net Profits* of the Company made during the 3 (Three) immediately preceding financial years will be made for this purpose as per the provisions of the Act and rules made there under.
- b) As a part of CSR program, the Company plans to focus on the activities as defined in the schedule VII of the Companies Act, 2013.

Implementation of CSR Projects The Company shall implement the identified CSR Projects by the following means:

I. Direct Method

1. The Company may itself implement the identified CSR Projects presently within the scope and ambit of the Thrust Areas as defined in the Policy;
2. The Company may also implement the identified Projects presently through its Foundation or Society which is involved in CSR activities, within the scope and ambit of the Thrust Areas as defined in the Policy.
3. The CSR Officer may engage external professionals/firms/agencies if required, for the purpose of implementation of its CSR Projects.
4. The Company may collaborate with other companies, including its Group Companies if required, for fulfilling its CSR objects through the Direct Method, provided that the CSR Committees of respective companies are in a position to monitor separately such CSR Projects.

II. Indirect Method

1. The Company may implement the identified CSR Projects through Agencies, subject to the condition that:

- The activities pursued by the Agency are covered within the scope and ambit of Schedule VII to the Act provided
 - The Agency has an established track record of at least three years in undertaking similar programs or projects, and
 - The Company has specified the Project to be undertaken through the Agency which shall preferably be in Thrust Areas, the modalities of utilization of funds on such Projects and the monitoring and reporting mechanism which shall be at least once in three months.
2. The Company may collaborate with other companies, including its holding and subsidiary Companies and Group Companies if required, for fulfilling its CSR objects through the Indirect Method provided that the CSR Committees of respective companies are in a position to monitor separately such Projects.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Amlendra Prasad Saxena	Independent Director, Chairman	1	1
2	Mr. Gaurav Gupta	Director, Member	1	1
3	Mr. Anuj Mehra	Independent Director, Member	1	1

3. Provide the web-link where composition of CSR Committee, CSR policy and CSR projects approved by the Board are disclosed on the website of the company.
- 1) Company's CSR Policy is available at the following weblink:-
<https://www.adanihousing.in/Download>
 - 2) Composition of CSR Committee is provided in point no. 2 of this report, which also forms part of Annual Report. The report is also available on the website of the Company.
4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

The Company has contributed Rs. 4.95 lacs through Adani Foundation to help the needy students to pay their fees for higher education.

5. **A) Average Net Profit of the Company as per section 135(5) in lacs:** Rs. 247.11 lacs
- B) Two percent of average net profit of the Company as per section 135(5) in lacs:** Rs. 4.95 lacs
- C) Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years:** N.A
- d) Amount required to be set off for the Financial Year, if any:** N.A
- E) Total CSR obligation for the Financial Year :** Rs. 4.95 lacs
6. **A) amount spent on CSR projects (both ongoing project and other than ongoing project):** Rs. 4.75 lakhs (ongoing project).
- (b). Amount spent in administrative overheads:** Rs. 0.20 lakh.
- (c). Amount spent on impact assessment, if applicable:** not applicable.
- (d). Total amount spent for the financial year [(a)+(b)+(c)]:** Rs. 4.95 lakh
- (e). CSR amount spent for the financial year:**

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
4,95,000/-	Nil	Nil	Nil	Nil	Nil

(f). EXCESS AMOUNT FOR SET OFF, IF ANY: Not Applicable

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	-
(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)]	-

7. DETAILS OF UNSPENT CSR AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS: Not Applicable

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135(6) (In Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)	Deficiency, if any
				Name of the Fund	Amount (in Rs.)	Date of transfer.		
1.	FY-1	-	-	-	-	-	-	-
2.	FY-2	-	-	-	-	-	-	-
3.	FY-3	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes No

If Yes, enter the number of Capital assets created/ acquired:

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:



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Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
-	-	-	-	-	-	-	-

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

For Adani Housing Finance Private Limited

A.P Saxena
Chairman
DIN:06964564

Corporate Governance Report
Adani Housing Finance Private Limited
2022-23

1) Composition of the Board

Sl. No.	Name of Director	Director since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN	Number of Board Meetings		No. of other Directorships	Remuneration(Amt in millions)			No. of shares held in and convertible instruments held in the NBFC
					Held	Attended		Salary and other compensation	Sitting Fee	Commission	
1	Mr. Gaurav Gupta	05/09/2017	Non-Executive	01669109	13	12	11	N.A	N.A	N.A	N.A
2	Mr. Sagar Adani	05/09/2017	Non-Executive	07626229	13	4	11	N.A	N.A	N.A	N.A
3	Mr. Amlendra Prasad Saxena	16/01/2021	Independent Director	06964564	13	11	1	N.A	1.20	N.A	N.A
4	Mr. Anuj Mehra	03/01/2023	Independent Director	02712119	3	3	1	N.A	0.30	N.A	N.A

Details of change in composition of the Board during the current and previous financial year.

Sl. No.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Effective date
1.	Mr. Anuj Mehra	Non-Executive Independent Director	Appointment	03/01/2023

Where an independent director resigns before expiry of her/ his term, the reasons for resignation as given by her/him shall be disclosed.- N.A

Details of any relationship amongst the directors *inter-se* shall be disclosed-N.A



2) The names of the committees of the Board and summarized terms of reference:

Sr. No.	Name of Committee and Members	Terms of Reference
1	<p>Audit Committee</p> <p>Composition of Audit Committee:</p> <ol style="list-style-type: none"> 1. Mr. Amlendra Prasad Saxena- Independent Director, Chairman 2. Mr. Gaurav Gupta- Non-Executive Director 3. Mr. Anuj Mehra- - Independent Director 	<ul style="list-style-type: none"> • Recommendation for appointment, remuneration and terms of appointment of auditors; • Review and monitor the auditor's independence and performance and effectiveness of audit process; • Examination of the financial statements and the auditors' report thereon; • Approval or any subsequent modification of transactions with related parties • Scrutiny of inter-corporate loans and investments • Valuation of undertaking or assets of the company as may be necessary • Evaluation of internal financial controls and risk management systems; • Monitoring the end use of funds raised by the Company • Review of the observations of the auditors, if any • Review of financial statements before submission of the same to the Board focusing mainly on : <ul style="list-style-type: none"> - changes in accounting policies and practices; - the going concern assumption;



		<ul style="list-style-type: none"> - Compliance with accounting standards; • Investigate any matter specifically referred by the Board
2	<p>Nomination & Remuneration Committee (NRC)</p> <p>Composition of NRC:</p> <ol style="list-style-type: none"> 1. Mr. Amlendra Prasad Saxena- Independent Director, Chairman 2. Mr. Gaurav Gupta- Non-Executive Director 3. Mr. Anuj Mehra- - Independent Director 	<ul style="list-style-type: none"> • Formulate the criteria for determining qualifications, positive attributes and independence of a director. • Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy. • Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel. • To look into the entire gamut of remuneration packages for the Executive Director(s) and senior personnel's of the Company and revise their remuneration suitably within the limits prescribed under any statutory acts, amendments, modifications or enactments thereof • To formulate and implement one or more Employees' Stock Option Scheme(s) for the benefit of the employees including Directors of the Company. • To determine the commissions payable to the Directors within the prescribed limits and as approved by the shareholders of the Company • To undertake such other acts or activities as may be determined by the Board of the Company. • And other Terms, as specified in Nomination and Remuneration Policy.
3	<p>Corporate Social Responsibility Committee (CSR Committee)</p> <p>Composition of CSR Committee:</p>	<ul style="list-style-type: none"> • Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be



	<ol style="list-style-type: none"> 1. Mr. Amlendra Prasad Saxena- Independent Director, Chairman 2. Mr. Gaurav Gupta- Non-Executive Director 3. Mr. Anuj Mehra- - Independent Director 	<p>undertaken by the company as specified in Schedule VII of the Companies Act, 2013</p> <ul style="list-style-type: none"> • Recommend the amount of expenditure to be incurred on the activities referred to in clause (i) • Monitor the Corporate Social Responsibility Policy of the company from time to time. • Update the Board on the implementation of various programs and initiatives.
4	<p>Risk Management Committee (RMC)</p> <p>Composition of RMC:</p> <ol style="list-style-type: none"> 1. Mr. Gaurav Gupta- Non-Executive Director 2. Mr. Amlendra Prasad Saxena- Independent Director 3. Mr. Anuj Mehra- - Independent Director 4. Mr. Sagar Adani- Non-Executive Director 	<p>The Risk Management Committee shall be responsible for setting up and reviewing risk management policies of the Company from time to time. The Risk Management Committee shall primarily be responsible for identifying, monitoring, managing and mitigating the credit risk, market risk, operational risk and other risks of the Company that can be applicable to the Company considering the business operations of the Company through integrated risk management systems, strategies and mechanisms.</p>

i. Other details of the Committees are as follows:-

Sl. No.	Name of Director	Member of Audit Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee during the year		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. Amlendra	16 th April 2021	Chairman, Non-Executive Independent Director	4	4	Nil



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Finance

	Prasad Saxena					
2.	Mr. Gaurav Gupta	7 th May 2019	Non-Executive Director	4	4	Nil
3	Mr. Anuj Mehra	3 rd January 2023	Non-Executive Independent Director	1	1	Nil
4	Mr. Sagar Adani	7 th May 2019	Non-Executive Director	3	1	Nil

Sl. No.	Name of Director	Member of Nomination & Remuneration Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee during the year		No. of shares held in the NBFC
				Held during the tenure of Director	Attended	
1.	Mr. Amlendra Prasad Saxena	16 th April 2021	Chairman, Non-Executive Independent Director	2	2	Nil
2.	Mr. Gaurav Gupta	7 th May 2019	Non-Executive Director	2	2	Nil
3	Mr. Anuj Mehra	3 rd January 2023	Non-Executive Independent Director	0	0	Nil



Sl. No.	Name of Director	Member of Risk Management Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee during the year		No. of shares held in the NBFC
				Held during the tenure of Director	Attended	
1.	Mr. Amlendra Prasad Saxena	16 th April 2021	Non-Executive Independent Director	4	4	Nil
2	Mr. Gaurav Gupta	7 th May 2019	Chairman, Non-Executive Director	4	4	Nil
3	Mr. Anuj Mehra	3 rd January 2023	Non-Executive Independent Director	1	1	Nil
4	Mr. Sagar Adani	7 th May 2019	Non-Executive Director	4	2	Nil

Sl. No.	Name of Director	Member of CSR Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee during the year		No. of shares held in the NBFC
				Held during the tenure of Director	Attended	
1.	Mr. Amlendra Prasad Saxena	28 th September 21	Chairman, Non-Executive Independent Director	1	1	Nil
2	Mr. Gaurav Gupta	28 th September 2021	Non-Executive Director	1	1	Nil
3	Mr. Anuj Mehra	3 rd January 2023	Non-Executive Independent Director	1	1	Nil



1) General Body Meetings

Give details of the date, place and special resolutions passed at the General Body Meetings.

Sl. No.	Type of Meeting (Annual/Extra-Ordinary)	Date and Place	Special resolution passed
1	Annual General Meeting	Date: 30-09-2022 Place: Ahmedabad	N.A
2.	Extra-Ordinary General Meeting	Date: 31-05-2022 Place: Ahmedabad	1

2) Details of non-compliance with requirements of Companies Act, 2013

Give details and reasons of any default in compliance with the requirements of Companies Act, 2013, including with respect to compliance with accounting and secretarial standards.

- Nil

3) Details of penalties and strictures

NBFCs should disclose details of penalties or stricture imposed on it by the Reserve Bank or any other statutory authority.

- Nil

For and on behalf of the Board


Mr. Gaurav Gupta
Director & Chairman
DIN:01669109



Place: Mumbai
Date: 8th September 2023

Annexure B

Form No. AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)
For FY 2022-23

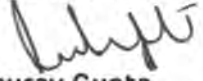
1. Details of contracts or arrangements or transactions not at arm's length basis

NOT APPLICABLE (RPT Policy is available on the website of the Company at www.adanihousing.in/Download)

2. Details of material* contracts or arrangement or transactions at arm's length basis

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
1.	NIL	NIL	NIL	NIL	NIL	NIL
2.	NIL	NIL	NIL	NIL	NIL	NIL

For and on behalf of the Board


Gaurav Gupta
Director & Chairman of the Board
DIN:01669109

Place: Mumbai

Date: 8th September 2023

Adani Housing Finance Private Limited
1004-1005, 10th Floor, C – 66, Block G,
One BKC, Bandra Kurla Complex,
Mumbai 400 051
Maharashtra, India
CIN: U65999GJ2017PTC098960

Tel +91 22 62411200
Fax +91 22 26520650
contact.ahfpl@adani.com
www.adanihousing.com

Registered Office: 801, Shikhar Complex, Srimali Soc. Navrangpura, Ahmedabad 380 009, Gujarat, India



**Annexure –E
ANNEXURE TO THE DIRECTORS' REPORT**

Information as per Section 197 of the Companies Act, 2013 read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of Adani Housing Finance Private Limited for Financial Year 2022-23.

A. Top Ten Employees of the Company in terms of remuneration drawn: Not Applicable

Name	Age (Years)	Designation	Gross remunerations (in Rs.)	Qualification	Experience (Years)	Date of Joining	Previous employment	Nature of employment, whether contractual or otherwise	whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:

A. Personnel who are in receipt of remuneration aggregating not less than Rs. 102 lacs per annum and employed throughout the year: Not Applicable

Name	Age (Years)	Designation	Gross remunerations (in Rs.)	Qualification	Experience (Years)	Date of Joining	Previous employment	Nature of employment, whether contractual or otherwise	whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:



C. Employed for a part of the financial year and were in receipt of remuneration for any part of the financial year at a rate which in aggregate was not less than Rs. 8.50 lacs per month: Not Applicable

Name	Age (Years)	Designation	Gross remunerations (in Rs.)	Qualification	Experience (Years)	Date of Joining	Previous employment	Nature of employment, whether contractual or otherwise	whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:

- Notes: (1) Remuneration above includes Salary, Contribution to Provident and other funds and other perquisites.
(2) No individual employee is holding equivalent to or more than 2% of the outstanding shares of the Company as on 31st March 2023.

For and on behalf of the Board


Mr. Gaurav Gupta
Director & Chairman
DIN:01669109



Place: Mumbai
Date: 8th September 2023

INDEPENDENT AUDITORS' REPORT

To the Members of Adani Housing Finance Private Limited

Report on audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Adani Housing Finance Private Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its Profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

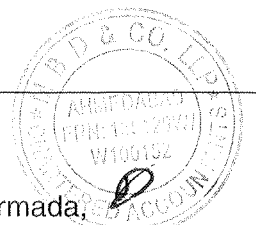
Basis of Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No	Key Audit Matters	Audit procedures performed
1	Impairment of Financial Assets (Including Provision for Expected Credit Loss)	
	Refer to the Significant Accounting Policies in the Financial Statements Note No: 4 (a) Financial Instruments and Note No: 48.1 for credit risk disclosures.	
	<ul style="list-style-type: none"> As at 31 March, 2023, the Company has reported gross loan assets of Rs. 4552.91 million against which expected credit loss of Rs. 58.50 million has been recorded. Ind AS 109 requires the Company to recognize impairment allowance towards its financial assets (designated at amortized cost and fair value through 	We have tested the ECL model and computation for it's <ul style="list-style-type: none"> Our audit procedures included considering the Company's accounting policies for impairment of financial instruments and assessing compliance with the policies in terms of Ind AS 109. Assessed the assumptions used by the

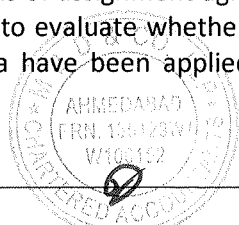


INDEPENDENT AUDITORS' REPORT

To the Members of **Adani Housing Finance Private Limited**

Report on the Financial Statements

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	<p>other comprehensive income) using the expected credit loss (ECL) approach. Under this approach, the management has been required to exercise significant judgement while applying principles and other requirements of the standard in addition to the identification and adequacy of these provisions in areas such as:</p> <ul style="list-style-type: none"> - Staging of loans and estimation of behavioral life. - calculation of Probability of default rates. - calibrating the loss given default where the impairment provision is calculated on a pool level <ul style="list-style-type: none"> • The Company has developed models that derive key assumptions used within the provision calculation such as probability of default (PD) and loss given default (LGD). The output of these models is then applied to the provision calculation with other information including and the exposure at default (EAD). • Considering the significance of provision to the overall financial statements and the degree of management's judgment, any error or misstatement in such estimate may give rise to a material misstatement of the Ind AS financial statements or omission of any disclosure required by the standards. Therefore, it is considered as a key audit matter. 	<p>Company for grouping and staging of loan portfolio into various categories and default buckets and their appropriateness for determining the probability-weighted default (PD) and loss-given default (LGD) rates.</p> <ul style="list-style-type: none"> • Read and assessed the Company's policy with respect to moratorium pursuant to the RBI circular and tested the implementation of such policy on a sample basis. • Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions. • Assessed the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any significant increase in credit risk or loss indicators were present requiring them to be classified under stage 2 or 3. • Tested the ECL model, including assumptions and underlying computation. Assessed the floor/minimum rates of provisioning applied by the Company for loan products with inadequate historical defaults. • Assessed disclosures included in the Ind AS financial statements in respect of expected credit losses. • Tested the arithmetical accuracy of computation of ECL provision performed by the Company.
<p>2.</p>	<p>De-recognition of financial assets (as described in Note No: 42 of the Financial Statements)</p>	
	<ul style="list-style-type: none"> • During the year, the Company has assigned loans amounting to Rs. 1554.49 million and recorded a net income of Rs. 254.24 million and corresponding excess interest spread receivable of Rs. 254.24 million. • As per Ind AS 109, de-recognition of loans transferred by the Company through assignment is based on the 'risk and reward' model and a 'control' model. If de-recognition criteria are met, the financial assets transferred are de-recognized and difference between carrying value and consideration 	<ul style="list-style-type: none"> • Our audit procedures included considering the Company's accounting policies for de-recognition of financial instruments and assessing compliance with the policies in terms of Ind AS 109. • Examined the terms of assignment agreements on a sample basis to evaluate whether the de-recognition criteria have been applied by the Company. 

INDEPENDENT AUDITORS' REPORT

To the Members of **Adani Housing Finance Private Limited**

Report on the Financial Statements

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<p>including the present value of interest payments that it would not give up (excess interest spread receivable) is recorded as income in the statement of profit and loss.</p> <ul style="list-style-type: none">• There are assumptions made with respect to the tenor of the financial assets assigned and other factors which could materially impact the fair valuation as well the excess interest spread. Accordingly, de-recognition of financial assets was considered as a key audit matter.	<ul style="list-style-type: none">• Assessed the significant estimates and judgments, including the discount rate and expected remaining life of the portfolio transferred used by the Company for computation of excess interest spread receivable servicing asset and servicing liability.• Tested the arithmetical accuracy of computation of the excess interest spread receivable.• Assessed the disclosures included in the financial statements with respect to de-recognition in accordance with the requirements of Ind AS 109 and Ind AS 107.
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Information Other than the financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

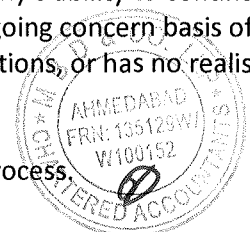
If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

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

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

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



INDEPENDENT AUDITORS' REPORT

To the Members of **Adani Housing Finance Private Limited**

Report on the Financial Statements

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Auditors' Responsibility

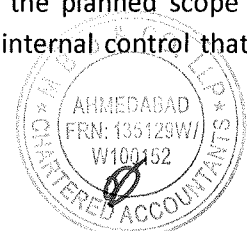
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee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

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

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

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

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



INDEPENDENT AUDITORS' REPORT

To the Members of **Adani Housing Finance Private Limited**

Report on the Financial Statements

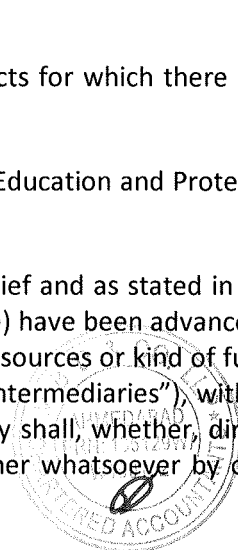
Page 5 of 6

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.

Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, based on our audit we report that:

- (a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose 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, Statement of Profit and Loss including other comprehensive income, statement of changes in equity, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of written representations received from the directors as on March 31, 2023, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) According to Information and explanation given to us and on the basis of our examination of the records of the company, managerial remuneration has not been paid/provided. Accordingly, reporting under section 197(16) of the Act is not applicable.
- (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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigation as disclosed in its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023.
 - iv. a. The Management has represented that, to the best of its knowledge and belief and as stated in note No: 52.32(i) , no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on



INDEPENDENT AUDITORS' REPORT

To the Members of **Adani Housing Finance Private Limited**

Report on the Financial Statements

Page 6 of 6

behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b. The Management has represented, that, to the best of its knowledge and belief and as stated in note No: 52.32(i), no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. During the year, Company has not declared any dividend, hence reporting under this clause is not applicable.
2. As required by 'the Companies (Auditor's Report) Order, 2020' ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **M B D & Co LLP**

Firm Registration Number: 135129W/W100152

Chartered Accountants

D.G. Desai

Deval Desai

Partner

Membership Number: 132426

UDIN: 23132426BGQVMM1040



Place: Ahmedabad

Date: May 02, 2023

Annexure A to Auditors' Report

Referred to in paragraph 1(f) under "Report on other legal and regulatory requirements" section of our report of even date to the members of **Adani Housing Finance Private Limited**

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

Opinion

We have audited the internal financial controls over financial reporting of Adani Housing Finance Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023 based on the criteria internal financial control over financial reporting by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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



Annexure A to Auditors' Report

Referred to in paragraph 1(f) under "Report on other legal and regulatory requirements" section of our report of even date to the members of **Adani Housing Finance Private Limited**

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

For, **M B D & Co LLP**

Firm Registration Number: 135129W/W100152

Chartered Accountants

D. G. Desai

Deval Desai

Partner

Membership Number: 132426

Place: Ahmedabad

Date: May 02, 2023

UDIN: 23132426BGQVMM1040



Annexure-B to Independent Auditors' Report

Referred to in paragraph 2 under "Report on other legal and regulatory requirements" section of our report of even date to the members of **Adani Housing Finance Private Limited**

i) (a) (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(ii) The Company has maintained proper records showing full particulars of Intangible assets.

(b) Company has a physical verification program so as to cover all assets across the span of three years. And as part of that program, Company had carried out the verification in previous year, there have been no material discrepancies observed during such verification.

(c) The company do not have any immovable property, hence reporting under the provisions of clause 3 (i)(c) of the Order are not applicable to the company.

(d) Company has not carried out any revaluation of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii) (a) The Company is a Housing Finance Company ('HFC') and does not have any inventories. Accordingly, the provision of clause 3(ii) of the Order is not applicable to the Company.

(b) As disclosed in note 16(c), the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and/or financial institutions during the year based on security of current assets of the Company. The quarterly statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.

iii) (a) The Company's principal business is to give loans accordingly, Clause 3(iii)(a) of the Order is not applicable to the Company.

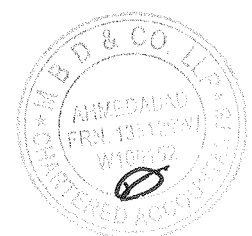
(b) For the year under consideration, the terms, and conditions on which grant of all loans and advances to other parties are not prejudicial to the Company's interest.

(c) According to the information and explanations given to us and on the basis of our examination of books of account and other records of the Company, we report that the schedule of repayment of principal and payment of interest has been stipulated in respect of loans granted by the Company. We further report that the repayments or receipts in respect of loans are regular except 295 number of loan accounts where the overdue as at 31 March, 2023 were aggregating to Rs.298.03 million.

(d) According to the information and explanations given to us, the total amount which is overdue for 90 days or more in respect of loans and advances in the nature of loans given in course of the business operations of the Company aggregates to Rs 65.25 million as at 31 March 2023 in respect of 65 number of loans. Further, reasonable steps as per the policies and procedures of the Company have been taken for recovery of such principal and interest amounts overdue.

(e) The Company's principal business is to give loans. Accordingly, the provision of Clause 3(iii)(e) of the Order is not applicable to the Company.

(f) According to information and explanations given to us, the Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to Promoters, related parties as defined in clause 2(76) of Companies Act, 2013.



Annexure-B to Independent Auditors' Report

Referred to in paragraph 2 under "Report on other legal and regulatory requirements" section of our report of even date to the members of **Adani Housing Finance Private Limited**

iv) According to the information and explanations given to us and based on the audit procedures performed by us, there are no loans granted, guarantees and securities given in respect of which provisions of section 185 of the Act are applicable. In Compliance with the requirement of Section 186, the Company has not made investment through investment companies and other provisions of this section are not applicable to the Company and hence not commented upon.

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

vi) The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act for any of the services rendered by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable to the Company.

vii) (a) The Company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, and any other statutory dues as applicable to the appropriate authorities. According to the information and explanations given to us and based on the audit procedures performed by us, there were no undisputed amounts payable in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax and other material statutory dues outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and based on the audit procedures performed by us, we report that there are no dues of Goods and Services Tax, provident fund, employees' state insurance, income-tax and any other statutory dues which have not been deposited on account of any dispute.

viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

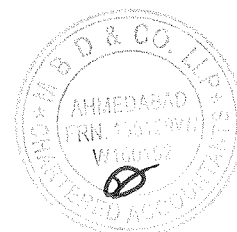
ix) (a) According to the information and explanations given to us, the company has not made any default in repayment of loan availed from any lender during the year.

(b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained, though idle/surplus funds which were not required for immediate utilisation have been temporarily invested in readily realisable liquid investments.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long-term purposes.

(e) The Company does not have any subsidiary, associate, or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.



Annexure-B to Independent Auditors' Report

Referred to in paragraph 2 under "Report on other legal and regulatory requirements" section of our report of even date to the members of **Adani Housing Finance Private Limited**

(f) The Company does not have any subsidiary, associate, or joint venture. Accordingly, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.

x)(a) According to the information and explanations given to us and based on the overall examination of balance sheet, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) and hence reporting on clause 3(x)(a) of the Order is not applicable.

(b) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting on clause 3(x)(b) of the Order is not applicable.

xi)(a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year nor have we been informed of any such case by the Management.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and up to the date of this report.

(c) We have taken into consideration the whistle blower policy in place and as represented by management, no complaints are being received by the Company during the year (and up to the date of this report).

xii) The company is not a Nidhi Company. Accordingly, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

xiv) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till the date of Audit report, in determining the nature, timing and extent of our audit procedures.

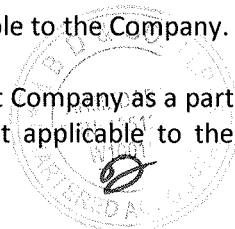
xv) According to the information and explanations given by the management, the company has not entered into any non-cash transactions with directors, or any person connected to him as referred to in section 192 of the companies Act, 2013.

xvi)(a) The Company is a Housing Finance Company and duly registered with National Housing Bank and thus is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

(b) The Company has not conducted any Non-Banking Financial without obtaining a valid Certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India. Accordingly, the requirement to report on clause 3(xv)(c) of the Order is not applicable to the Company.

(d) According to the Information and explanations given to us, there is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xv)(d) of the Order is not applicable to the Company.



Annexure-B to Independent Auditors' Report

Referred to in paragraph 2 under "Report on other legal and regulatory requirements" section of our report of even date to the members of **Adani Housing Finance Private Limited**

xvii) The company has not incurred any cash losses during the financial year and in immediately preceding financial year.

xviii) There has been no resignation of the statutory auditors of the Company during the year.

xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that there's any material uncertainty exists as on the date of the audit report and company would not be able to meet its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts and circumstances up to the date of the audit report and we neither give any guarantee nor any assurance that all the liabilities that are falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx) a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in schedule VII of the Companies Act, in compliance with the second proviso to subsection (5) of section 135 of the Act. This matter has been disclosed in Note 44 to the financial statements.

b) There are no unspent amount in respect of ongoing projects that are required to be transferred to a special account in compliance of provisions subsection (6) of section 135 of the Act. This matter has been disclosed in Note 44 to the financial statements.

xxi) The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **M B D & Co LLP**

Firm Registration Number: 135129W/W100152

Chartered Accountants

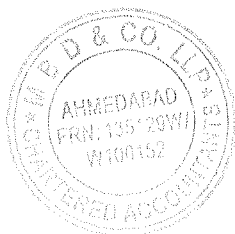
D.G.R. Desai

Deval Desai

Partner

Membership Number: 132426

UDIN: 23132426BGQVMM1040



Place: Ahmedabad

Date: May 02, 2023

ADDITIONAL AUDITOR'S REPORT

To the Board of Directors of Adani Housing Finance Private Limited

Report on the Financial Statements

In Addition to report made under section 143 of the Companies Act, 2013 (the 'Act') on the financial statements of **Adani Housing Finance Private Limited** (the "Company") for the year ended on March 31, 2023 and as required by Master Direction – Non-Banking Finance Company – Housing Finance Company (Reserve Bank) Directions, 2021 on February 17, 2021 (as Amended), we make a separate report to the Board of Directors of the Company on the matters specified in paragraph 70 and 71 of the said directions to the extent applicable, and vide this Master Direction the Reserve Bank of India ('RBI') have covered Housing Finance Companies within its ambit.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for matters stated in Section 134(5) of the companies Act, 2013 (the "Act") with respect to the preparation of the standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

The Company's management is responsible for ensuring that the Company complies with the requirements of the Directions. This responsibility includes the design, implementation, and maintenance of internal control relevant to the compliance with the directions.

Auditors' Responsibility

Pursuant to the requirements of the Directions, it is our responsibility to examine the books and records of the Company and report on the matters specified in the Directions to the extent applicable to the Company.

We conducted our examination in accordance with the Guidance Note on Reports and Certificates for special purpose (Revised 2016) issued by the Institute of Chartered Accountants of India (the 'ICAI'). The Guidance Note requires that we comply with the independence and other ethical requirements of the Code of Ethics issued by the ICAI.



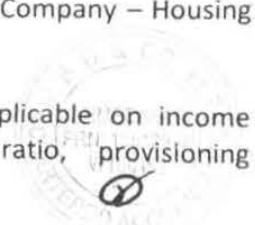
ADDITIONAL AUDITORS' REPORT

To the Board of Directors of **Adani Housing Finance Private Limited**

Conclusion

Based on our examination of Financial Statements as at and for the year ended March 31, 2023, books of accounts and records of the Company as produced before us for our examination and according to information and explanations given to us, we report that:

- The Company is engaged in Housing Finance Business, and it has obtained Certificate of Registration No.06.0172.18 from the National Housing Bank (the 'NHB') vide Certificate dated June 4, 2018, in pursuance of section 29A of the NHB Act,1987 (the 'NHB Act').
- In our opinion and to the best of our information and according to information given to us, the Company is meeting the Net Owned Fund requirement as prescribed under section 29A of the NHB Act,1987.
- The Company is "Housing Finance Company" under the meaning of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by RBI on 17th Feb 2021, as both the below conditions are satisfied:
 - It is an HFC whose financial assets, in the business of providing finance for housing, constitute more than 60% of its total assets (netted off by intangible assets). (Housing finance for this purpose shall mean providing finance as stated at clauses (a) to (k) of Paragraph 4.1.16 of the above-mentioned Direction.)
 - Out of the total assets (netted off by intangible assets), more than 50% is by way of lending housing finance to individuals as stated at clauses (a) to (e) of Paragraph 4.1.16 of the above-mentioned Direction.
 - Thus, the Company meets the principal business criteria as specified under para. 4.1.17 of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021
- The Company has not accepted public deposits during the year ended March 31,2023, hence Paragraph 27 of the Directions is not applicable to the Company.
- In our opinion and according to information given to us, we further report that:
 1. The Company has complied with the requirement as specified under section 29C of the NHB Act, relating to transfer of 20% of its profit to the special reserve.
 2. The Board of Directors has passed a resolution dated May 27th,2022 for Non-Acceptance of any Public Deposit.
 3. The Company has not accepted any public deposits during the year ended March 31, 2023.
 4. The Company has borrowed amount from various Banks, Financial institution and from National Housing Bank (NHB) as at March 31, 2023. Since the Company is not accepting public deposits the Reporting under paragraph 27.2 of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 is not applicable.
 5. The Company has complied with the prudential norms to the extent applicable on income recognition, accounting standards, asset classification, loan-to-value ratio, provisioning



ADDITIONAL AUDITORS' REPORT

to the Board of Directors of **Adani Housing Finance Private Limited**

requirements, disclosure in balance sheet, investment in real estate, exposure to capital market and engagement of brokers, and concentration of credit/investments as specified in the Directions.

6. The capital adequacy ratio as disclosed in the Schedule-II return for the half year ended March 31,2023 in terms this Directions has been correctly determined and the said ratio is in compliance with the minimum capital to risk weighted asset ratio (CRAR) prescribed by the NHB.
7. The Company has furnished to the NHB within the stipulated period Schedule II return as specified in the Directions issued by NHB.
8. Since the company is not accepting public deposit, schedule-III Return is not applicable for the financial year under consideration.
9. In the case of opening of new branches /offices or in the case of closure of existing branches/offices, the Company has complied with the requirements contained in the Directions.
10. The Company has not lent any amount against the securities as specified in Paragraph 3.1.3, Paragraph 3.1.4 and Paragraph 18 of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021. Hence, the same is not applicable on the Company.
11. Since the Company is not accepting public deposits, hence reporting under paragraph 70.1.12. to 70.2.7 of the directions are not applicable.

Restriction of Use

This report is addressed to the Board of Directors Solely in connection with the above-mentioned purpose and for the submission to the NHB, if required, and should not be used by any other person or for any other purpose. Accordingly, our report should not be quoted or referred to in any other document or made available to any other person or persons without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For, **M B D & Co LLP**

Firm Registration Number: 135129W/W100152

Chartered Accountants

D. R. Desai

Deval Desai

Partner

Membership Number: 132426

Place: Ahmedabad

Date: May 02, 2023

UDIN: 23132426BGQVPA1425



Adani Housing Finance Private Limited

CIN:U65999GJ2017PTC098960

Balance Sheet as at March 31, 2023

(All Amounts in millions unless Otherwise stated)

Particulars	Note No	As at	
		March 31, 2023	March 31, 2022
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	5	202.85	371.52
(b) Bank balance other than cash and cash equivalents	6	5.21	50.00
(c) Receivables			
(I) Trade receivables	7	0.05	0.45
(d) Loans	8	4,494.41	3,335.52
(e) Investments	9	50.10	200.13
(f) Other financial assets	10	307.05	154.93
Total Financial Assets		5,059.67	4,112.55
(2) Non-financial assets			
(a) Deferred tax assets (Net)	11	-	1.28
(b) Property, plant and equipment	12	6.91	0.21
(c) Other Intangible assets	13	1.27	1.75
(d) Other non-financial assets	14	21.26	14.68
Total Non-Financial Assets		29.44	17.92
Total assets		5,089.11	4,130.47
LIABILITIES AND EQUITY			
Liabilities			
(1) Financial liabilities			
(a) Payables			
(I) Trade payables	15		
(I) total outstanding dues of micro enterprises and small enterprises		-	-
(II) total outstanding dues of creditors other than micro enterprises and small enterprises		22.04	5.38
(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		37.18	65.81
(b) Borrowings (other than debt securities)	16	3,293.06	2,603.84
(c) Other financial liabilities	17	153.92	84.41
Total Financial liabilities		3,506.20	2,759.44
(2) Non-financial liabilities			
(a) Current tax liabilities (Net)	18	11.92	0.63
(b) Provisions	19	11.34	9.16
(c) Deferred tax liabilities (Net)	11	40.59	-
(d) Other non-financial liabilities	20	26.79	13.84
Total Non-Financial liabilities		90.64	23.63
(3) Equity			
(a) Equity share capital	21	750.00	750.00
(b) Other equity	22	742.27	597.40
Total Equity		1,492.27	1,347.40
Total liabilities and equity		5,089.11	4,130.47

Significant accounting policies and key accounting estimates and judgments
The accompanying notes form an integral part of the financial statements

4

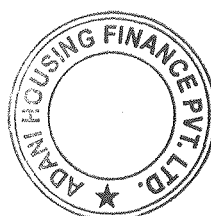
As per our report of even date

For M B D & Co LLP
Chartered Accountants
Firm Registration Number : 135129W/W100152

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

D. G. Desai

Deval Desai
Partner
Membership No. 132426



Sagar Adani
Director
DIN: 07625229

Rakesh Sharma
CEO

Place : Ahmedabad
Date : May 02, 2023

Gaurav Gupta
Director
DIN: 01669109

Manish Singh Payal
CS and Compliance Officer
M No: 46424

Place : Ahmedabad
Date : May 02, 2023

Adani Housing Finance Private Limited

CIN:U65999GJ2017PTC098960

Statement of Profit and Loss for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

Particulars	Note No	For the Year ended March 31, 2023	For the Year ended March 31, 2022
1 Revenue From operations			
(a) Interest income	23	666.46	388.21
(b) Fees and commission income	24	14.32	8.08
(c) Net Gain on Fair Value Changes	25	9.16	6.18
(d) Other income from Loan Related Services	26	17.91	9.16
(e) Net gain on derecognition of financial instruments under amortised cost category	42	148.22	77.41
Total revenue from operations		856.07	489.04
2 Other income	27	5.28	5.13
3 Total income (1 + 2)		861.35	494.17
4 Expenses			
(a) Finance costs	28	265.76	141.57
(b) Impairment on financial instruments	29	13.75	7.76
(c) Employee benefits expenses	30	220.55	163.32
(d) Depreciation, amortization and impairment	12&13	0.97	1.17
(e) Others expenses	31	161.02	100.34
Total expenses		662.05	414.16
5 Profit before tax (3 - 4)		199.30	80.01
6 Tax Expense:			
(a) Current Tax		13.20	1.55
(b) Tax Adjustments of Earlier year		-	0.44
(c) Deferred Tax charge/(credit)	11	41.76	20.43
Total Tax expenses		54.96	22.42
7 Profit After Tax (5-6)		144.34	57.60
8 Other comprehensive income			
(A) Items that will not be reclassified to profit or loss			
Remeasurement gains/(losses) on defined benefit plans		0.42	0.05
Tax Impact on above		(0.11)	(0.01)
Other comprehensive income / (loss) for the year		0.31	0.04
9 Total comprehensive income for the period (7 + 8)		144.65	57.63
10 Earnings per equity share	32		
(Nominal value per share Rs. 10)			
Basic EPS (Rs.)		1.924	0.768
Diluted EPS (Rs.)		1.918	0.765

Significant accounting policies and key accounting estimates and The accompanying notes form an integral part of the financial statements 4

As per our report of even date

For M B D & Co LLP

Chartered Accountants

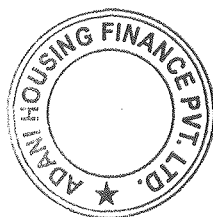
Firm Registration Number : 135129W/W100152

D. R. Desai

Deval Desai

Partner

Membership No. 132426



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

S R A

Sagar Adani

Director

DIN: 07626229

Rakesh Sharma

Rakesh Sharma

CEO

Gaurav Gupta

Gaurav Gupta

Director

DIN: 01669109

Manish Singh Payal

Manish Singh Payal

CS and Compliance Officer

M No: 46424

Place : Ahmedabad

Date : May 02, 2023

Place : Ahmedabad

Date : May 02, 2023

Adani Housing Finance Private Limited

CIN:U65999GJ2017PTC098960

Statement of Changes in Equity for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

A. Equity share capital

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Balance as at the beginning of the year	750.00	750.00
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting year	750.00	750.00
Issue of shares during the year	-	-
Balance as at the end of the year	750.00	750.00

B. Other equity

Particulars	Reserves and Surplus				Total
	Special Reserve	Securities premium	Retained earnings	Share Based Payment reserve	
Balance at April 1, 2021	13.91	574.60	(55.04)	2.03	535.50
Profit for the year	-	-	57.60	-	57.60
Remeasurement benefit of defined benefit plans (net of Tax)	-	-	0.04	-	0.04
Transfer / utilisations					
Additions during the period	11.52	-	-	4.26	15.77
Transferred to special reserve from retained earnings	-	-	(11.52)	-	(11.52)
Balance at March 31, 2022	25.43	574.60	(8.93)	6.29	597.40
Profit for the year	-	-	144.34	-	144.34
Remeasurement benefit of defined benefit plans (net of Tax)	-	-	0.31	-	0.31
Transfer / utilisations					
Additions during the year	28.87	-	-	0.23	29.10
Utilized during the year	-	-	-	-	-
Equity settled share based payment	-	-	-	-	-
Transferred to special reserve from retained earnings	-	-	(28.87)	-	(28.87)
Balance at March 31, 2023	54.30	574.60	106.85	6.52	742.28

The accompanying notes form an integral part of the financial statements

As per our report of even date

For M B D & Co LLP

Chartered Accountants

Firm Registration Number : 135129W/W100152

D.R. Desai

Deval Desai

Partner

Membership No. 132426

For and on behalf of the Board of Directors of

Adani Housing Finance Private Limited

S R Adani

Sagar Adani

Director

DIN: 07626229

Gaurav Gupta

Gaurav Gupta

Director

DIN: 01669109

Rakesh Sharma

Rakesh Sharma

CEO

Manish Singh Payal

Manish Singh Payal

CS and Compliance Officer

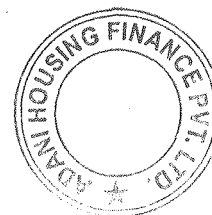
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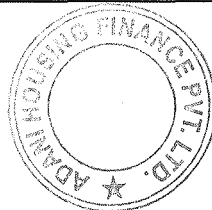
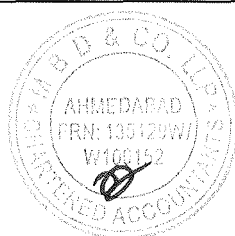
Adani Housing Finance Private Limited

CIN:U65999GJ2017PTC098960

Cash Flow Statement For The Year Ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Cash flows from operating activities		
Net Profit / (Loss) before tax	199.30	80.01
Adjustments for:		
Depreciation and amortization	0.97	1.17
ECL Provision for Standard Assets and NPA	10.72	5.69
Mark to market Profit on Mutual Fund	-	(0.11)
Net Gain on Fair Value Changes	(9.16)	(6.07)
Interest Expenses	257.76	140.92
Interest Income	(670.68)	(388.21)
Provision no longer required written back	(0.58)	-
Service fees for management of assigned portfolio of loans	(0.81)	-
Share Based Payment	0.23	4.26
Net gain on derecognition of financial instruments under amortised cost category	(254.24)	(68.46)
	(466.49)	(230.80)
Cash flow from Interest Received	642.42	388.21
Cash outflow towards finance cost	(262.01)	(132.13)
Cash generated from/(used in) operations before working capital changes	(86.07)	25.27
Adjustments for changes in Working Capital:		
Decrease / (Increase) in Loans	(1,141.36)	(1,153.69)
Decrease / (Increase) in Trade Receivables	0.40	(0.45)
Decrease / (Increase) in Other non-financial assets	(6.58)	(6.40)
Decrease / (Increase) in Other financial assets	(3.90)	3.04
(Decrease) / Increase in Trade Payables	16.66	2.11
(Decrease) / Increase in Provisions	2.18	2.79
(Decrease) / Increase in Other Payables	(28.63)	19.66
(Decrease) / Increase in Other financial liabilities	58.49	75.44
(Decrease) / Increase in Other non-financial liabilities	(12.95)	2.02
Net Cash generated / (used) in Operating Activities before Tax	(1,201.77)	(1,030.21)
Direct taxes (paid) [Net of refunds]	(14.03)	(1.36)
Net cash flow from operating activities (A)	(1,215.80)	(1,031.57)
Cash flow from investing activities		
Purchase of Investments measured under FVTPL	(3,789.66)	(2,650.34)
Proceeds From Investments measured under FVTPL	4,099.08	2,500.30
Bank/ Margin money deposit placed	(0.10)	-
Proceeds from Bank/ Margin money deposit placed	44.79	(50.00)
Purchase of Fixed Assets	-	(1.69)
Net cash flow from investing activities (B)	354.11	(201.73)
Cash flow from financing activities		
Proceeds From Long term borrowings	2,311.77	1,950.00
Proceeds From Short term borrowings	150.00	57.50
Repayment of Short term borrowings	(150.00)	(57.50)
Repayment of Long term borrowings	(1,618.31)	(668.64)
Interest Expense of Lease Liability	(0.11)	-
Payment towards principal portion of lease liability	(0.35)	-
Net cash flow from financing activities (C)	693.00	1,281.36
Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	(168.67)	48.05
Cash and cash equivalents at the beginning of the year	371.52	323.47
Cash and cash equivalents at the end of the year	202.85	371.52
	202.85	371.52
Notes: (Refer Note No 5)		
Cash on Hand	0.56	0.13
Balances with banks:		
- In current account	202.29	371.39
	202.85	371.52



Adani Housing Finance Private Limited

CIN:U65999GJ2017PTC098960

Cash Flow Statement For The Year Ended March 31, 2023

Notes to Cash Flow Statement:

1. Disclosure as per Ind AS 7 Statement of Cash Flows:

The Ind AS 7 require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). Refer note no 39 for the detailed disclosure.

2. The Statement of Cash Flows has been prepared under the Indirect method as set out in Ind AS 7 "Statement of Cash Flows"

3. Previous year's figures have been regrouped wherever necessary, to conform to this year's classification.

The accompanying notes are an integral part of this Financial Statements.

As per our report of even date

For **M B D & Co LLP**

Chartered Accountants

Firm Registration Number : 135129W/W100152

DR. Desai

Deval Desai

Partner

Membership No. 132426

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

SRA

Sagar Adani

Director

DIN: 07626229

Gaurav Gupta

Gaurav Gupta

Director

DIN: 01669109

Rakesh Sharma

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CEO

Manish Singh Payal

Manish Singh Payal

CS and Compliance Officer

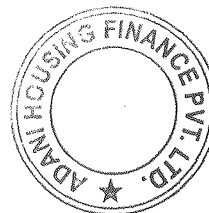
M No: 46424

Place : Ahmedabad

Date : May 02, 2023

Place : Ahmedabad

Date : May 02, 2023



Adani Housing Finance Private Limited

CIN:U65999GJ2017PTC098960

Notes forming part of the Financial Statements for the year ended March 31, 2023

1 Corporate Information:

Adani Housing Finance Private Limited (the 'Company') is domiciled and incorporated in India on September 05, 2017 under the provisions of the Companies Act, 2013 having its registered office at 801, Shikhar Complex, Shramali Society, Near Mithakhali Circle, Navrangpura, Ahmedabad, Gujarat - 380009

The Company has a diversified lending model and focuses on Mainly two categories viz: (i) home loans and (ii) loan against property.

The Company holds a Certificate of Registration (CoR) issued by the National Housing Bank, without accepting public deposits, issued under section 29A of The National Housing Bank Act, 1987. The Company received its certificate of registration as a housing finance company June 4, 2018

The Company is a wholly owned subsidiary of Adani Finserve Private Limited.

The Financial Statements for the year ended 31st March, 2023 have been approved by the Board of Directors at their meetings held on May 2, 2023.

2 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, the Master Direction – Non Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN. HFC.CC.No.120/03.10.136/2020-21, 17 February, 2021 ('the RBI Master Directions') and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI.

The financial statements are prepared and presented on going concern basis and the relevant provisions of the Act and the guidelines and directives issued by the Reserve Bank of India (RBI) and National Housing Bank ("NHB") to the extent applicable.

3 Presentation of financial statements

The Company presents its Balance Sheet in order of liquidity.

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements. Amounts in the financial statements are presented Indian Rupees and are in millions unless otherwise stated and all values are rounded to the nearest two decimals. Transactions below Rupees. 5,000 denoted as Rupees 0.00 millions.

The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Company offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically unless they are material in nature.

4 Summary of significant accounting policies

a Financial Instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet on trade date when the Company becomes a party to the contractual provisions of the instrument. Loan is recorded upon remittance of the funds.

Recognised financial assets and financial liabilities are initially measured at cost. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on Balance Sheet date. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the Statement of Profit and Loss.

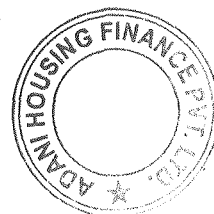
A financial asset and a financial liability is offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

a) Financial assets

Classification

On initial recognition, depending on the Company's business model for managing the financial assets and its contractual cash flow characteristics, a financial asset is classified as measured at;

- 1) amortised cost;
- 2) fair value through other comprehensive income (FVTOCI); or
- 3) fair value through profit and loss (FVTPL).



Adani Housing Finance Private Limited

CIN:U65999GJ2017PTC098960

Notes forming part of the Financial Statements for the year ended March 31, 2023

Assessment of Business model

An assessment of the applicable business model for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Company could have more than one business model for managing its financial instruments which reflect how the Company manages its financial assets in order to generate cash flows. The Company's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

Based on the assessment of the business models, the Company has identified the three following choices of classification of financial assets:

a) Financial assets that are held within a business model whose objective is to collect the contractual cash flows ("Asset held to collect contractual cash flows"), and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are measured at amortised cost;

b) Financial assets that are held within a business model whose objective is both to collect the contractual cash flows and to sell the assets, ("Contractual cash flows of Asset collected through hold and sell model") and that have contractual cash flows that are SPPI, are measured at FVTOCI.

c) All other financial assets (e.g. managed on a fair value basis or held for sale) and equity investments are measured at FVTPL.

Financial asset at amortised cost

Amortised cost of financial asset is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Contractual cash flows that do not introduce exposure to risks or volatility in the contractual cash flows on account of changes such as equity prices or commodity prices and are related to a basic lending arrangement, do give rise to SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Financial asset at fair value through Other Comprehensive Income (FVTOCI)

After initial measurement, basis assessment of the business model as "Contractual cash flows of Asset collected through hold and sell model and SPPI", such financial assets are classified to be measured at FVTOCI. Contractual cash flows that do introduce exposure to risks or volatility in the contractual cash flows due to changes such as equity prices or commodity prices and are unrelated to a basic lending arrangement, do not give rise to SPPI.

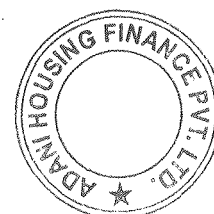
The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. The carrying value of the financial asset is fair valued by discounting the contractual cash flows over contractual tenure basis the internal rate of return of a new similar asset originated in the month of reporting and such unrealised gain/loss is recorded in other comprehensive income (OCI). Where such a similar product is not originated in the month of reporting, the closest product origination is used as a proxy. Upon sale of the financial asset, actual gain/loss realised is recorded in the Statement of Profit and Loss and the unrealised gain/losses is recorded in OCI are recycled to the Statement of Profit and Loss.

Financial asset at fair value through profit and loss (FVTPL)

Financial asset, which does not meet the criteria for categorization at amortized cost or FVTOCI, is classified as at FVTPL. In addition, the Company may elect to classify a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Investments in equity and mutual fund

Investment in mutual fund are classified as FVTPL and measured at fair value with all changes recognised in the Statement of Profit and Loss.



Adani Housing Finance Private Limited

CIN:U65999GJ2017PTC098960

Notes forming part of the Financial Statements for the year ended March 31, 2023

Impairment of Financial Asset

Impairment approach

The Company is required to recognise expected credit losses (ECLs) based on forward-looking information for all financial assets at amortised cost, loan commitments and financial guarantee contracts.

At the reporting date, an allowance (or provision for loan commitments and financial guarantees) is required for the 12 month ECLs. If the credit risk has significantly increased since initial recognition (Stage 1), an allowance (or provision) should be recognised for the lifetime ECLs for financial instruments for which the credit risk has increased significantly since initial recognition (Stage 2) or which are credit impaired (Stage 3).

The measurement of ECL is calculated using three main components: (i) probability of default (PD) (ii) loss given default (LGD) and (iii) the exposure at default (EAD). The 12 month ECL is calculated by multiplying the 12 month PD, LGD and the EAD. The 12 month and lifetime PDs represent the PD occurring over the next 12 months and the remaining maturity of the instrument respectively. The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdowns of committed facilities. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

The Company applies a three-stage approach to measure ECL on financial assets accounted for at amortised cost. Assets migrate through the following three stages based on the change in credit quality since initial recognition.

1. Stage 1: 12-months ECL

ECL For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised. Exposures with days past due (DPD) less than or equal to 30 days are classified as stage 1.

2. Stage 2: Lifetime ECL – not credit impaired

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised. Exposures with DPD more than 30 days but less than or equal to 90 days are classified as stage 2. At each reporting date, the Company assesses whether there has been a significant increase in credit risk for financial asset since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition.

3. Stage 3: Lifetime ECL – credit impaired

Financial asset is assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial asset that have become credit impaired, a lifetime ECL is recognised on principal outstanding as at period end. Exposures with DPD more than 90 days are classified as stage 3.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. ECL is recognised on EAD as at period end. If the terms of a financial asset are renegotiated or modified due to financial difficulties of the borrower, then such asset is moved to stage 3, lifetime ECL under stage 3 on the outstanding amount is applied.

The Company assesses when a significant increase in credit risk has occurred based on quantitative and qualitative assessments. Exposures are considered to have resulted in a significant increase in credit risk and are moved to Stage 2 when:

1. Quantitative test: Accounts that are 30 calendar days or more past due move to Stage 2 automatically. Accounts that are more than 90 calendar days past due move to Stage 3 automatically.

2. Reversal in Stages: Exposures will move back to Stage 2 or Stage 1 respectively, once they no longer meet the quantitative criteria set out above. For exposures classified using the qualitative test, when they no longer meet the criteria for a significant increase in credit risk and when any cure criteria used for credit risk management are met.

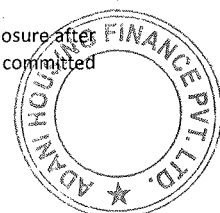
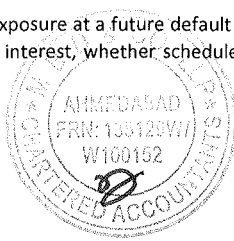
The definition of default for the purpose of determining ECLs has been aligned to the National Housing Bank definition of default, which considers indicators that the debtor is unlikely to pay and is no later than when the exposure is more than 90 days past due. The Company continues to incrementally provide for the asset post initial recognition in Stage 3, based on its estimate of the recovery.

The measurement of all expected credit losses for financial assets held at the reporting date are based on historical experience, current conditions and reasonable and supportable forecasts. The measurement of ECL involves increased complexity and judgement, including estimation of PDs, LGD, a range of unbiased future economic scenarios, estimation of expected lives and estimation of EAD and assessing significant increases in credit risk.

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

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

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



Adani Housing Finance Private Limited

CIN:U65999GJ2017PTC098960

Notes forming part of the Financial Statements for the year ended March 31, 2023

Modification and De-recognition of financial assets

a. Modification of financial assets

Modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. The Company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness). Such accounts are classified as stage 3 immediately upon such modification in the terms of the contract.

Not all changes in terms of loans are considered as renegotiation and changes in terms of a class of obligors that are not overdue is not considered as renegotiation and is not subjected to deterioration in staging.

b. De-recognition of financial assets

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

- 1) the rights to receive cash flows from the asset have expired, or
- 2) the Company has transferred its rights to receive cash flows from the asset and substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

c. Write-off

Impaired loans and receivables are written off, against the related allowance for loan impairment on completion of the Company's internal processes and when the Company concludes that there is no longer any realistic prospect of recovery of part or all of the loan. For loans that are individually assessed for impairment, the timing of write off is determined on a case by case basis. A write-off constitutes a de-recognition event. The Company has a right to apply enforcement activities to recover such written off financial assets. Subsequent recoveries of amounts previously written off are credited to the income statement.

Presentation of ECL allowance for financial asset:

Loss allowances for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets.

b) Financial liability and Equity

Financial liabilities and equity

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Financial liabilities

Financial liabilities, which are designated for measurement at FVTPL are subsequently measured at fair value. All other financial liabilities including loans and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method.

A financial liability is derecognised when the related obligation expires or is discharged or cancelled.

b Revenue Recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable as reduced for estimated customer credits and other similar allowances.

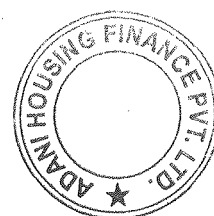
Interest Income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL.

The EIR in case of a financial asset is computed

- As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
- By considering all the contractual terms of the financial instrument in estimating the cash flows
- Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.



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Notes forming part of the Financial Statements for the year ended March 31, 2023

Fees and commission income and Income from Fees and Other Loan related charges

Processing fees and other loan related charges are recognised when it is reasonable to expect ultimate collection which is generally at the time of Loan/ disbursement of the loan. penal interest and other charges on delayed EMI/PEMI are recognised only when the right to receive the income is established as per the terms of the contract. Processing Fees are amortised over a period of loan term as estimated by management considering pre-payments.

Profit/Loss on sale of Current investments are recognised on the contract date.

Income on Derecognised (Assigned) Loans

Gains arising out of direct assignment transactions comprises of the difference between interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of excess interest spread (EIS). The future EIS basis the scheduled cash flow on execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in the statement of profit and loss.

c Property, Plant and Equipment

Tangible Property, Plant and Equipment (PPE) are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs, if any. Capitalization criteria are met and directly attributable cost for bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving the purchase price. PPE is recognised 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

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

Subsequent expenditures related to an item of Property, plant and Equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Items of Property, plant and Equipment that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realizable value and are shown separately in the financial statements. Any expected loss is recognized immediately in the statement of Profit and Loss.

Depreciation and amortisation

The Company is following Straight Line method of depreciation and depreciation on Property, plant and Equipment is provided based on useful life of assets prescribed under Schedule II of the Act which is also the useful life of asset.

For Computer and Printer company has consider useful life of 3 year for depreciation.

For Intangible Assets company follows Straight Line method of Amortization based on the useful life of 5 years.

Impairment of Property, plant and equipment (PPE)

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any)

d Leases

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

Company as a lessee

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

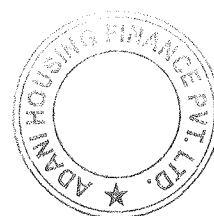
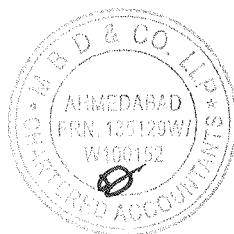
1. Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term. The right-of-use assets are also subject to impairment.

2. Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs



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Notes forming part of the Financial Statements for the year ended March 31, 2023

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in Other Financial Liabilities.

3. Short-term leases and leases of low-value assets

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

e Investments

Investments which are readily realizable and intended to be held not more than one year from the date of which such investments are made, are classified as current investments. The Company subsequently measures all equity investments at FVTPL, unless the Company's management has elected to classify irrevocably some of its strategic equity investments to be measured at FVOCI.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged to the statement of profit and loss.

f Cash, Cash equivalents and bank balances

Cash, Cash equivalents and bank balances include fixed deposits, margin money deposits, and earmarked balances with banks are carried at amortised cost. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

g Cash Flow Statement

Cash flows are reported using indirect method, whereby profit/ (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

h Earnings Per Share

Basic earnings per equity share is computed by dividing the net profit/(loss) attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

i Share based payments

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based payments transactions are set out in Note 43.

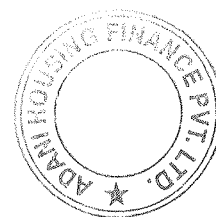
The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting year, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year,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

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

j Provision, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are not recognised but are disclosed in the notes where an inflow of economic benefits is probable



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Notes forming part of the Financial Statements for the year ended March 31, 2023

Contingent liabilities are disclosed in the case of :

- (i) a present obligation arising from past events, when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.
- (ii) a present obligation arising from past events, when no reliable estimate can be made.
- (iii) a possible obligation arising from past events, unless the probability of outflow of resources is remote.
- (iv) Commitments includes the amount of purchase order (net of advances) issued to parties for completion of assets.
- (v) Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

k Current and Deferred tax

Current Tax:

Current tax represents the amount of Income tax Payable in respect of the taxable income for the reporting period as determined in accordance with the provisions of Income Tax Act, 1961.

Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date.

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

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

Net outstanding balance in Deferred Tax account is recognized as deferred tax liability/asset. The deferred tax account is used solely for reversing timing difference as and when crystallized.

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

l Retirement and other employee benefits

The Company accounts for the liability for the gratuity benefits payable in future based on an independent actuarial valuation carried out using Projected Unit Credit Method considering discounting rate relevant to Government Securities at the Balance Sheet Date.

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

- The date of The plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs
- Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non routine settlements; and
- Net interest expense or income

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs

Defined contribution plan:

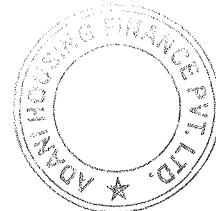
Retirement Benefits in the form of Provident Fund and Family Pension Fund which are defined contribution schemes are charged to the statement of profit and loss for the period in which the contributions to the respective funds accrue.

Compensated Absences:

Provision for Compensated Absences and its classifications between current and non-current liabilities are based on independent actuarial valuation. The actuarial valuation is done as per the projected unit credit method as at the reporting date.

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of current employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.



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Notes forming part of the Financial Statements for the year ended March 31, 2023

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

m Borrowing Cost

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

n Statutory Reserve

The Company creates Statutory Reserve every year out of its profits in terms of Sec 36(1) (viii) of the Income Tax Act, 1961 read with Section 29C of the National Housing Bank Act, 1987.

o Recent Pronouncements for Indian Accounting Standards (Ind AS)

Standards Issued but not effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

p Significant accounting judgements, estimates and assumptions

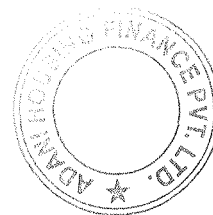
The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these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

Estimates and assumptions

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

Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.



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Notes forming part of the Financial Statements for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

5 Cash and cash equivalents

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Cash on Hand	0.56	0.13
Balances with banks		
- In Current Account	202.29	371.39
Total	202.85	371.52

6 Bank balance other than cash and cash equivalents

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Deposit with original maturity of more than 3 months less than 12 months	5.21	50.00
Total	5.21	50.00

7 Receivables

a. Trade Receivables

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Considered Good - Unsecured		
Fees, commission and others	0.05	0.45
Total	0.05	0.45

Notes:

1. Impairment allowance recognised on trade and other receivables is Rs. Nil
2. No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person.
3. No trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

Note:1 Trade Receivable ageing As on March 31, 2023

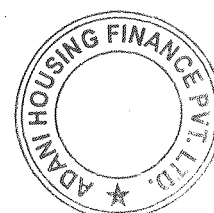
Particulars	Outstanding for following periods from the due date of Payment					Total
	Less than 6 Months	6 Months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	0.05	-	-	-	-	0.05
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	0.05	-	-	-	-	0.05

Trade Receivable ageing As on March 31, 2022

Particulars	Outstanding for following periods from the due date of Payment					Total
	Less than 6 Months	6 Months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	0.23	0.22	-	-	-	0.45
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	0.23	0.22	-	-	-	0.45



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Adani Housing Finance Private Limited

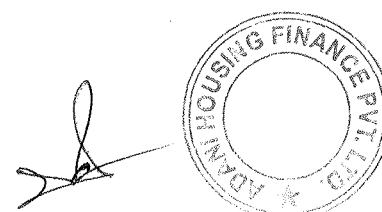
CIN:U65999GJ2017PTC098960

Notes forming part of the Financial Statements for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

8 Loans

Particulars	As at	
	March 31, 2023	March 31, 2022
Term Loans (At Amortised Cost)		
A. Secured		
Against equitable mortgage of immovable property under finance agreements	4,552.91	3,383.29
Less: Impairment loss allowances	(58.50)	(47.77)
Total (A)	4,494.41	3,335.52
B. Unsecured		
Unsecured loans at agreement values less instalments received	-	-
Less: Impairment loss allowances	-	-
Total (B)	-	-
Total (A+B)	4,494.41	3,335.52
Out of Above		
A. Loans In India		
Public sector	-	-
Less: Impairment loss allowances	-	-
Sub-total	-	-
Others	4,552.91	3,383.29
Less: Impairment loss allowances	(58.50)	(47.77)
Sub-total	4,494.41	3,335.52
B. Loans Outside India		
Total (A+B)	4,494.41	3,335.52



Adani Housing Finance Private Limited

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Notes forming part of the Financial Statements for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

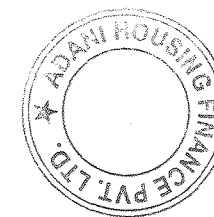
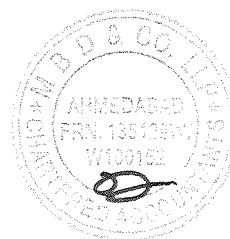
Summary of loans by stage distribution

Particulars	31-03-2023				31-03-2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	4,382.12	105.54	65.25	4,552.91	3,193.36	153.08	36.85	3,383.29
Less: Impairment loss allowances	(24.72)	(8.46)	(25.32)	(58.50)	(18.90)	(12.21)	(16.66)	(47.77)
Total	4,357.40	97.08	39.93	4,494.41	3,174.46	140.87	20.19	3,335.52

Analysis of changes in the gross carrying amount by stages in relation to loans and its corresponding impairment loss allowances (ECL) is as follows:

Particulars	31-03-2023					31-03-2022				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount opening balance	3,193.36	153.08	36.85	-	3,383.29	2,066.72	141.88	21.00	-	2,229.60
New assets originated or purchased	2,949.10	12.76	2.19	-	2,964.05	1,666.21	5.09	1.41	-	1,672.71
Assets derecognised or repaid	(1,748.12)	(32.15)	(14.16)	-	(1,794.43)	(508.80)	(5.87)	(4.35)	-	(519.02)
Transfer Stage 1 to Stage 2	(75.44)	75.44	-	-	-	(101.75)	101.75	-	-	-
Transfer Stage 3 to Stage 2	-	-	-	-	-	-	1.52	(1.52)	-	-
Transfer Stage 2 to Stage 3	-	(21.87)	21.87	-	-	-	(7.62)	7.62	-	-
Transfer Stage 2 to Stage 1	81.72	(81.72)	-	-	-	83.66	(83.66)	-	-	-
Transfer Stage 1 to Stage 3	(21.10)	-	21.10	-	-	(13.70)	-	13.70	-	-
Transfer Stage 3 to Stage 1	2.60	-	(2.60)	-	-	1.02	(0.01)	(1.01)	-	-
Gross carrying amount closing balance	4,382.12	105.54	65.25	-	4,552.91	3,193.36	153.08	36.85	-	3,383.29
ECL allowance - opening balance	(18.90)	(12.21)	(16.66)	-	(47.77)	(14.14)	(14.70)	(13.25)	-	(42.09)
New assets originated or purchased	(18.18)	-	-	-	(18.18)	(5.69)	-	-	-	(5.69)
Transfer From Stage 1	12.74	(5.87)	(5.95)	-	0.92	(0.16)	4.69	(4.53)	-	-
Transfer From Stage 2	(0.37)	9.62	(2.72)	-	6.54	0.46	(2.37)	1.90	-	(0.00)
Transfer From Stage 3	(0.01)	-	0.01	-	(0.01)	0.62	0.17	(0.78)	-	-
ECL allowance - closing balance	(24.72)	(8.46)	(25.32)	-	(58.50)	(18.90)	(12.21)	(16.66)	-	(47.77)

Note: Total Expected Credit loss Allowance includes management overlay of Rs. 8.50 Million (P.Y. Rs. 7.95 Million) on Loans and Advances.



Adani Housing Finance Private Limited

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Notes forming part of the Financial Statements for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

9 Investments

Particulars	As at March 31, 2023	As at March 31, 2022
At fair value through profit or loss		
Mutual funds	-	150.02
Add : Fair value gain/(losses)	-	0.11
Total (i)	-	150.13
At Amortised cost		
Fixed Deposit with Bank (Refer Note below)	50.10	50.00
Total (ii)	50.10	50.00
Total	50.10	200.13
Out of Above		
In India	50.10	200.13
Outside India	-	-
Total	50.10	200.13

Note: Rs. 50.00 million (PY - Rs. 50.00 million) worth of fixed deposit with bank represents upfront bank Guarantee to the extent of 20% of the sanctioned facility given for full tenure of borrowing from the NHB. Rs. 0.10 million (PY - Rs. Nil) worth of fixed deposit with bank represents upfront bank guarantee to the extent of 1.11 times of the sanctioned facility given for full tenure of facility from Bank of Baroda.

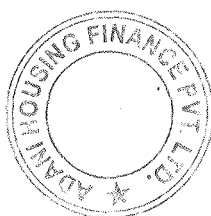
Scrip-wise details of Investments:

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in Others Unquoted :		
Investment in Mutual Fund		
Nil units (13,19,849.049 units for March 31,2022) of Nippon India Mutual Fund Liquid Growth Plan (Face value Rs. 100 each)	-	150.02
Total	-	150.02

10 Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Excess Interest Spread (EIS) Receivable (Refer Note below)	297.52	149.30
Advances to Vendors	0.46	-
Security Deposits	0.63	0.12
Interest accrued on fixed deposit	8.44	5.51
Total	307.05	154.93

Note: Under Ind AS, with respect to Assignment deals, Company has created an Excess Interest Spread (EIS) receivable, with corresponding credit to Statement of Profit and loss for the year, which has been computed by discounting EIS to present value.



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Notes forming part of the Financial Statements for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

11 Deferred tax Asset/ (Liability)

The major components of Deferred tax (Asset) arising on account of timing differences are as follows:

Particulars	Net balance April 01, 2022	Recognised through profit or loss	Recognised through OCI	Net balance as at March 31, 2023
Deferred tax assets				
Impairment allowance for Financial Assets	12.01	2.71	-	14.72
Provision for Employee benefits	2.31	0.65	(0.11)	2.85
Deferred Income	17.88	4.32	-	22.20
Brought forward losses and Unabsorbed depreciation and amortisation	6.73	(6.73)	-	-
(A)	38.93	0.95	(0.11)	39.77
Deferred tax liabilities				
Depreciation on property, plant & equipment	0.06	0.02	-	0.08
Deferred Expense	-	5.40	-	5.40
Gain on derecognition of financial instruments	37.59	37.29	-	74.88
(B)	37.65	42.71	-	80.36
Net Deferred tax assets/(Liability) (A-B)	1.28	(41.76)	(0.11)	(40.59)

*Amount below Rs. 5,000 denoted as Rupees 0.00 millions

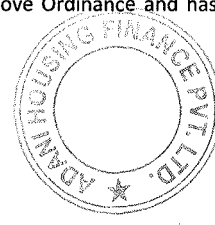
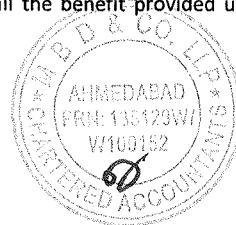
Particulars	Net balance April 01, 2021	Recognised through profit or loss	Recognised through OCI	Net balance as at March 31, 2022
Deferred tax assets				
Impairment allowance for Financial Assets	12.25	(0.24)	-	12.01
Provision for Employee benefits	1.85	0.47	(0.01)	2.31
Deferred Income	14.47	3.41	-	17.88
Brought forward losses and Unabsorbed depreciation and amortisation	14.09	(7.36)	-	6.73
(A)	42.66	(3.72)	(0.01)	38.93
Deferred tax liabilities				
Depreciation on property, plant & equipment*	0.00	0.06	-	0.06
Share Issue Expense	0.02	(0.02)	-	-
Gain on derecognition of financial instruments	20.93	16.66	-	37.59
(B)	20.95	16.71	-	37.65
Net Deferred tax assets/ (Liability) (A-B)	21.71	(20.43)	(0.01)	1.28

*Amount below Rs. 5,000 denoted as Rupees 0.00 millions

Reconciliation of tax expenses and profit before tax multiplied by corporate tax rate

Particulars	For the Year ended	
	March 31, 2023	March 31, 2022
Profit before tax	199.30	80.01
At corporate tax rate	25.17%	25.17%
Tax on Accounting profit	47.85	18.61
Tax on Income taxable at special Rate	2.31	1.53
Tax On Disallowance u/s 43B of the Income Tax Act, 1961	17.31	-
Tax On unabsorbed Business Losses	7.00	-
Tax Effect of earlier years	-	0.44
Impact of Non taxable income	(63.99)	(23.63)
Deferred Tax (Assets)/ Liability	41.76	20.43
Others	2.71	5.05
Tax expense	54.96	22.42
Effective tax rate	27.58%	28.02%

Note: On 20 September, 2019, vide the Taxation Laws (Amendment) Ordinance 2019, the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective 01 April, 2019 subject to certain conditions. The Company has decided to avail the benefit provided under the above Ordinance and has opted for taxation under Section 115BAA.



Adani Housing Finance Private Limited

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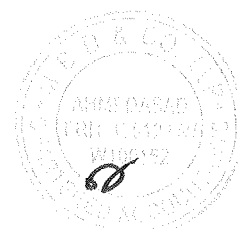
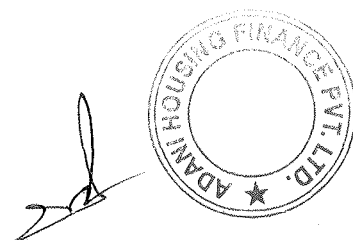
Notes forming part of the Financial Statements for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

12 Property, plant and equipment

Particulars	Computer & Printer	ROU Asset	Total
I) Cost of Asset			
Balance As At April 1, 2021	3.15	-	3.15
Additions during the year	-	-	-
Disposals during the year	-	-	-
Gross carrying value as March 31, 2022	3.15	-	3.15
II) Depreciation or Impairment			
Balance As At April 1, 2021	2.08	-	2.08
Depreciation for the year	0.86	-	0.86
Disposals during the year	-	-	-
Accumulated depreciation as at March 31, 2022	2.94	-	2.94
Net carrying value as at March 31, 2022	0.21	-	0.21
I) Cost of Asset			
Balance As At April 1, 2022	3.15	-	3.15
Additions during the year	-	7.19	7.19
Disposals during the year	-	-	-
Gross carrying value as March 31, 2023	3.15	7.19	10.34
II) Depreciation or Impairment			
Balance As At April 1, 2022	2.94	-	2.94
Depreciation for the year	0.21	0.28	0.49
Disposals during the year	-	-	-
Accumulated depreciation as at March 31, 2023	3.15	0.28	3.43
Net carrying value as at March 31, 2023 *	0.00	6.91	6.91
Carrying value			
As at March 31, 2022	0.21	-	0.21
As at March 31, 2023 *	0.00	6.91	6.91

*Amount below Rs. 5,000 denoted as Rupees 0.00 millions



Adani Housing Finance Private Limited

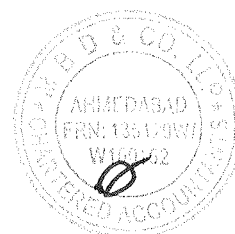
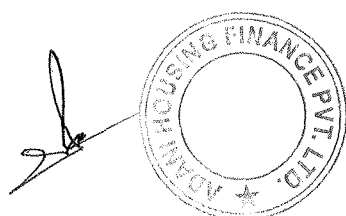
CIN:U65999GJ2017PTC098960

Notes forming part of the Financial Statements for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

13 Other Intangible assets

Particulars	Website	Total
I) Cost of Asset		
Balance As At April 1, 2021	0.74	0.74
Additions during the year	1.69	1.69
Disposals during the year	-	-
Gross carrying value as March 31, 2022	2.43	2.43
II) Depreciation or Impairment		
Balance As At April 1, 2021	0.37	0.37
Depreciation for the year	0.31	0.31
Disposals during the year	-	-
Accumulated depreciation as at March 31, 2022	0.68	0.68
Net carrying value as at March 31, 2022	1.75	1.75
I) Cost of Asset		
Balance As At April 1, 2022	2.43	2.43
Additions during the year	-	-
Disposals during the year	-	-
Gross carrying value as March 31, 2023	2.43	2.43
II) Depreciation or Impairment		
Balance As At April 1, 2022	0.68	0.68
Depreciation for the year	0.48	0.48
Disposals during the year	-	-
Accumulated depreciation as at March 31, 2023	1.16	1.16
Net carrying value as at March 31, 2023	1.27	1.27
Carrying value		
As at March 31, 2022	1.75	1.75
As at March 31, 2023	1.27	1.27



Adani Housing Finance Private Limited

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Notes forming part of the Financial Statements for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

14 Other non-financial assets

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Prepaid expenses	7.05	4.69
Other Advances	3.44	0.53
Receivable from Customer	-	0.02
Loan to staff	0.24	0.38
Insurance Receivable On Behalf Of Customers (Net)	-	1.82
Balance With Government Authorities (GST)	10.53	7.24
Total	21.26	14.68

15 Trade Payables

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Trade Payables		
- Total outstanding dues of creditor micro enterprise and small enterprise	-	-
- Total outstanding dues of creditor other than micro enterprise and small enterprise	22.04	5.38
Total	22.04	5.38
Other Payables		
- Total outstanding dues of creditor micro enterprise and small enterprise	-	-
- Total outstanding dues of creditor other than micro enterprise and small enterprise	37.18	65.81
Total	37.18	65.81

Note i: Trade Payables ageing schedule

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	<1 year	1-2 years	2-3 years	>3 years	
As at March 31, 2023						
(a) MSME	-	-	-	-	-	-
(b) Others	21.32	0.72	-	-	-	22.04
(c) Disputed dues – MSME	-	-	-	-	-	-
(d) Disputed dues - Others	-	-	-	-	-	-
Total	21.32	0.72	-	-	-	22.04
As at March 31, 2022						
(a) MSME	-	-	-	-	-	-
(b) Others	4.60	0.78	-	-	-	5.38
(c) Disputed dues – MSME	-	-	-	-	-	-
(d) Disputed dues - Others	-	-	-	-	-	-
Total	4.60	0.78	-	-	-	5.38

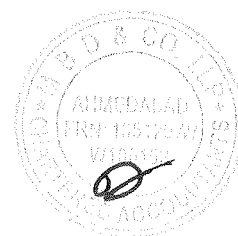
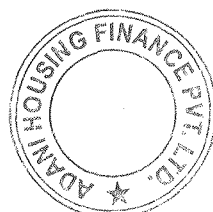
Note ii: Disclosure as per MSME Act, 2006

Particulars	As at	As at
	March 31, 2023	March 31, 2022
(a) the principal amount remaining unpaid to any supplier at the end of each accounting year	-	-
(b) Interest due on principal amount remaining unpaid to any supplier at the end of each accounting year	-	-
(c) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(d) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(e) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

Note: The Disclosure in respect of the amounts payable to Micro and Small Enterprises have been made in the standalone Financial Statements based on the information received and available with the company. The Company has not received any claim for interest from any supplier as at the balance sheet date. These facts has been relied upon by the auditors.

16 Borrowings (other than debt securities)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
A. At Amortised Cost		
I. Secured		
Term loans From Banks	2,566.35	1,677.55
Term loans From Financial Institution	178.33	249.56
Term loan From NHB	452.46	676.73
Loan Repayable on Demand		
Working Capital loans From Bank	95.92	-
Total	3,293.06	2,603.84



Adani Housing Finance Private Limited

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Notes forming part of the Financial Statements for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

B. Out of Above		
In India	3,293.06	2,603.84
Outside India	-	-
Total	3,293.06	2,603.84

Notes:

A. Terms and conditions

Term Loan from Bank and Financial Institution:

a. Term Loan from Banks and Financial Institution are secured by way of first pari passu charge on Standard receivables (Loan receivables & Investment receivables) both present and future receivables of the company. Term Loan from State Bank of India is secured by way of exclusive charge to the extent of 1.15 times on standard Loan receivable (including investments) of the company

b. Term loans from Banks and Financial Institution are Repayable within 36 to 84 months in equated quarterly instalments with moratorium as per respective sanctions from the date of loan taken. Rate of Interest payable on term loan varies between 8.25% p.a. to 10.75% p.a. subject to annual reset. (As at March 31, 2022 8.00% to 8.75%)

c. Rate of Interest payable on Cash Credit / Over Draft & Working Capital Demand Loan varies between 9.35% p.a. to 10.55% p.a. (As at March 31, 2022 8.10% p.a. to 9.75% p.a.)

d. Term Loan from NHB is carrying interest rate of 8.70% and is repayable within 84 months in quarterly equated instalments as per the sanction terms from the date of loan taken. The loan is secured by way of exclusive charge on identified standard loan receivables. As per the sanctioned terms, the Company has also provided Bank Guarantee to the extent of 20% and 10% (for second refinance term loan) of the sanctioned amount of loan. (As at March 31, 2022 6.45%)

B. Terms of repayment of Borrowings (other than debt securities) as on March 31, 2023

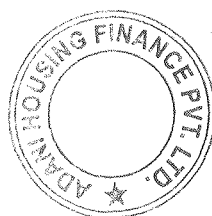
Particulars	Term loans From bank and Financial Institution		Loan From Related Party	
	No of Instalment	Amount	No of Instalment	Amount
Due within 1 year	52	962.12	-	-
Due 2 to 3 years	78	1,297.15	-	-
More than 3 years	61	1,055.23	-	-
Interest accrued and impact of EIR	-	21.44	-	-
Total	191	3,293.06	-	-

Terms of repayment of Borrowings (other than debt securities) as on March 31, 2022

Particulars	Term loans From bank		Loan From Related Party	
	No of Instalment	Amount	No of Instalment	Amount
Due within 1 year	47	739.70	-	-
Due 2 to 3 years	74	993.99	-	-
More than 3 years	81	887.36	-	-
Interest accrued and impact of EIR	-	17.21	-	-
Total	202	2,603.84	-	-

C. Security of current assets against borrowings from bank and Financial Institution

The Company has been sanctioned term loans and working capital loans from banks and financial institution during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks and financial institution are in agreement with the books of accounts of the Company.



Adani Housing Finance Private Limited

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Notes forming part of the Financial Statements for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

17 Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due on borrowings	4.33	0.03
Lease Liability (Refer Note 47)	6.72	-
Employee Benefits Payable	0.97	1.14
Disbursement Pending liability	102.66	78.38
Due to assignees towards collections in derecognised assets	39.24	4.86
Total	153.92	84.41

18 Current tax liabilities (Net)

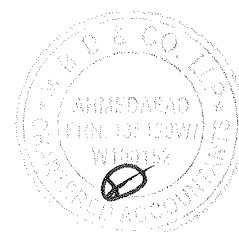
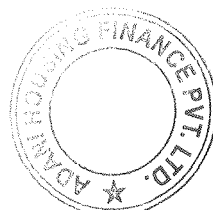

Particulars	As at March 31, 2023	As at March 31, 2022
Provision For Taxation (Net of Advance Tax of Rs 2.83 millions (P.Y. 0.92 millions))	11.92	0.63
Total	11.92	0.63

19 Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for gratuity	3.15	2.47
Provision for leave encashment	8.19	6.69
Total	11.34	9.16

20 Other non-financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues payable	5.24	4.16
Insurance Payable On Behalf Of Customers (Net)	1.23	-
Other payables	20.32	9.68
Total	26.79	13.84



Adani Housing Finance Private Limited

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Notes forming part of the Financial Statements for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

21 Equity share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Authorised Capital				
Equity Shares of Rs. 10/- each fully paid up	7,50,00,000	750.00	7,50,00,000	750.00
Issued, subscribed and fully paid up				
Equity Shares of Rs. 10/- each fully paid up	7,50,00,000	750.00	7,50,00,000	750.00
Total	7,50,00,000	750.00	7,50,00,000	750.00

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars	No of shares	Amount
Equity Shares, Face Value Rs. 10 fully paid up		
Closing Balance As on March 31, 2021	7,50,00,000	750.00
Add : Shares Issued During the year	-	-
Closing Balance As on March 31, 2022	7,50,00,000	750.00
Add : Shares Issued During the year	-	-
Closing Balance As on March 31, 2023	7,50,00,000	750.00

b. Terms/rights attached to equity shares

The company has only one class of equity shares having par value of Rs. 10 per share fully paid up. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend if and when proposed by the Board of Directors will be subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shareholder(s) holding more than 5% of equity shares in the company :

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares held	% Holding	No. of shares held	% Holding
Equity shares of Rs.10 each fully paid up				
Adani Finserve Private Limited and its nominee	7,50,00,000	100.00%	7,50,00,000	100.00%

d. Investment by Holding Company and its Nominees.

Name of company	Particulars	No of Shares	Amount
Adani Finserve Private Limited (Holding Company)	Closing As on March 31, 2021	7,50,00,000	750.00
	Additions during the year	-	-
	Closing As on March 31, 2022	7,50,00,000	750.00
	Additions during the year	-	-
	Closing As on March 31, 2023	7,50,00,000	750.00

e. As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

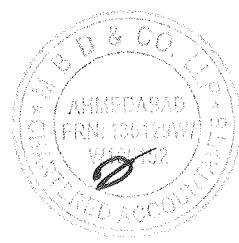
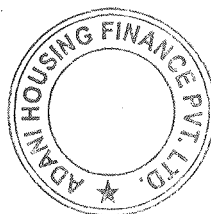
f. Equity shares reserved for issue under stock options:

During the year 2020-21, the Company had introduced ESOP Plan under Adani Employee Stock Option Plan 2020. The objectives of the ESOP 2020 are to reward the Employees for their association with the Company, their performance as well as to attract, retain and reward Employees to contribute to the growth and profitability of the Company. The Company intends to use ESOP 2020 to attract, retain and reward key talent in the organization. The Company views Employee Stock Option as an instrument that would enable the Employees to get a Share in the value, they create for the Company in the years to come.

The stock option granted to eligible employees operate under the employee stock option plan. (Refer Note 43)

G. Details of Shareholding of Promoters

Particulars	No. of shares	% of total shares	% Change during the year
As at March 31, 2022			
Adani Finserve Private Limited	7,50,00,000	100%	-
	7,50,00,000	100%	-
As at March 31, 2023			
Adani Finserve Private Limited	7,50,00,000	100%	-
	7,50,00,000	100%	-



Adani Housing Finance Private Limited

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Notes forming part of the Financial Statements for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

22 Other Equity

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Statutory reserve in terms of Section 29C of the NHB Act, 1987		
Opening Balance	25.43	13.91
Add : Transferred during the year	28.87	11.52
Less: Withdrawn during the year	-	-
Closing Balance (A)	54.30	25.43
Securities Premium		
Opening Balance	574.60	574.60
Add : Received on Issue of Shares	-	-
Less: Share Issue Expense	-	-
Closing Balance (B)	574.60	574.60
Retained Earnings		
Opening Balance	(8.93)	(55.04)
Add/Less : Profit/(Loss) for the year after tax	144.34	57.60
Less : Other Comprehensive Income arising from remeasurement of Defined Benefit Plans	0.31	0.04
Less: Transferred to Special Reserve	(28.87)	(11.52)
Closing Balance (C)	106.85	(8.93)
Share Based Payments Reserve		
Opening Balance	6.29	2.03
Add: Share based payments	0.23	4.26
Less: Share options exercised during the year	-	-
Closing Balance (D)	6.52	6.29
Total (A)+(B)+(C)+(D)	742.27	597.40

Note:

Securities premium reserve:

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

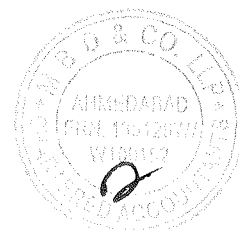
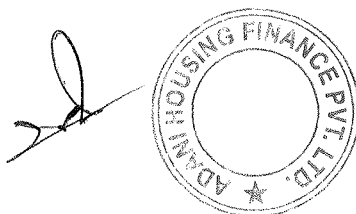
Statutory reserve in terms of Section 29C of the NHB Act, 1987:

Statutory reserve represents the Reserve Fund created under section 29C of the NHB Act, 1987. Under section 29C, the Company is required to transfer a sum not less than twenty percent of its net profit for the financial year to the statutory reserve. The statutory reserve can be utilized for the purposes as may be specified by the NHB from time to time.

Share Based Payments Reserve:

The Company instituted the Adani Employee Stock Option Plan, 2020 in current year which were approved by the Board of Directors and the shareholders of the Company. The share option outstanding reserve is used to recognise the grant date fair value of option issued under aforesaid plans.

Refer Note 43 for further details on employee stock options.



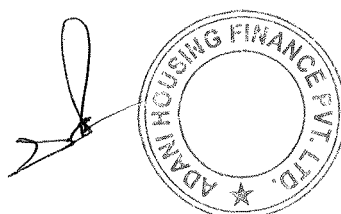
Adani Housing Finance Private Limited

CIN:U65999GJ2017PTC098960

Notes forming part of the Financial Statements for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

23 Interest Income			
	Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
	Financial Assets Measured at Amortised cost		
	Interest on loans	666.46	388.21
	Total	666.46	388.21
24 Fees and Commission Income			
	Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
	Foreclosure income	2.43	1.61
	Service and administration charges	11.89	6.47
	Total	14.32	8.08
25 Net Gain on Fair Value Changes			
	Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
	Net gain on financial instruments at fair value through profit or loss		
	-Investments	9.16	6.18
	Total	9.16	6.18
	Fair value changes		
	-Realised	9.16	6.07
	-Unrealised	-	0.11
	Total	9.16	6.18
26 Other Income from Loan Related Services			
	Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
	Revenue from Loan Related Services		
	Legal & Technical Fees	10.80	5.54
	Service income from Assignment of Loan Portfolio	0.81	0.38
	Other Miscellaneous Income	6.30	3.24
	Total	17.91	9.16
27 Other income			
	Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
	Interest income on income tax refund	0.01	-
	Interest income on fixed deposits	4.22	4.47
	Interest on security deposit	0.01	-
	Miscellaneous Income	0.46	0.16
	Excess Provision Written Back	0.58	0.50
	Total	5.28	5.13



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Notes forming part of the Financial Statements for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

28 Finance costs

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
On financial liabilities measured at Amortised cost		
Interest on borrowings	257.76	139.22
Interest on Lease Liability	0.11	-
Expense on Assignment of Loan Portfolio	4.35	0.65
Other Finance Cost	3.54	1.70
Total	265.76	141.57

29 Impairment on financial instruments

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
On Loans measured At Amortised cost		
Impairment allowance - stage I & II	2.06	2.28
Impairment allowance - stage III	8.66	3.41
Loss of Principal	3.03	2.07
Total	13.75	7.76

30 Employee benefits expenses

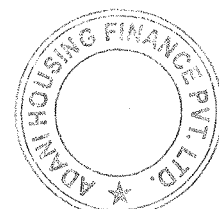
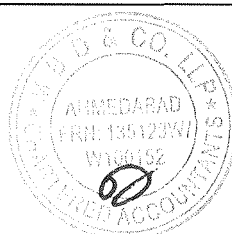
Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Salaries, wages and bonus	200.47	143.33
Contribution to provident and other fund	15.10	11.15
Share based payments to employees	0.23	4.26
Staff welfare expenses	0.68	0.26
Gratuity	1.18	1.04
Leave encashment	2.89	3.28
Total	220.55	163.32

31 Other expenses

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Travelling & conveyance	12.93	7.91
Credit rating expenses	0.55	0.61
Printing & stationery	1.35	0.68
Membership fees	0.01	0.06
Brokerage & commission	12.20	1.28
Office expenses	0.75	0.25
Bank charges	0.34	0.15
Insurance	7.98	5.26
Rent	0.31	0.29
Branch allocated expenses	42.97	35.09
Marketing and development expenses	0.97	0.60
Other Non operating allocated expenses	46.70	26.70
Director Sitting Fees	1.64	1.31
Legal and professional fees	28.01	17.96
Payment to auditors (Refer Note Below)	1.28	0.93
Rates and taxes	0.39	0.23
Prior Period Expenses	0.27	0.56
Information technology expenses	0.71	0.29
Postage expenses	0.11	0.06
CSR Expenses (Refer Note 44)	0.50	-
Miscellaneous expenses	1.05	0.12
Total	161.02	100.34

Payment to the auditors:

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Auditor's remuneration		
- Audit fees	0.45	0.43
- Certification Fees	0.67	0.42
- Reimbursement of expenses	0.05	-
- Taxation	0.11	0.08
Total	1.28	0.93



Adani Housing Finance Private Limited

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Notes forming part of the Financial Statements for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

32 Earnings per Share

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Basic EPS		
Profit/ (Loss) attributable to Equity Shareholders	144.34	57.60
No of Equity Shares Outstanding	7,50,00,000	7,50,00,000
Weighted Average Number of Equity Shares Outstanding during the year	7,50,00,000	7,50,00,000
Nominal Value of Equity Share	10	10
Basic EPS	1.924	0.768
Diluted EPS *		
Profit/ (Loss) attributable to Equity Shareholders	144.34	57.60
No of Equity Shares Outstanding	7,50,00,000	7,50,00,000
Weighted Average Number of Equity Shares for computation of Diluted EPS	7,52,65,772	7,53,31,960
Nominal Value of Equity Share	10	10
Diluted EPS	1.918	0.765

* Note: There are employee share options outstanding that could potentially dilute basic earnings per share and the effect of the same has been included in the calculation of diluted earnings per share.

33 Contingent Liabilities and Capital Commitments

Particulars	As at March 31, 2023	As at March 31, 2022
a. Contingent Liabilities	0.17	0.17
b. Capital commitments		
- For Lending	256.99	171.08
- Others	2.52	-
Total Commitments	259.51	171.08

Notes:

i) Hon'ble Supreme Court has recently delivered its ruling on the composition of basic wages for the purposes of deduction and contribution to the Employees Provident and Pension funds. The Company, in the interest of its employees, awaits clarity on the complexities revolving around the application of the said order, the ambiguity reflected by the divergent views of legal counsel and the response/direction from the authorities, including on representations made by an industry association in this regard.

ii) During the year ended March 31, 2023, a short seller had issued a report alleging certain issues against the Adani Group Entities. In this context there is a petition filed in the hon'ble Supreme Court, and SEBI is examining compliance with laws and regulations by conducting enquiries to listed Adani group entities.

Adani Housing Finance Private Limited has not entered into any transactions with the Adani Group entities that are the subject of the short seller report or SEBI inquiries. Therefore, the management has concluded that there will be no impact on the financial statements of the Company as a result of the allegations or the outcome of the SEBI inquiries.

34 Retirement Benefit

As per Indian Accounting standard IND AS 19 "Employee Benefits", the disclosure as defined in the accounting standard are given below.

I. Contribution to defined contribution plan

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Employer's Contribution to PF	10.34	8.21
Employer's Contribution to ESIC	1.03	1.00
	11.37	9.21

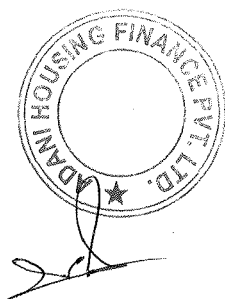
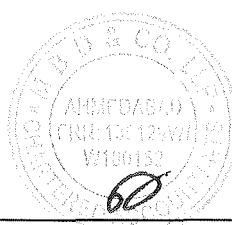
II. Defined Benefit Plan

The Company operates a defined benefit plan (the Gratuity plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

Gratuity

A. Change in Present Value of Obligation

Particulars	Gratuity (Unfunded)	
	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Present Value of the Obligation as at the beginning of the year	2.47	1.49
Interest Cost	0.13	0.10
Current Service Cost	1.05	0.93
Benefit Paid	(0.09)	-
Actuarial (gain)/ loss on obligations arising from:		
- Change in demographic assumptions	(0.76)	(0.60)
- Change in financial assumptions	(0.14)	0.17
- experience variance	0.49	0.38
Liability Transfer (out)	-	-
Present Value of the Obligation as at the end of the year	3.15	2.47



Adani Housing Finance Private Limited

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Notes forming part of the Financial Statements for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

B. Amount recognised in the Statement of Profit and Loss

Particulars	Gratuity (Unfunded)	
	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Interest Cost	0.13	0.10
Current Service Cost	1.05	0.93
Actuarial (gain)/ loss on obligations	-	-
Other comprehensive income		
Remeasurement loss (gain)/loss	(0.41)	(0.05)
Actuarial loss (gain)/loss	-	-
Total expense/ (income) recognised in the Statement of Profit and Loss	0.77	0.98

C. Reconciliation of Balance Sheet

Particulars	Gratuity (Unfunded)	
	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Present Value of the Obligation as at the beginning of the year	2.47	1.49
Liability Transfer (out)	-	-
Total expense recognised in the Statement of Profit and Loss	0.68	0.98
Present Value of the Obligation as at the end of the year	3.15	2.47

The principal assumptions used in determining obligations for the Company's plans are shown below:

Assumptions	Gratuity (Unfunded)	
	For the Year ended March 31, 2023	For the Year ended March 31, 2022
1. Discount rate (p.a.)	7.50%	5.25%
2. Salary Escalation Rate (p.a.)	8.90%	8.00%
3. Normal Retimental age	58 years	58 years
4. Mortality rate	Indian Assured Lives (2012 - 14)	Indian Assured Lives (2012 - 14)
5. Attrition / Withdrawal rate (per annum)	74.10%	46.20%

Experience Table

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
	Defined Benefit Obligation	3.15
Plan Assets	NA	NA
Surplus / (Deficit)	(3.15)	(2.47)
Experience Adjustment on Plan Liabilities	-	-
Experience Adjustment on Plan Assets	NA	NA

Since the scheme is managed on unfunded basis, next year contribution is Rs. Nil.

Sensitivity analysis:

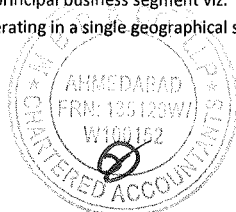
Particulars	For the Year ended March 31, 2023		For the Year ended March 31, 2022	
	Decrease	Increase	Decrease	Increase
Salary Growth Rate (+/- 1%) (% change compared to base due to sensitivity)	3.19 (1.40%)	3.19 1.40%	2.40 (2.90%)	2.55 3.00%
Discount Rate (+/- 1%) (% change compared to base due to sensitivity)	3.19 1.40%	3.10 (1.40%)	2.55 3.10%	2.40 (3.00%)
Attrition Rate (+/- 50% of attrition rates) (% change compared to base due to sensitivity)	4.28 36.00%	2.49 (20.80%)	3.92 58.60%	1.55 (37.50%)
Mortality Rate (-/+ 10% of mortality rates) (% change compared to base due to sensitivity)	3.15 0.00%	3.15 0.00%	2.47 0.00%	2.47 0.00%

Maturity profile of Defined Benefit Obligation

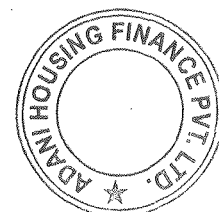
Expected cash flows over the next (valued on undiscounted basis):	For the Year ended March 31, 2023	For the Year ended March 31, 2022
	1 years	2.14
2 to 5 years	1.37	2.20
6 to 10 years	0.01	0.36
More than 10 Years	0.00	0.02

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

36 As per Ind AS- 108, "Operating Segment", The Company operates under the principal business segment viz. "Providing loans for construction or purchase of residential property and loans against property". Further, the Company is operating in a single geographical segment.



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Adani Housing Finance Private Limited

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Notes forming part of the Financial Statements for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

37 Related Party Disclosures

Names of Related Parties and Nature of relationship:

Name	Relationship
S.B. Adani Family Trust (SBAFT)	Ultimate Controlling Entity
Adani Properties Private Limited	Ultimate Holding Company
Adani Finserve Private Limited	Holding Company
Adani Capital Private Limited	Fellow Subsidiary Company
Adani Special Situations Private Limited	Fellow Subsidiary Company
Adani Digital Services Private Limited	Fellow Subsidiary Company
Adani Digital Labs Private Limited	Enterprise under common control
Adani Foundation	Enterprise under common control

Key Managerial Personnel (KMP):

Name	Designation / Status
Mr. Sagar R. Adani	Director
Mr. Gaurav Gupta	Director
Mr. Mayank Jain (till July 12, 2021)	Company Secretary
Mr. Manish Singh Payal (w.e.f. October 28, 2021)	Company Secretary
Mr. Rakesh Sharma (w.e.f. June 18, 2021)	CEO

Terms and conditions of transactions with related parties

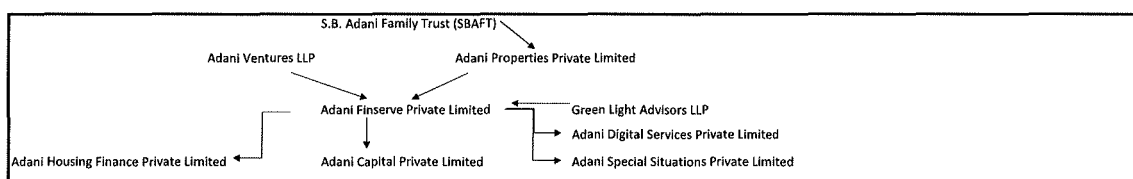
Outstanding balances of related parties at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

The following Transactions were carried out with the Related Parties and KMPs

Particulars	As At	With entities in which Key Managerial Personnel has significant Influence				With Key Managerial Personnel		
		Adani Capital Private Limited	Adani Finserve Private Limited	Adani Foundation	Adani Digital Labs Private Limited	Mr Rakesh Sharma	Mr Mayank Jain	Mr Manish Singh Payal
Inter corporate deposit Accepted	March 31, 2023	-	150.00	-	-	-	-	-
	March 31, 2022	-	57.50	-	-	-	-	-
Inter corporate deposit Repaid	March 31, 2023	-	150.00	-	-	-	-	-
	March 31, 2022	-	57.50	-	-	-	-	-
Interest on Inter corporate Deposit	March 31, 2023	-	0.69	-	-	-	-	-
	March 31, 2022	-	0.03	-	-	-	-	-
Remuneration Expense	March 31, 2023	-	-	-	-	9.34	-	1.94
	March 31, 2022	-	-	-	-	7.59	0.53	0.99
Reimbursement of expenses	March 31, 2023	89.67	-	-	-	-	-	-
	March 31, 2022	61.78	-	-	-	-	-	-
Other expenses	March 31, 2023	-	-	0.50	0.50	-	-	-
	March 31, 2022	-	-	-	-	-	-	-
Other Payables	March 31, 2023	-	-	-	-	-	-	-
	March 31, 2022	0.06	-	-	-	-	-	-
Other Receivable	March 31, 2023	0.25	-	-	-	-	-	-
	March 31, 2022	-	-	-	-	-	-	-
Balance Payable as on								
- Reimbursement of expenses	March 31, 2023	37.18	-	-	0.50	-	-	-
	March 31, 2022	65.81	-	-	-	-	-	-

Note: Key Managerial personnel (KMP) of the company are also on board and acting as KMP of holding company. Remuneration to KMP is being paid by Fellow Subsidiary Company, the same is not reflecting in related party transaction with KMP above.

Diagrammatic representation of group structure



38 Social Security Code

The Code on Social Security, 2020 ('Code') amended and consolidated the laws relating to social security with the goal to extend social security to all employees and workers either in the organised or unorganised or any other sectors.

In light of the amended code, employers are required to assess the impact of change in definition of wages on their organizations. A change in the definition of wage might have a large impact due to enhanced provision for gratuity/leave, net pay of employees, possible enhanced provision for Provident Fund and other employee benefits dependent on the wages.

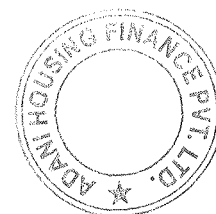
The government decided to defer the decision to notify the date of implementation of the code, so the companies are advised to include a disclosure about the impact on transition to the new code in their financial statements. However, once the code becomes effective the entities will be required to evaluate if the changes are a plan amendment or change in actuarial assumption.

39 Disclosure as per Ind AS 7 Statement of Cash Flows:

The Ind AS 7 require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). In this regards the Company has provided the following information.

Changes in liabilities arising from financing activities

Particulars	1st April, 2022	Cash Flows	Foreign Exchange	Others	31st March, 2023
Proceeds From Long term borrowings	4,209.78	2,311.77	-	(4.24)	6,517.31
Proceeds From Short term borrowings	1,020.00	150.00	-	-	1,170.00
Repayment of Short term borrowings	(1,095.50)	(150.00)	-	-	(1,245.50)
Repayment of Long term borrowings	(1,530.44)	(1,618.31)	-	-	(3,148.75)
Interest Expense of Lease Liability	-	(0.11)	-	-	(0.11)
Payment towards principal portion of lease liability	-	(0.35)	-	-	(0.35)
Total	2,603.84	693.00	-	(4.24)	3,292.60



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Notes forming part of the Financial Statements for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

Changes in liabilities arising from financing activities

Particulars	1st April, 2021	Cash Flows	Foreign Exchange	Others	31st March, 2022
Proceeds From Long term borrowings	2,247.13	1,950.00	-	12.65	4,209.78
Proceeds From Short term borrowings	962.50	57.50	-	-	1,020.00
Repayment of Short term borrowings	(1,038.00)	(57.50)	-	-	(1,095.50)
Repayment of Long term borrowings	(861.80)	(668.64)	-	-	(1,530.44)
Total	1,309.83	1,281.36	-	12.65	2,603.84

40 Previous year figures have been regrouped/ reclassified to make them comparable with Ind AS presentation.

41 The Company has maintained sufficient capital and liquidity position and it will continue the same going forward.

In assessing the recoverability of loans and receivables, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these financial results.

42 Transfer of Financial assets

Transfers of financial assets that are not derecognised in their entirety

Assignment Deal:

During the year ended March 31, 2023, the Company has sold loans and advances measured at amortised cost as per assignment deal. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been derecognised from the Company's balance sheet, to the extent of share of Assignee.

The management has evaluated the impact of assignment transactions done during the year for its business model. Based on the future business plan, the company business model remains to hold the assets for collecting contractual cash flows.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain on derecognition, per type of asset.

Loans and advances measured at amortised cost	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Carrying amount of derecognised financial assets	1,554.49	297.59
Day 1 gain on derecognition of financial instruments under amortised cost category (A)	254.24	93.89
Unwinding on account of the actual excess interest spread realised and reversal of excess interest spread on foreclosed loans (B)	106.02	16.48
Net gain on derecognition of financial instruments under amortised cost category (A - B)	148.22	77.41

Note: EIS unwinding is impacted / higher at each reporting date due to the foreclosure of loans compared to estimated receipts of future income, any impact of increase / decrease in interest rate by the company on floating rate loans given to customers, and the change in interest rate by assignee bank. The management is of the view that netting off of unwinding of EIS against day 1 gain on derecognition of financial instruments rather than netting it off against interest income provides a better understanding of the financial impact of the transaction.

Disclosure as per RBI Master Direction DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021 for transfer of loan exposures

Details of loans transferred	Direct Assignment	
	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Number of loans	1,730	344
Aggregate amount (Rs. In millions)	1,554.49	297.59
Sale consideration (Rs. In millions)	1,554.49	297.59
Number of transactions	5	1
Weighted average remaining maturity (in months)	229.55	197.45
Weighted average holding period after origination (in months)	15.16	24.71
Retention of beneficial economic interest (average)	10.00%	10.00%
Coverage of tangible security coverage	100.00%	100.00%
Rating wise distribution of rated loans	NA	NA
Number of instances (transactions) where transferor has agreed to replace the transferred loans	Nil	Nil
Number of transferred loans replaced	Nil	Nil

43 Employee Stock Option Plan

The Board of Directors took the decision to introduce Adani Employee Stock Option Plan, 2020 (hereinafter called "ESOP 2020") at the meeting held on July 28, 2020. The shareholders approved it at the Annual General Meeting held on September 28, 2020. The plan provides for the issuance of stock options to senior employees. Under the plan, the Company has issued two series of options with different vesting period. Under both the series, the options vest not earlier than 1 year and not later than 4 years from the date of the grant.

The details of the ESOP 2020 as on 31st March 2023 and 31st March 2022 are :

Particulars	As at March 31, 2023			As at March 31, 2022		
	Series I	Series II	Series III	Series I	Series II	Series III
Options approved to be issued as ESOPs	34,50,000			34,50,000		
Date of Grant	October 3, 2020		January 01, 2022	October 3, 2020		January 01, 2022
Options granted	3,71,475	77,450	2,89,568	3,71,475	2,34,696	2,89,568
Method of Settlement	Equity			Equity		

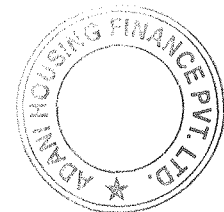
a. Reconciliation of Options

I. Series I

Particulars	As at March 31, 2023		As at March 31, 2022	
	Shares arising from Options	Wt. avg. exercise price	Shares arising from Options	Wt. avg. exercise price
Options Outstanding at the beginning of the year	3,71,475	16	3,71,475	16
Options Granted	-	-	-	-
Options Exercised	-	-	-	-
Options Reinstated	-	-	-	-
Options Lapsed	-	-	-	-
Options Forfeited	-	-	-	-
Options Outstanding at the end of the year	3,71,475	16	3,71,475	16

II. Series II

Particulars	As at March 31, 2023		As at March 31, 2022	
	Shares arising from Options	Wt. avg. exercise price	Shares arising from Options	Wt. avg. exercise price
Options Outstanding at the beginning of the year	2,34,696	16	2,34,696	16
Options Granted	-	-	-	-
Options Exercised	-	-	-	-
Options Reinstated	-	-	-	-
Options Lapsed	(1,57,246)	16	-	-
Options Forfeited	-	-	-	-
Options Outstanding at the end of the year	77,450	16	2,34,696	16



Adani Housing Finance Private Limited

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Notes forming part of the Financial Statements for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

III. Series III

Particulars	As at March 31, 2023		As at March 31, 2022	
	Shares arising from Options	Wt. avg. exercise price	Shares arising from Options	Wt. avg. exercise price
Options Outstanding at the beginning of the year	2,89,568	19	-	-
Options Granted	-	-	2,89,568	19
Options Exercised	-	-	-	-
Options Reinstated	-	-	-	-
Options Lapsed	-	-	-	-
Options Forfeited	-	-	-	-
Options Outstanding at the end of the year	2,89,568	19	2,89,568	19

b. Balance outstanding at the end of the year are as follows

Particulars	As at March 31, 2023		As at March 31, 2022	
	Nos.	Exercise Price	Nos.	Exercise Price
Vested Options				
Series I	3,71,475	16	2,78,606	16
Series II	77,450	16	77,450	16
Series III	95,558	19	-	-
Unvested Options				
Series I	-	16	92,869	16
Series II	-	16	1,57,246	16
Series III	1,94,010	19	2,89,568	19

c. Weighted average remaining life of the ESOP outstanding

Particulars	As at March 31, 2023	As at March 31, 2022
Series I	-	0.50
Series II	-	1.01
Series III	0.83	1.76

d. Following amount has been recognized as an expense and included in 'Note 30 - Employee benefit expenses' and total carrying amount at the end of the year.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Expense arising from equity settled share based payment transaction	0.23	4.26
Carrying amount at the end of the year	6.52	6.29

e. Fair value of the options granted

Particulars	As at March 31, 2023			As at March 31, 2022		
	Series I	Series II	Series III	Series I	Series II	Series III
Share Price on the date of Grant (INR)	20.77	20.77	19.50	20.77	20.77	19.50
Exercise Price (INR)	16.00	16.00	19.00	16.00	16.00	19.00
Expected Volatility (%)	64.07%	62.21%	48.05%	64.07%	62.21%	48.05%
Life of options granted (years)	3.13	3.51	3.01	3.13	3.51	3.01
Risk free interest rate (%)	4.91%	5.06%	5.11%	4.91%	5.06%	5.11%
Expected dividend rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fair value of options as per black scholes (INR)	11.35	11.63	7.13	11.35	11.63	7.13

44 Corporate Social Responsibility (CSR)

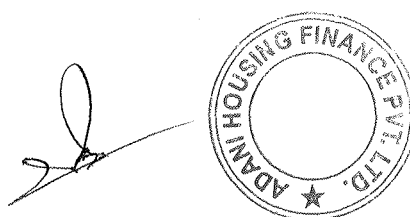
Details of expenses towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
1. Amount required to be spent by the company during the year	0.50	-
2. Amount of expenditure incurred on:		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	0.50	-
3. Shortfall at the end of the year*	-	-
4. Total of previous years shortfall	-	-
5. Reason for shortfall	Not Applicable	Not Applicable
6. Nature of CSR activities	Fee support to needy students for higher education	Not Applicable
7. Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	Refer Note 37 - Related Party Disclosure	Not Applicable

*Note:

- In respect of ongoing projects, there are no unspent amount. Accordingly, no amount is required to be transferred to the special account.
- In respect of other than ongoing projects, there are no unspent amount. Accordingly, no amount is required to be transferred to the fund.

During the previous year, the Company met the criteria of the CSR as mentioned in Section 135 read with respective rules of the Companies Act, 2013. However, the Company was not required to spend any amount on Corporate Social Responsibility activities as it had negative average profits for last 3 years.



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Notes forming part of the Financial Statements for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

45 Fair value hierarchy

The Company determines fair values of financial instruments according to the following hierarchy:

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

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

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

Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2023

Particulars	Date of Valuation	Fair value measurement using		
		Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments held for trading under FVTPL	March 31, 2023	-	-	-
Total		-	-	-

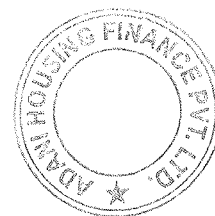
Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2022

Particulars	Date of Valuation	Fair value measurement using		
		Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments held for trading under FVTPL	March 31, 2022	-	150.13	-
Total		-	150.13	-

Fair value of financial instruments measured at amortized cost

Particular	As At March 31, 2023		As At March 31, 2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial Assets				
Cash and cash equivalents	202.85	202.85	371.52	371.52
Bank balance other than cash and cash equivalents	5.21	5.21	50.00	50.00
Investments	50.10	50.10	50.00	50.00
Trade Receivables	0.05	0.05	0.45	0.45
Loans at amortised cost	4,494.41	4,494.41	3,335.52	3,335.52
Other financial assets	307.05	307.05	154.93	154.93
Total Financial Assets	5,059.67	5059.67	3,962.42	3,962.42
Financial Liabilities				
Trade Payables	22.04	22.04	5.38	5.38
Other Payables	37.18	37.18	65.81	65.81
Borrowings	3,293.06	3,293.06	2,603.84	2,603.84
Other Financial Liabilities	153.92	153.92	84.41	84.41
Total Financial liabilities	3,506.20	3506.20	2,759.44	2759.44

The management assessed that fair values of cash and cash equivalents, other financial assets, trade payables, other payables, borrowings (other than debt securities), and other financial liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments. Lease liabilities are recognised as per Ind-AS 116. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.



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Notes forming part of the Financial Statements for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

46 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of equity, internal fund generation and borrowings. The Company's policy is to use borrowings to meet anticipated funding requirements. The Company monitors capital on the basis of the net debt to equity ratio. No changes were made in the objectives, policies or processes for managing capital during the years ended as at 31st March, 2023 and as at 31st March, 2022.

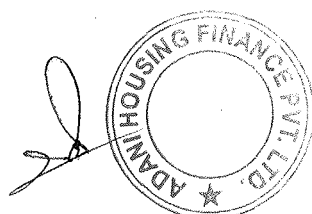
The Company also manages its leverage position on periodic basis by monitoring debt equity ratio to allying itself with market.

Particulars	Refer Note	31st March, 2023	31st March, 2022
Total Borrowings (A)	16	3,293.06	2,603.84
Total Equity (B)	21 and 22	1,492.27	1,347.40
Gearing Ratio (A / B) (Times)		2.21	1.93

Tier I and II capital

Particulars	As at March 31, 2023	As at March 31, 2022
Capital Funds		
Net owned funds (Tier I capital)	1,179.85	1,184.08
Tier II capital	24.72	18.90
Total capital funds	1,204.57	1,202.98
Total risk weighted assets/ exposures	2,811.75	2,130.72
% of capital funds to risk weighted assets exposures:		
Tier I capital	41.96%	55.57%
Tier II capital	0.88%	0.89%
Total capital Funds	42.84%	56.46%

The Company has complied with the minimum stipulated capital requirements for Tier I and Tier II.



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Notes forming part of the Financial Statements for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

47 Leases

Company as a Lessee

The Company has entered into lease contracts for premises at various locations. Leases of premises generally have lease terms between 4 to 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

a. For carrying amounts of right of use assets (included under 'Property, Plant & Equipment') and the movements during the period refer Note 12

b. Carrying amounts of lease liabilities (included under 'Other Financial Liabilities') and the movements during the year:

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	-	-
Additions	6.96	-
Disposals	-	-
Accretion of interest	0.11	-
Payments	(0.35)	-
Closing balance	6.72	-

c. Maturity analysis of lease liabilities is as under:

Particulars	As at March 31, 2023	As at March 31, 2022
Within 12 months	1.15	-
After 12 months	5.57	-
Total	6.72	-

d. Amounts recognised in statement of profit or loss:

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Depreciation expense of right-of-use assets	0.28	-
Interest expense on lease liabilities	0.11	-
Total	0.39	-

e. Cash flows and additions to assets / liabilities:

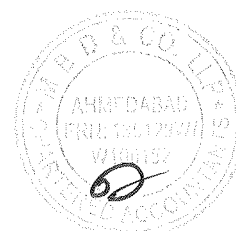
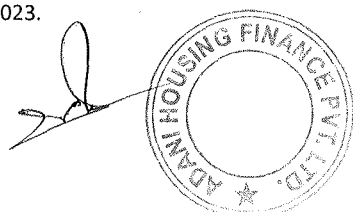
The Company had total cash outflows for leases of Rs. 0.35 Million for the year ended March 31, 2023 (PY - Nil). The Company also had non-cash additions to right-of-use assets of Rs. 7.19 Million for the year ended March 31, 2023 (PY - Nil) and lease liabilities of Rs. 6.96 Million for the year ended March 31, 2023 (PY - Nil).

f. Future Commitments:

Particulars	As at March 31, 2023	As at March 31, 2022
Future undiscounted lease payments for which the leases have not yet commenced	-	-

g. Extension / Termination Options:

Some of the leases contain extension and termination options. Such options are taken into account in the determination of the lease term only if extension or non-termination can be assumed with reasonable certainty. On this basis, there were no such amounts included in the measurement of lease liabilities as at March 31, 2023.



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Notes forming part of the Financial Statements for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

48 Risk Management

Introduction and risk profile

Risk is an inherent part of Company's business activities. When the Company extends a home loan or loan against property, make investment in mutual funds or offers other products or services, the Company takes on some degree of risk. The Company's overall objective is to manage its businesses, and the associated risks, in a manner that balances serving the interests of its customers and investors and protects the safety and soundness of the Company.

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support the company's operations. The Company's principal financial assets include loans, Trade Receivables, investments and cash and cash equivalents that are derived directly from its operations. As a financial lending institution, Company is exposed to various risks that are related to lending business and operating environment. The principal objective in Company's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks.

In the ordinary course of business, the Company is mainly exposed to risks resulting from interest rate movements (interest rate risk) collectively referred as Market Risk, Credit Risk and Liquidity Risk. The Company's management oversees the management of these risks.

The Company believes that effective risk management requires:

- 1) Acceptance of responsibility, including identification and escalation of risk issues, by all individuals within the Company;
- 2) Ownership of risk identification, assessment, data and management within each of the lines of business; and

The Company strives for continual improvement through efforts to enhance controls, ongoing employee training and development and other measures.

Risk Management Structure

The Company has a well-defined risk management policy framework for risk identification, assessment and control to effectively manage risks associated with the various business activities.

Our risk management policy ensures that the margin requirements are conservative to be able to withstand market volatility and scenarios of sharply declining prices. As a result, we follow conservative lending norms.

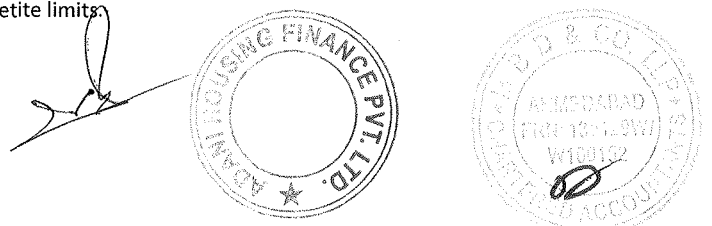
The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee holds regular meetings and report to board on its activities.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Risk mitigation and risk culture

The Company's business processes ensure complete independence of functions and segregation of responsibilities. Credit appraisal & credit control processes, centralized operations unit, unit for checking compliance with the prescribed policies and approving loans at transaction level as well as our risk management processes and policies allow layers of multiple checks and verifications. Our key business processes are regularly monitored by the head of our business or operations. Our loan approval and administration procedures, collection and enforcement procedures are designed to minimise delinquencies and maximise recoveries.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organizational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits.



The image shows a handwritten signature in black ink. To the right of the signature are two circular corporate seals. The first seal is for Adani Housing Finance Pvt. Ltd. and the second seal is for KPMG LLP, Chartered Accountants, with the text 'AMSDADAD FIVE 10:10:10 WINDS' and 'KPMG ACCOUNTANTS' visible.

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Notes forming part of the Financial Statements for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

48.1 Risk Management

Credit Risk

Credit risk is the risk of suffering financial loss, should any of the Company's customers or counterparties fail to fulfil their contractual obligations to the Company.

Credit-worthiness is checked and documented prior to signing any contracts, based on market information. Management endeavours to improve its underwriting standards to reduce the credit risk the Company is exposed to from time to time.

Credit risk is the single largest risk for the Company's business. Management therefore carefully manages its exposure to credit risk. Credit risk is monitored by the credit risk department of the Company. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit risk managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit risk manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Company has established a credit quality review process to provide early identification of possible changes in the credit worthiness of counterparties, including regular collateral revisions.

The Company's internal credit rating graded on days past due (DPD) basis:-

Internal Rating Grade	Internal Rating Description
Performing	
High grade	0 dpd
Standard grade	1 to 30 dpd
Sub-Standard grade	31 to 60 dpd
Past due but not impaired	61 to 90 dpd
Non-performing	90+ dpd

Inputs, and assumptions used for estimating Expected Credit Loss (ECL)

A. Inputs

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience, expert credit assessment and including forward looking information.

The objective of the ECL assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing the remaining lifetime probability of default (PD) as at the reporting date; with the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure and adjusted for changes on account of prepayments.

In assessing the impairment of loan assets under Expected Credit Loss (ECL) Model, the loans have been segmented into three stages based on the risk profiles. The three stages reflect the general pattern of credit deterioration of a financial instrument.

B. Assumptions

The Company has applied following assumptions for determination of ECL.

- 1 Exposure at default (EAD) represents the expected exposure in the event of a default and is the gross carrying amount in case of the financial assets held by the Company including loan commitments.
- 2 Probability of default (PD) is defined as the probability of whether the borrowers will default on their obligations in the future. For assets which are in Stage 1, a 12-month PD is required. For Stage 2 assets a lifetime PD is required while Stage 3 assets are considered to have a 100% PD.
- 3 Loss given default (LGD) is an estimate of loss from a transaction given that a default occurs.
- 4 Default A default on a financial asset is when the counterparty fails to make the contractual payments up to 90 days of when they fall due. Accordingly, the financial assets shall be classified as Stage 3, if on the reporting date, it has been more than 90 days past due. Further if the customer has requested forbearance in repayment terms, such restructured, rescheduled or renegotiated accounts are also classified as Stage 3. Non-payment on another obligation of the same customer is also considered as a stage 3.

Analysis of maximum exposure to credit risk and collateral and other credit enhancements

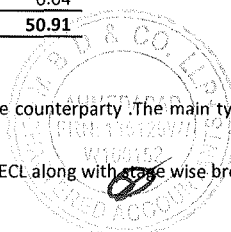
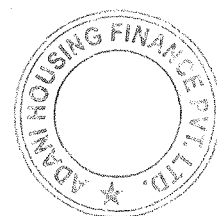
The following table shows the maximum exposure to credit risk, the total fair value of collateral and the net exposure to credit risk. collateral value as at the time of on-boarding of the customer has been considered for below disclosure

Particulars	As at March 31, 2023		As at March 31, 2022	
	Credit Impaired	Security Held	Credit Impaired	Security Held
Home loans	55.29	80.73	32.35	44.27
Other than Home loans	9.96	34.32	4.50	6.64
Total	65.25	115.05	36.85	50.91

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. The main type of collateral obtained is mortgages over residential/ commercial properties.

For Disclosure of summary of loans by stage distribution and changes in gross value of loan and ECL along with stage wise break up refer Note No. 8.



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Notes forming part of the Financial Statements for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

48.2 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.

Company manages its liquidity requirement by analyzing the maturity pattern of Company's cash flows of financial assets and financial liabilities.

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the company uses the same basis of expected repayment behavior as used for estimating the EIR.

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	202.85	-	202.85	371.52	-	371.52
Bank Balance other than cash and cash equivalents	5.21	-	5.21	50.00	-	50.00
Receivables						
(I) Trade receivables	0.05	-	0.05	0.45	-	0.45
Loans	620.95	3,873.46	4,494.41	357.02	2,978.50	3,335.52
Investments	-	50.10	50.10	150.13	50.00	200.13
Other Financial assets	0.46	306.59	307.05	-	154.93	154.93
Sub total	829.52	4,230.15	5,059.67	929.12	3,183.43	4,112.55
Non-financial assets						
Deferred Tax assets (Net)	-	-	-	-	1.28	1.28
Property, plant and equipment	-	6.91	6.91	-	0.21	0.21
Other intangible assets	-	1.27	1.27	-	1.75	1.75
Other non-financial assets	21.26	-	21.26	14.68	-	14.68
Sub total	21.26	8.18	29.44	14.68	3.24	17.92
Total assets	850.78	4,238.33	5,089.11	943.80	3,186.67	4,130.47
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Payables						
(I) Trade payables						
(i) total outstanding dues of creditors of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	22.04	-	22.04	5.38	-	5.38
(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	37.18	-	37.18	65.81	-	65.81
Borrowings (Other than Debt Securities)	954.50	2,338.56	3,293.06	733.70	1,870.14	2,603.84
Other Financial liabilities	148.35	5.57	153.92	84.41	-	84.41
Sub total	1,162.07	2,344.13	3,506.20	889.30	1,870.14	2,759.44
Non-Financial liabilities						
Current tax liabilities (Net)	-	11.92	11.92	-	0.63	0.63
Provisions	8.97	2.37	11.34	4.99	4.17	9.16
Deferred tax liabilities (Net)	-	40.59	40.59	-	-	-
Other non-financial liabilities	26.79	-	26.79	13.84	-	13.84
Sub total	35.76	54.88	90.64	18.83	4.80	23.63
Total liabilities	1,197.83	2,399.01	3,596.84	908.13	1,874.94	2,783.07
Net	(347.05)	1,839.32	1,492.27	35.67	1,311.73	1,347.40

48.3 Disclosure as per RBI circular DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 (amended)

RBI has issued guidelines on Liquidity Risk Management Framework for Housing Finance Companies on February 17, 2021. As per the Master Directions – Non Banking Finance Company – Housing Finance Company, the disclosure on liquidity risk as at March 31, 2023 and March 31, 2022 is as under:

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Notes forming part of the Financial Statements for the year ended March 31, 2023

i) Funding Concentration based on significant counterparty

Number of Significant Counterparties		Amount (Rs. In Millions)*		% of Total Deposits	% of Total Liabilities	
As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022		As at March 31, 2023	As at March 31, 2022
10	10	3,293.06	2,603.84	NA	91.55%	93.56%

Note:

*Included Principal amount less IndAS adjustment for processing fees on borrowings.

"Significant Counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the HFC's total liabilities and 10% for other non-deposit taking HFC's.

Total Liabilities has been computed as Total Assets less Equity share capital less Reserves and Surplus.

ii) Top 20 large deposits (amount in Rs. Crore and % of total deposits).

Nil. The Company is registered with NHB as Non Deposit accepting HFC.

iii) Top 10 borrowings (amount in Rs Crores & % of total borrowings*)

As at March 31, 2023		As at March 31, 2022	
Amount (Rs millions)	% of Total Borrowings	Amount (Rs millions)	% of Total Borrowings
3,293.06	100%	2,603.84	100%

Note: Included only Principal amount less IndAS adjustment for processing fees on borrowings.

iv) Funding Concentration based on significant instrument / product:

As at March 31, 2023

Sr No	Name of the instrument/product	Number of Counterparties	Amount (Rs in millions)	% of Total Liabilities
1	Long Term Bank Loans	10	3,197.14	88.89%
2	Short Term Loans	1	95.92	2.67%
3	Long Term NCD	-	-	-
4	Short Term NCD	-	-	-
5	Commercial Paper	-	-	-
	Total	11	3,293.06	91.55%

As at March 31, 2022

Sr No	Name of the instrument/product	Number of Counterparties	Amount (Rs in millions)	% of Total Liabilities
1	Long Term Bank Loans	10	2,603.84	93.56%
2	Short Term Loans	-	-	-
3	Long Term NCD	-	-	-
4	Short Term NCD	-	-	-
5	Commercial Paper	-	-	-
	Total	10	2,603.84	93.56%

• Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus

• # One bank has sanctioned both long term & short-term loans

v) Stock ratios:

Particulars	As at March 31, 2023	As at March 31, 2022
Commercial papers as a % of total liabilities	N.A.	N.A.
Commercial papers as a % of total assets	N.A.	N.A.
Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	N.A.	N.A.
Non-convertible debentures (original maturity of less than one year) as a % of total Assets	N.A.	N.A.
Other short-term liabilities as a % of total liabilities	33.30%	32.63%
Other short-term liabilities as a % of total assets	23.54%	21.99%
Liquidity Coverage Ratio [#]	N.A.	N.A.

• As on 31st March 2023, Outstanding Commercial Paper & Non-Convertible Debenture is Nil (P.Y.- Nil)

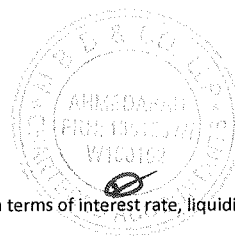
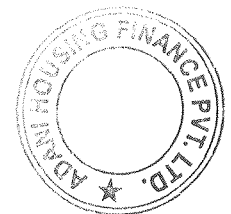
#- Not Applicable as per RBI Guidelines

vi) Institutional set up for liquidity risk management:

The company has following Board approved policies for Liquidity Risk Management.

- Asset Liability Management Policy
- Interest Rate Policy
- Liquidity Management Framework
- Risk Management Policy

Asset and Liability Management Committee (ALCO) provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds.



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Notes forming part of the Financial Statements for the year ended March 31, 2023

The Asset Liability Management Committee, inter alia, reviews the asset liability profile, risk monitoring system, liquidity risk management, funding and capital planning, and contingency planning.

Borrowing program has now expanded to Rs. 4375 millions (P.Y. 3775 millions) with limits from 10 (P.Y.-10) lenders; 5 (P.Y.-5) PSBs, 3 (P.Y.-3) private sector banks, 1(P.Y.-Nil) financial institution and 1(P.Y.-1) refinance from NHB. Further, liquidity buffer of Rs. 352.95 million (P.Y.-971.65 millions) ; un-utilized bank lines – Rs. 100 million (P.Y.350 millions) and un-encumbered cash & bank balance and Investments – Rs. 252.95 Million (P.Y.-622 millions);

Funding Review meeting with – Director, Treasury team , Accounts team on monthly basis providing overview of liquidity, new funding discussions etc.

Liquidity Overview Report – is circulated to Management every month.

48.4 Market Risk

From time to time, depending on market, the Company also invests in liquid schemes of Mutual Funds which ensures availability of funds to meet its immediate liabilities. On Liabilities front, the Company borrows through Term Loans (From Banks - at rates linked to their MCLR). Majority of the Loans given by Company are floating rate loans and hence any change in interest rate can be passed on to the customers, thereby minimizing the risks.

48.5 Interest Rate Risk

The company uses a mix of cash and borrowings to manage the liquidity & fund requirements of its day-to-day operations. Further, certain interest bearing liabilities carry variable interest rates.

For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the company's profit before tax is affected through the impact on floating rate borrowings, as follows:

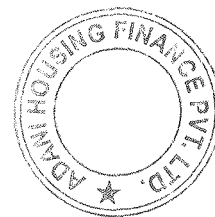
Interest rate sensitivity

As at 31 March 2023

Particulars	Carrying value	Fair value	Sensitivity to fair value	
			1% increase	1% decrease
Loans	4,494.41	4,494.41	-	-
Borrowings (other than debt securities)	3,293.06	3,293.06	(28.67)	28.67
Total	7,787.47	7,787.47	(28.67)	28.67

As at 31 March 2022

Particulars	Carrying value	Fair value	Sensitivity to fair value	
			1% increase	1% decrease
Loans	3,335.52	3,335.52	-	-
Borrowings (other than debt securities)	2,603.84	2,603.84	(17.68)	17.68
Total	5,939.36	5,939.36	(17.68)	17.68



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Notes forming part of the Financial Statements for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

49 Asset Classification as per RBI Norms

For the year ended 31st March 2023

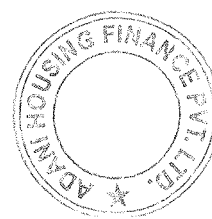
Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross Carrying Amount As per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provision required as per RBI norms	Difference between Ind AS 109 provisions and RBI norms
Performing Assets						
Standard	Stage 1	4,382.12	24.72	4,357.40	19.49	5.23
	Stage 2	105.54	8.46	97.08	4.80	3.66
Subtotal		4,487.66	33.18	4,454.48	24.29	8.89
Non-Performing Assets (NPA)						
Substandard	Stage 3	35.87	8.46	27.41	5.50	2.96
Doubtful - up to 1 year	Stage 3	20.45	7.92	12.53	5.20	2.72
1 to 3 years	Stage 3	6.46	6.46	-	2.63	3.83
More than 3 years	Stage 3	1.28	1.28	-	1.28	0.00
Subtotal for doubtful		64.06	24.12	39.94	14.61	9.52
Loss	Stage 3	1.19	1.19	-	1.19	-
Subtotal for Loss		1.19	1.19	-	1.19	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	4,382.12	24.72	4,357.40	19.49	5.23
	Stage 2	105.54	8.46	97.08	4.80	3.66
	Stage 3	65.25	25.31	39.94	15.80	9.52

For the year ended 31st March 2022

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross Carrying Amount As per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provision required as per RBI norms	Difference between Ind AS 109 provisions and RBI norms
Performing Assets						
Standard	Stage 1	3,193.36	18.90	3,174.46	18.90	0.00
	Stage 2	153.08	12.21	140.87	2.95	9.26
Subtotal		3,346.44	31.11	3,315.33	21.85	9.26
Non-Performing Assets (NPA)						
Substandard	Stage 3	20.95	9.70	11.25	3.04	6.66
Doubtful - up to 1 year	Stage 3	11.91	5.28	6.63	2.76	2.52
1 to 3 years	Stage 3	3.99	1.68	2.31	1.41	0.27
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		36.85	16.66	20.19	7.21	9.45
Loss	Stage 3	-	-	-	-	-
Subtotal for Loss		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	3,193.36	18.90	3,174.46	18.90	0.00
	Stage 2	153.08	12.21	140.87	2.95	9.26
	Stage 3	36.85	16.66	20.19	7.21	9.45



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Notes forming part of the Financial Statements for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

50 Disclosure pursuant to Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by RBI.

The Company received its certificate of registration as a housing finance company on June 4, 2018 and hence disclosures for current year and previous year are as follows:

I. Capital to Risk Asset Ratio (CRAR)

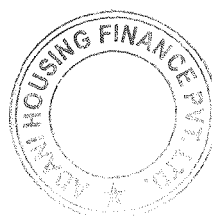
Particulars	As at March 31, 2023	As at March 31, 2022
CRAR (%)	42.84%	56.46%
CRAR - Tier I Capital (%)	41.96%	55.57%
CRAR - Tier II Capital (%)	0.88%	0.89%
Amount of subordinated debt raised as Tier - II Capital	-	-
Amount raised by issue of perpetual debt Instruments	-	-

II. Exposure to Real estate sector

Particulars	As at 31 March 2023	As at 31 March 2022
Category		
a) Direct exposure		
(i) Residential mortgage:		
Lending fully secured by mortgage on residential property that is or will be occupied by the borrower or that is rented;		
Housing Loan up to Rs 15 Lacs	2,355.73	2,073.23
Housing Loan more than Rs 15 Lacs	968.52	682.25
(ii) Commercial real estate:		
Lending secured by mortgages on commercial real estates (office building, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or ware house space, hotels, land acquisitions, development and construction, etc.) Exposure would also include non-fund based (NFB) limits;	1,228.66	627.81
(iii) Investment in mortgage backed securities (MBS) and other securitised exposures:		
(a) Residential	-	-
(b) Commercial real estate	-	-
b) Indirect exposure		
Fund based and non fund based exposures on National Housing bank (NHB) and Housing Finance Companies (HFCs)	-	-



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Adani Housing Finance Private Limited

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Notes forming part of the Financial Statements for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

III. Asset liability management

Maturity pattern of certain items of asset and liabilities - As at March 31, 2023

Pattern	1 day to 7 days	8 to 14 days	15 days to 30/31 days	Over one month upto 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from banks	95.92	-	-	67.42	120.49	230.12	440.54	1,288.04	751.93	298.58	3,293.06
Market Borrowings (ICD)	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	65.74	6.37	6.48	20.00	42.56	208.40	279.49	359.19	698.78	2,865.91	4,552.91
Investments	-	-	-	-	-	-	-	0.10	-	50.00	50.10
Foreign Currency Asset	-	-	-	-	-	-	-	-	-	-	-

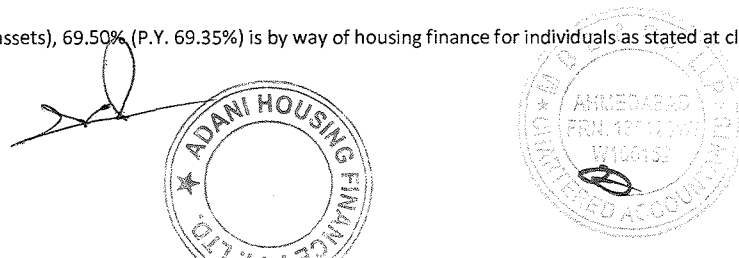
Maturity pattern of certain items of asset and liabilities - As at March 31, 2022

Pattern	1 day to 7 days	8 to 14 days	15 days to 30/31 days	Over one month upto 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from banks	-	-	-	44.07	122.28	214.76	352.59	585.09	736.01	549.04	2,603.84
Market Borrowings (ICD)	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	45.96	-	-	254.81	5.66	17.35	38.35	176.13	225.32	2,619.71	3,383.29
Investments	-	-	150.13	-	-	-	-	-	-	50.00	200.13
Foreign Currency Asset	-	-	-	-	-	-	-	-	-	-	-

IV. Details on Principal Business Criteria

The Company is "Housing Finance Company" under the meaning of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by RBI on 17th Feb 2021, as both the below conditions are satisfied:

- It is an HFC whose financial assets, in the business of providing finance for housing, constitute at least 60% of its total assets (netted off by intangible assets). Housing finance for this purpose shall mean providing finance as stated at clauses (a) to (k) of Paragraph 4.1.16 of the above mentioned Direction.
- Out of the total assets (netted off by intangible assets), 69.50% (P.Y. 69.35%) is by way of housing finance for individuals as stated at clauses (a) to (e) of Paragraph 4.1.16 of the above mentioned Direction.



Adani Housing Finance Private Limited

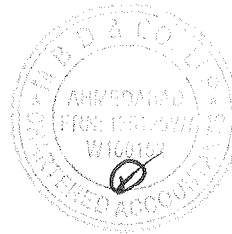
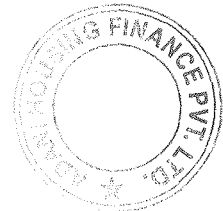
CIN:U65999GJ2017PTC098960

Notes forming part of the Financial Statements for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

V. Disclosure as per circular DOR.No.BP.BC/3/21.04.048/2020-21 issued by RBI dated August 6, 2020 for Resolution Framework for COVID-19-related Stress for the half year ended March 31, 2023

Type of Borrower	A	B	C	D	E
	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	-	-	-	-	-
Corporate Loans	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	94.61	6.31	-	10.67	77.99
Total	94.61	6.31	-	10.67	77.99

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Notes forming part of the Financial Statements for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

51 Reserve Fund under Section 29C of the NHB Act, 1987

Statutory Reserve

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year		
a) Statutory reserve as per Section 29C of The National Housing Bank Act, 1987	25.43	13.91
b) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken in to account for the purpose of statutory reserve under Section 29C of the NHB Act, 1987	-	-
Addition / appropriation / withdrawals during the year		
Add:		
a) Amount transferred as per Section 29C of The National Housing Bank Act, 1987	28.87	11.52
b) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken in to account for the purpose of statutory reserve under Section 29C of the NHB Act, 1987	-	-
Less:		
a) Amount appropriate as per Section 29C of The National Housing Bank Act, 1987	-	-
b) Amount of withdrawn from special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken in to account for the purpose of statutory reserve under Section 29C of the NHB Act, 1987.	-	-
Balance at the end of the year		
a) Statutory reserve as per Section 29C of The National Housing Bank Act, 1987	54.30	25.43
b) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken in to account for the purpose of statutory reserve under Section 29C of the NHB Act, 1987.	-	-
Total	54.30	25.43

51.1 Draw Down from Reserves

There has been no draw down from reserves during the year under consideration. (P.Y. Rs. Nil)

51.2 The Company is not require to prepare consolidated financial statement for the year under consideration, as the ultimate holding Company prepares the consolidated financial statement in accordance with Applicable Ind AS.

51.3 Remuneration to non-executive Directors

Particulars	As at March 31, 2023	As at March 31, 2022
Mr. Amlendra Prasad Saxena (Independent Director)	1.20	1.20
Mr. Anuj Mehra (Independent Director)	0.30	-

51.4 Disclosure relating to Fraud

Particulars	As at March 31, 2023	As at March 31, 2022
Amount of Fraud detected during the year	1.20	-
No of Cases	1	-



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Notes forming part of the Financial Statements for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

52 Other Disclosures:

52.1 Penalty

Particulars	As at March 31, 2023	As at March 31, 2022
Penalty if any levied by National Housing Bank	-	-
Total	-	-

52.2 Adverse remarks

Particulars	As at March 31, 2023	As at March 31, 2022
Adverse remarks if any given by National Housing Bank	-	-

52.3 % of outstanding loans granted against collateral gold jewellery to their outstanding total assets.

Particulars	As at March 31, 2023	As at March 31, 2022
Percentage of outstanding loans granted against the collateral gold jewellery to their outstanding total assets	-	-

52.4 Investments

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Value of Investments		
(i) Gross value of investments		
(a) In India	50.10	200.13
(a) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(a) Outside India	-	-
(iii) Net value of investments		
(a) In India	50.10	200.13
(a) Outside India	-	-
(b) Movements of provisions held towards depreciation in investments		
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	-	-
(iii) Less : Write-off/ Written- back of excess provisions during the year	-	-
(iv) Closing balance	-	-

52.5 Single Borrower Limit / Group Borrower Limit

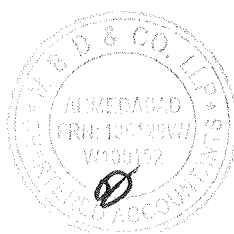
Particulars	As at March 31, 2023	As at March 31, 2022
Amount outstanding for Single borrower limit	-	-
Amount outstanding for Group borrower limit	-	-

52.6 Provisions and Contingencies

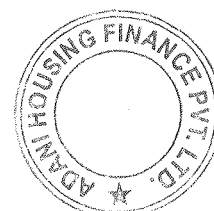
Particulars	As at March 31, 2023	As at March 31, 2022
1. Provisions for depreciation on investment	-	-
2. Provisions made towards income tax	11.92	0.63
3. Provisions towards NPAs	25.32	16.66
4. Provisions for standard assets	33.18	31.11
5. Other provision and contingencies		
Gratuity	3.15	2.47
Compensated absence	8.19	6.69
Provision for expenses	18.39	1.68

52.7 Concentration of NPAs

Particulars	As at March 31, 2023	As at March 31, 2022
Total Exposure to top ten NPA accounts	18.23	16.41



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Notes forming part of the Financial Statements for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

52.8 Sector Wise NPAs

Particulars	Percentage of NPAs to Total Advances in that sector	
	As at	As at
	March 31, 2023	March 31, 2022
A. Housing Loans: (in %) (out of total advances in that sector)		
(I) Individuals	1.66%	1.17%
(II) Builders / Project Loans	0.00%	0.00%
(III) Corporates	0.00%	0.00%
(IV) Others	0.00%	0.00%
B. Non - Housing Loans: (in %) (out of total advances in that sector)		
(I) Individuals	0.81%	0.72%
(II) Builders / Project Loans	0.00%	0.00%
(III) Corporates	0.00%	0.00%
(IV) Others	0.00%	0.00%

52.9 Movement of NPAs

Particulars	As at	As at
	March 31, 2023	March 31, 2022
(I) Net NPAs to Net Advances (%)	0.88%	0.60%
(II) Movement of Gross NPAs		
(a) Opening Balance	36.85	21.00
(b) Additions during the year	28.40	15.85
(c) Closing balance	65.25	36.85
(III) Movement of Net NPAs		
(a) Opening Balance	20.19	7.75
(b) Additions during the year	19.74	12.44
(c) Closing balance	39.93	20.19
(III) Movement of provisions for NPAs		
(a) Opening Balance	16.66	13.25
(b) Additions during the year	8.66	3.41
(c) Closing balance	25.32	16.66

52.10 Overseas Assets

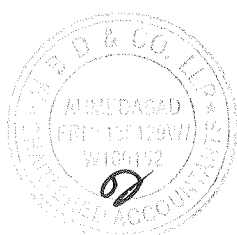
Particulars	As at	As at
	March 31, 2023	March 31, 2022
Overseas assets	-	-

52.11 Particulars

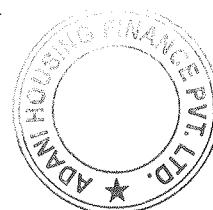
Particulars	Details
Area and Country of Operations	India
Joint venture partners with regard to joint ventures and overseas subsidiaries	Nil

52.12 Exposure to group companies engaged in real estate business

Description	Amount Rs	% of owned fund
Exposure to any single entity in a group engaged in real estate business	-	-
Exposure to all entities in a group engaged in real estate business	-	-



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Adani Housing Finance Private Limited

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Notes forming part of the Financial Statements for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

52.13 Exposure to Capital Market

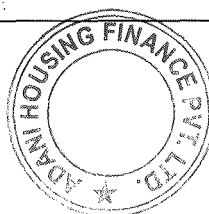
Particulars	As at March 31, 2023	As at March 31, 2022
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
ix) Financing to stockbrokers for margin trading	-	-
x) All exposures to Alternative Investment Funds:		
(i) Category I	-	-
(ii) Category II	-	-
(iii) Category III	-	-
Total Exposure to Capital Market	-	-

52.14 Details of Assignment Transactions undertaken by HFCs

Particulars	As at March 31, 2023	As at March 31, 2022
No. of accounts	1,730	344
Aggregate value (net of provision) of accounts assigned	1,554.49	297.59
Aggregate consideration	1,554.49	297.59
Additional consideration realized in respect of accounts transferred in earlier years	-	-
Aggregate gain/loss over net book value	-	-

52.15 Securitisation

Particulars	As at March 31, 2023	As at March 31, 2022
(I) No of SPVs sponsored by the HFC for securitisation transactions	-	-
(II) Total amount if securitised assets as per books of the SPVs sponsored	-	-
(III) Total amount of exposure retained by the HFC towards the MRR as on date of balance sheet		
(a) Off-balance sheet exposure towards credit enhancements	-	-
(b) On balance sheet exposures towards credit enhancements	-	-
(IV) Amount of exposures to securitisation transactions other than MRR		
(a) Off-balance sheet exposure towards credit enhancements		
(i) Exposure to own securitisations	-	-
(ii) Exposure to third party securitisations	-	-
(b) On balance sheet exposures towards credit enhancements		
(i) Exposure to own securitisations	-	-
(ii) Exposure to third party securitisations	-	-



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Notes forming part of the Financial Statements for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

52.16 Details of financial assets sold to securitisation / reconstruction company for asset reconstruction.

Particulars	As at March 31, 2023	As at March 31, 2022
(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	-	-

52.17 Details of non-performing financial assets purchased / sold

(i) Details of non-performing financial assets purchased:

Particulars	As at March 31, 2023	As at March 31, 2022
(i) No. of accounts purchased during the year	-	-
(II) Aggregate outstanding	-	-
(III) Of these, number of accounts restructured during the year	-	-
(IV) Aggregate outstanding	-	-

(ii) Details of non-performing financial assets sold:

Particulars	As at March 31, 2023	As at March 31, 2022
(i) No. of accounts sold	-	-
(II) Aggregate outstanding	-	-
(III) Aggregate consideration received	-	-

52.18 Registration from Other Financial Sector Regulators

Particulars	As at March 31, 2023	As at March 31, 2022
Registration from other financial regulator if any	-	-

52.19 Unsecured Advances

Particulars	As at March 31, 2023	As at March 31, 2022
Amount of unsecured advances given against rights, licenses, authorizations etc.	-	-

52.20 Financing of Parent Company Product

Particulars	As at March 31, 2023	As at March 31, 2022
Details of financing of parent company products if any	-	-

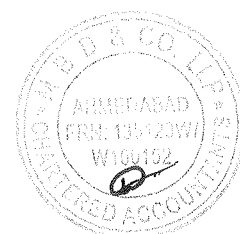
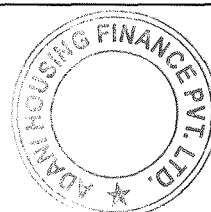
52.21 Concentration of Public Deposits (for Public Deposit taking / holding HFCs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Deposits of twenty largest depositors	-	-
Percentage of Deposits of twenty largest depositors to total deposits of the HFC	-	-

52.22 Concentration of Loans & Advances

Particulars	As at March 31, 2023	As at March 31, 2022
Total Loans & Advances to twenty largest borrowers*	67.21	60.10
Percentage of Loans & Advances to twenty largest borrowers to total advances of the HFC	1.48%	1.78%

* Note: Includes Loans & Advances and interest accrued thereon.



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Notes forming part of the Financial Statements for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

52.23 Concentration of All Exposure (including off - balance sheet exposures)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Exposure to twenty largest borrowers / customers*	67.41	60.90
Percentage of exposure to twenty largest borrowers / customers to total exposure of the HFC on borrowers / customers.	1.40%	1.71%

* Note: Includes Loans & Advances and interest accrued and undrawn exposure thereon.

52.24 Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

Particulars	As at March 31, 2023	As at March 31, 2022
(I) The notional principal of swap agreements	-	-
(II) Losses which would be incurred if counterparties failed to fulfill 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	-	-

52.25 Exchange Traded Interest Rate (IR) Derivative

Particulars	As at March 31, 2023	As at March 31, 2022
(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 (Instrument-wise)	-	-
(III) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-
(IV) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-

52.26 Disclosures on Risk exposure in derivative.

i Qualitative Disclosures Not Applicable

ii Quantitative Disclosures

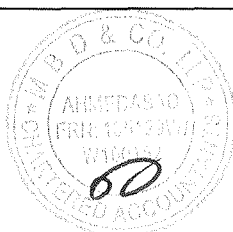
Particulars	As at March 31, 2023	As at March 31, 2022
(I) Derivatives (Notional Principal Amount)	-	-
(II) Marked to Market Positions (1)	-	-
(a) Assets	-	-
(b) Liability	-	-
(III) Credit exposure	-	-
(IV) Unhedged exposure	-	-

52.27 Expenditure in foreign currency

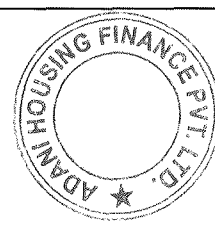
Particulars	As at March 31, 2023	As at March 31, 2022
Traning & Devlopment Expense Paid	-	0.22
Receivable and Payable outstanding in foreign currency	-	-

52.28 Credit Rating

Particulars	March 31, 2023	March 31, 2022
Nature of borrowing	Rating / Outlook	Rating / Outlook
	CRISIL	CRISIL
Short Term Bank Loans	CRISIL A1+	CRISIL A1+
Long Term Bank Loans	CRISIL AA-/Stable	CRISIL AA-/Stable
Non Convertible Debentures	CRISIL AA-/Stable	CRISIL AA-/Stable
Migration of rating during the year	N.A.	N.A.



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Notes forming part of the Financial Statements for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

52.29 Breakup of loans and Advances and provisions thereon

Particulars	Housing Loans	Non-Housing Loans
Current Year (March 31, 2023)		
Standard Asset		
Total outstanding	3268.96	1218.70
Provisions	20.58	12.60
Sub-standard assets		
Total outstanding	31.61	4.25
Provisions	7.53	0.92
Doubtful Assets – Category I		
Total outstanding	15.55	4.90
Provisions	6.67	1.25
Doubtful Assets – Category II		
Total outstanding	5.66	0.80
Provisions	5.66	0.80
Doubtful Assets – Category III		
Total outstanding	1.28	-
Provisions	1.28	-
Loss assets		
Total outstanding	1.19	-
Provisions	1.20	-
Total		
Total outstanding	3,324.26	1,228.65
Provisions	42.93	15.57

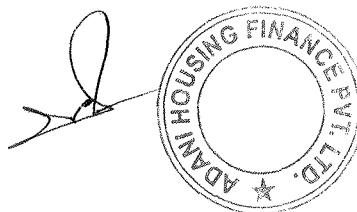
Particulars	Housing Loans	Non-Housing Loans
Previous Year (March 31, 2022)		
Standard Asset		
Total outstanding	2,723.13	623.32
Provisions	23.09	8.02
Sub-standard assets		
Total outstanding	17.33	3.61
Provisions	8.06	1.64
Doubtful Assets – Category I		
Total outstanding	11.03	0.88
Provisions	4.89	0.39
Doubtful Assets – Category II		
Total outstanding	3.99	-
Provisions	1.68	-
Doubtful Assets – Category III		
Total outstanding	-	-
Provisions	-	-
Loss assets		
Total outstanding	-	-
Provisions	-	-
Total		
Total outstanding	2,755.48	627.81
Provisions	37.72	10.05

Note :

A. For above disclosure interest accrued but not due is considered.

B. The category of Doubtful Assets is as under:

Period for which the assets has been considered Doubtful	Category
Upto one year	Category-I
One to three years	Category-II
More than three years	Category-III



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Notes forming part of the Financial Statements for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

52 Other Disclosures:

52.30 Disclosure of Complaints

a. Complaints received by the NBFCs from customers and from the Offices of Ombudsman

Particulars	As at March 31, 2023	As at March 31, 2022
Complaints received by the HFC from its customers		
1. No. of complaints pending at the beginning of the year	-	-
2. No. of complaints received during the year	21	32
3. Number of complaints disposed during the year	21	32
3.1 Of which, number of complaints rejected by the HFC	-	-
4. Number of complaints pending at the end of the year	-	-
Maintainable complaints received by the HFC from Office of Ombudsman		
5. Number of maintainable complaints received by the HFC from Office of Ombudsman	-	-
5.1 Of 5, number of complaints resolved in favour of the HFC by Office of Ombudsman	-	-
5.2 Of 5, number of complaints resolved through conciliation / mediation / advisories issued by Office of Ombudsman	-	-
5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the HFC	-	-
6. Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

b. Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase / decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
As at March 31, 2023					
PMAY Related	-	3	0.00%	-	-
Difficulty in operation of accounts	-	5	-16.67%	-	-
Others	-	13	-43.48%	-	-
Total	-	21	-34.38%	-	-
As at March 31, 2022					
PMAY Related	-	3	-89.29%	-	-
Difficulty in operation of accounts	-	6	-40.00%	-	-
Others	-	23	64.29%	-	-
Total	-	32	-103.13%	-	-

52.31 Off Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

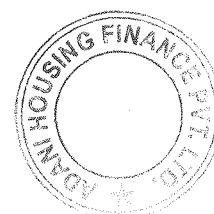
Particulars	As at March 31, 2023	As at March 31, 2022
Domestic	-	-
Overseas	-	-

52.32 Other Statutory Disclosures:

- There are no proceedings initiated or pending against the company under section 24 of the Prohibition of Benami Property Transactions Act, 1988 and rules made there under for holding any benami property.
- The company has not been declared a wilful Defaulter by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.
- There is no charge or satisfaction of charge which is yet to be registered with ROC beyond the statutory period.
- The company does not have any transaction not recorded in the books of accounts that has been surrendered or not disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017
- The company has not entered into any scheme of arrangement in terms of sections 230 to 237 of the Companies Act, 2013.
- The company has not traded or invested in Crypto currency or Virtual Currency during the reporting periods.
- There is no immovable property in the books of the company whose title deed is not held in the name of the company
- No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). Further, No funds have been received by the Company from any parties (Funding Parties) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the funding party or provide any guarantee, security or the like on behalf thereof.
- Based on the information available with the Company there is no transaction with struck off companies.



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Notes forming part of the Financial Statements for the year ended March 31, 2023

(All Amounts in millions unless Otherwise stated)

52.33 Net Profit or Loss for the period, prior period items and changes in accounting policies

- a) There are no material prior period items other than those disclosed in Financial Statements.
- b) There has been no change in accounting policies followed other than those disclosed in the Financial Statements.

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date

For M B D & Co LLP
Chartered Accountants
Firm Registration Number : 135129W/W100152

D. R. Desai

Deval Desai
Partner
Membership No. 132426

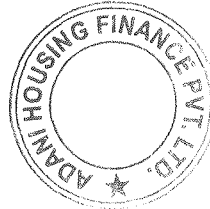
For and on behalf of the Board of Directors of
Adani Housing Finance Private Limited

S R A *Mr Gupta*
Sagar Adani Mr Gaurav Gupta
Director Director
DIN: 07626229 DIN: 01669109

Rakesh Sharma *Manish Singh Payal*
Rakesh Sharma Manish Singh Payal
CEO CS and Compliance Officer
M No: 46424

Place: Ahmedabad
Date : May 02, 2023

Place: Ahmedabad
Date : May 02, 2023



Adani Housing Finance Private Limited

CIN:U65999GJ2017PTC098960

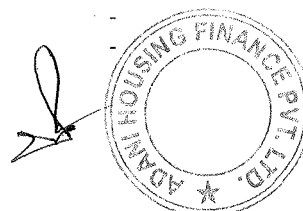
Schedules to the balance sheet of a non deposit taking housing finance company as at March 31, 2023

(All Amounts in millions unless Otherwise stated)

Annexure I

(As required in terms of Paragraph 16 of Master Directions – Non Banking Finance Company – Housing Finance Company (Reserve Bank) Directions, 2021)

Particulars	Amount Outstanding	Amount Overdue
Liabilities side		
(1) Loans and advances availed by the Housing Finance company inclusive of interest accrued thereon but not paid:		
(a) Debentures : Secured	-	-
Unsecured	-	-
(other than falling within the meaning of public deposits)		
(b) Deferred Credits	-	-
(c) Term Loans	3,201.47	-
(d) Inter-corporate loans and borrowings	-	-
(e) Commercial Paper	-	-
(f) Working Capital Demand Loan	95.92	-
* Please see Note 1 below		
Assets side		
(2) Break-up of Loans and Advances including bills receivables [other than those included in (3) below] :		
(a) Secured	4,552.91	170.79
(b) Unsecured	-	-
(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial lease	-	-
(b) Operating lease	-	-
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire	-	-
(b) Repossessed Assets	-	-
(iii) other loans counting towards AFC activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
(4) Break-up of Investments :		
Current Investments		
1. Quoted :		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
2. Unquoted :		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
Long Term investments :		
1. Quoted :		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-



Adani Housing Finance Private Limited

CIN:U65999GJ2017PTC098960

Schedules to the balance sheet of a non deposit taking housing finance company as at March 31, 2023

(All Amounts in millions unless Otherwise stated)

Annexure I

(As required in terms of Paragraph 16 of Master Directions – Non Banking Finance Company – Housing Finance Company (Reserve Bank) Directions, 2021)

2. Unquoted :	
(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others - Pass through certificates	-
(v) Fixed Deposit with Bank	50.10

(5) Borrower group-wise classification of assets financed as in (2) and (3) above

Please see Note 2 below:

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties**			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	4,552.91	-	4,552.91
Total	4,552.91	-	4,552.91

(6) Investor group-wise classification of all investments

(current and long term) in shares and securities

(both quoted and unquoted):

Please see note 3 below:

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties**		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	50.10	50.10
Total	50.10	50.10

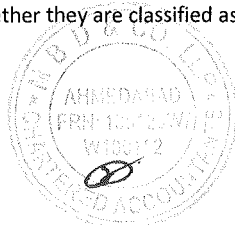
** As per Accounting Standard of the Institute of Chartered Accountants of India (Please see Note 3)

(7) Other information

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	65.25
(ii) Net Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	39.93
(iii) Assets acquired in satisfaction of debt	-

Notes:

- As defined in point (xix) of paragraph 3 of chapter-2 of these Directions.
- Provisioning norms shall be applicable as prescribed in these Directions.
- All Accounting Standards represents to Companies Act,2013 and Companies Rules and Guidance Notes issued by the Institute of Chartered Accountants of India are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/Net Asset Value in respect of unquoted investments have been disclosed irrespective of whether they are classified as long term or current in (5) above.



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