POISED TO GROW

MOTILAL OSWAL HOME LOANS

Annual Report 2020-21

www.motilaloswalhf.com

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POISED TO GROW

The year gone by had thrown open many challenges that the businesses had not witnessed and it highlighted the fact that the agile businesses will prosper and continue the path of success. We at Motilal Oswal Home Finance, in the last year, not only witnessed the new challenges but with the new leadership at the helm, superior processes, focus on enhancing the customer experience and automation across verticles led to a strong plinth for the sustained business growth and profitability.

Corporate Information

Board of Directors

Mr. Motilal Oswal – Chairman & Non-Executive Director
Mr. Arvind Hali – Managing Director & CEO
Mr. Raamdeo Agarawal – Non-Executive Director
Mr. Navin Agarwal – Non-Executive Director
Mr. Sanjaya Kulkarni – Independent Director
Mrs. Divya Momaya – Independent Director

Details of the Committees of the Board

AUDIT COMMITTEE
Mr. Sanjaya Kulkarni - Chairman
Mrs. Divya Momaya - Member
Mr. Motilal Oswal - Member

NOMINATION AND REMUNERATION COMMITTEE
Mr. Sanjaya Kulkarni - Chairman
Mrs. Divya Momaya - Member
Mr. Motilal Oswal - Member

STAKEHOLDERS RELATIONSHIP COMMITTEE
Mr. Motilal Oswal - Chairman
Mr. Raamdeo Agarawal - Member
Mr. Navin Agarwal - Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
Mr. Sanjaya Kulkarni - Chairman
Mr. Motilal Oswal - Member
Mr. Navin Agarwal - Member

RISK MANAGEMENT COMMITTEE
Mr. Motilal Oswal - Chairman
Mr. Raamdeo Agarawal - Member
Mr. Navin Agarwal – Member

IT STRATEGY COMMITTEE
Mr. Sanjaya Kulkarni (Independent Director) – Chairman
Mr. Pankaj Purohit (Chief Technology Officer) - Member
Mr. Sehul Shah (Chief Information Officer) - Member
Mr. Tahir Shah (Head IT) - Member

Chief Financial Officer

Mr. Shalibhadra Shah

Company Secretary

Mr. Ritin Mawani

Banks/FIs

Axis Bank
Bajaj Finance Ltd
Bank of Baroda
Bank of India
Bank of Maharashtra
Canara Bank
Central Bank of India
HDFC Bank
ICICI Bank
ICICI Prudential Mutual Fund
IDBI Bank
Indian Bank
Indian Overseas bank
IndusInd Bank
International Finance Corporation (IFC)
Karnataka Bank
National Housing Bank
Punjab National Bank
RBL Bank
State Bank of India
SBI Life Insurance
SBI Mutual Fund
SBM Bank (India) Limited
South Indian Bank
Union Bank of India

Auditor

Statutory Auditors
M/s. Walker Chandiok & Co. LLP

Internal Auditors
M/s. Aneja Associates

Debenture Trustees

MILESTONE TRUSTEESHIP SERVICES PVT. LTD.
CoWrks Worli, PS 56, 3rd Floor, Birla Centurion, Century Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai – 400 030
Direct: +91 22 62886119,
Mobile: +91 9029969213
Website: www.milestonetrustee.in

BEACON TRUSTEESHIP LIMITED
4 C&D, Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club, Bandra (E), Mumbai - 400 051.
Direct: 022 26558759; Mobile: 8999389079
Website: www.beacontrustee.co.in

Registrar & Transfer Agent (For Equity & Debentures)

Link Intime India Private Limited
C 101, 247 Park, L. B. S. Marg, Vikhroli (West) Mumbai - 400083.

Registered Office

Motial Oswal Tower, Rahimtullah Sayani Road, Opposite Parel St Depot, Prabhadevi, Mumbai- 400 025

Message from Chairman

Dear Shareholders,

The last two years have been challenging for the NBFC industry. After slowly recovering from FY19 liquidity crisis, the industry faced one of the biggest life time events, Covid-19 pandemic, which created major economic disruptions. With the implementation of lockdown, disbursements were halted, collection moderated and asset quality started worsening. However, with the timely intervention of Government and RBI, the damage was restricted to a certain extent. The industry started gradually moving back on growth track. The second half of FY21 witnessed improved performance by industry players in terms of disbursement and collection and the industry was expected to fully recover and registered a healthy growth in FY22.

However, with the rising no. of Covid cases in April'21 due to the second wave, several state governments had to implement lockdown in their states. RBI was quick to respond to this and has recently announced several measures including fresh restructuring under "Resolution Framework 2.0". Moreover, I expect there would be number of other measures to be announced to safeguard and boost HFC/NBFC Industry to come over of this unprecedented crisis.

Structurally, the potential for housing segment growth continues to remain robust with favourable demographical drivers like urbanization, nuclearisation of families, rising disposable income and working age population. Affordable housing space, in which we operate in, continued to emerge out as a winner even in the midst of liquidity crisis. Although, GST, RERA and demonetization had some short-term impacts on the growth, the overall implementation has brought transparency and accountability amongst the consumers. Smoothening of liquidity issues, easing of pandemic and likely positive regulatory measures will bring sweet spots back for the housing finance space.

Moreover, due to "Work from Home" culture implemented by most of the corporates, there is need for bigger homes and also sense of owning house has increased resulting in demand for housing. Most of the states have also offered concession on stamp duty which has made housing more affordable. As result of these developments coupled with discounts offered by builders, there is record high home buying. This gives me a confidence that long term demand for affordable housing will remain intact and grow further. As situations improves and confidence among customers are restored we will be back in action to scale up our disbursements and grow our loan book.

Our efforts during the year were concentrated in strengthening our organisation in terms of processes, systems, manpower, culture and structure to create foundation for strong and sustainable growth. We on-boarded Mr. Arvind Hali as MD & CEO and under his leadership our entire senior management team with all key heads is now in place. During the year we have registered a robust PBT growth of 48% YoY and PAT growth of 73% YoY (excl. one time tax impact). Cost to income ratio lowered by 8% YoY and opex to AUM was flattish. We witnessed a strong growth in both ROA and ROE at 1.7% and 7.6% respectively (excl. one time tax impact).

Disbursements remained muted for the first half of FY21, owing to lockdown, but we gradually picked up and our full year disbursement stood at ₹ 273 cr, which was up 42% YoY. We have expanded our sales force in FY21 and will continue to hire more as business is geared up for growth. Incremental contribution from new states is rising and expected to increase further due to hiring / productivity gains. The loan book stood at ~ ₹ 3,512 crores across 47,665 families as of March 2021. We have now mutually exclusive verticals of sales, credit, collection and legal. Our in-house collection team comprises of 500+ officers. We have strengthened legal unit to pursue legal actions aggressively such as SARFAESI, section 138 and arbitration cases.

We continued to have strong Liability Mobilizations from various Banks & Institutions at competitive rates. In FY21, we received first refinancing from National Housing Bank and successfully completed first securitization transaction. This has helped us in lowering our cost of borrowings by 95 bps YoY to 9.25% in FY21. As a result, spread and NIM has improved during the year and is now at 5.1% and 6.1% respectively. We believe that our cost of funds will further trend lower and improve NIMs in coming years. There is an ample opportunity to assign the pool and diversify liabilities; we would peruse this route in future to improve ROA. Company has strong liquidity of over ₹ 10 bn on balance sheet and sanctioned lines to pursue growth.

As per guidelines issued by RBI, we offered moratorium to 36% of our customers in April'20 which reduced to 19% in August'20. Further, we restructured assets of some of the customers to help them in these difficult times. Our collection efficiency in March'21 month has reached to pre-Covid level at 97%. As of March'2021, our GNPA stood at 2.2% and NNPA at 1.5%. Company created strong PCR of 92% resulting in higher credit cost.

On the digital side, we are committed towards digital initiatives in order to improve our customer experience. In FY21, we launched PMAY portal and have started on-boarding partners through our Digital MO Partner app.

I believe the year gone by has been an experience with avalanche of learnings which has helped us to build a strong foundation for sustainable growth. I sincerely thank all the employees for their utmost commitment towards employer in the thick and thin of the journey. I also thank all the stake-holders who have shown support and rendered well-wishes for the company. I have no doubts that the new financial year will bring its own challenges and opportunities and that this fine team will be up and running to face them.

Motilal Oswal
CHAIRMAN

Board Of Directors / KMP

MR. MOTILAL OSWAL

Chairman and Non-Executive Director

Mr. Motilal Oswal is the Managing Director & Chief Executive Officer of Motilal Oswal Financial Services Limited ("MOFSL"). He is a Chartered Accountant and started the business along with co-promoter, Mr. Raamdeo Agarawal in 1987. Mr. Oswal has served on the Governing Board of the BSE, Indian Merchant's Chamber (IMC) and has also served on various committees of BSE, NSE, SEBI and CDSL. For his work and contribution to the capital markets, Mr. Oswal has been felicitated with several awards.

MR. ARVIND HALI

Managing Director & Chief Executive Officer

Mr. Arvind Hali holds masters degree from the University of Mumbai and comes with more than two decades of experience in the financial domain. He was previously associated with Art Housing Finance, Intec Capital, AU Financiers limited, Capri global, Dhanlaxmi Bank, Reliance Capital, Standard Chartered Bank, and GE countrywide. He has been instrumental in launching Companies, Business Units, Products and Services in his past organizations. His core strengths are Strategic Planning, Product development, Innovation, Digitalization & Technology Deployment and many more.

MR. RAAMDEO AGARAWAL

Non-Executive Director

Mr. Raamdeo Agarawal is the Chairman of Motilal Oswal Financial Services Limited ("MOFSL"). He is the man behind the strong research capabilities at MOFSL. He is an Associate Member of Institute of Chartered Accountants of India and also a member of the National Committee on Capital Markets of the Confederation of Indian Industry. A keen believer and practitioner of the QGLP philosophy, his wealth creation insights and decades-rich experience have played a pivotal role in MOFSL, transforming it from a small stock broking firm to a well-diversified financial services company.

MR. NAVIN AGARWAL

Non-Executive Director

Mr. Navin Agarwal is the Managing Director & Chief Executive Officer of Motilal Oswal Asset Management Company Limited, subsidiary of Motilal Oswal Financial Services Limited. He has been instrumental in building many of the businesses of the group including Home Finance, Institutional Equities, Investment Banking among others. He is affiliated with prestigious organizations like Institute of Chartered Accountants of India, Institute of Cost and Works Accountant of India, Institute of Company Secretaries of India and CFA Institute, Virginia. He has also co-authored a Book 'India's Money Monarchs' featuring interactions with India's leading investment managers.

MR. SANJAYA KULKARNI

Independent Director

Mr. Sanjaya Kulkarni is an engineer from IIT Mumbai and has done MBA from IIM Ahmedabad. He has over 40 years of experience in banking and financial services industry. He is presently an advisor and an investment committee member of the private equity funds and the real estate funds of Motilal Oswal group.

MRS. DIVYA MOMAYA

Independent Director

Mrs. Divya Momaya is a qualified member of the Institute of Company Secretaries of India (ICSI) and Qualified Independent Director from IICA and a member of Institute of Directors (IOD).

Mrs. Momaya is a founder mentor of D. S. Momaya & Co. and possess more than 16 years of industry experience. She have been into Whole-time Company Secretarial Practice for more than 12 years and is also a Board Mentor. Her Corporate Journey includes experience with Companies like BSEL Infrastructure Realty Limited and Bombay Stock Exchange Limited.

MR. SHALIBHADRA SHAH

Chief Financial Officer

Mr. Shalibhadra Shah is a qualified Chartered Accountant from Institute of Chartered Accountants of India and graduated from R.A. Podar College of Commerce & Economics. Mr. Shah has more than 17 years of experience spanning the entire gamut of Finance, Accounts, Taxation & Compliance. Prior to joining Motilal Oswal group, he was leading the Taxation Role at an eminent CA Firm.

Key Highlights

- Disbursements in FY21 grew by 42% YoY to ₹ 273 crores. Business is geared up for growth in disbursements. Sales force expansion is currently underway.
- Mr. Arvind Hali was on-boarded as MD & CEO. Senior management team with all key function heads is now in place.
- We have Independent Sales, Credit, Collection & Operations : 1316 employees (Sales : 471, Collections : 502, Credit : 99 & Ops/corporate/others: 244)
- In FY21 total credit cost increased by 16 bps to 2.0% due to acceleration in Covid provisioning of standard assets and NPA.
- Cost of borrowing for us has come down by 95bps YoY in FY21 at 9.25%. We raised ₹ 1,477 crores in FY21 at 7.5%.
- We have strong Liability Mobilizations from various Banks & Institutions at competitive rates.
- We received first refinancing from NHB in FY21.
- We completed first securitization transaction under PTC route in FY21.
- There was strong support from parent (Motilal Oswal Financial Services), total cumulative capital infusion from sponsor at ₹ 8.5 bn resulting into lower net leverage (Debt/Equity ratio) of 2.8x.
- In-house LMS (Loan Management System) developed and launched with integrated customer accounting
- We launched PMAY portal and started LOD project.
- Digital MO partner App on-boarding is launched

Business Performance

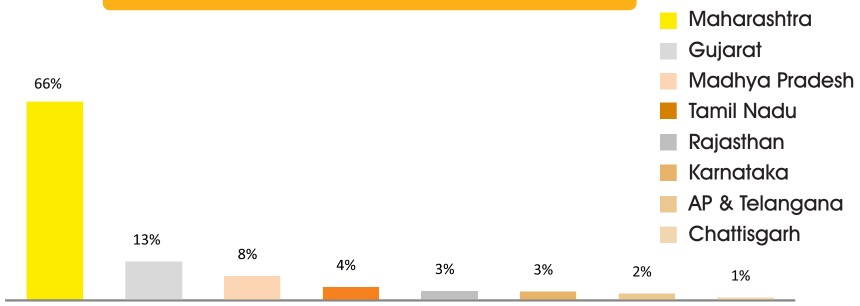
- MOHFL has disbursed ₹ 273 crores during FY21
- Average loan size of ₹ 8.6 lakhs
- The average tenure of the loan given is 15 years with loan limit of ₹ 25 lakhs
- Geographical reach across 9 states with 104 branches
- Collection team of 500+ members along with robust legal team
- Catering to 47,660+ families
- Average LTV of 59% as on 31st March, 2021
- Total staff count of 1,316 employees.

Financial Performance

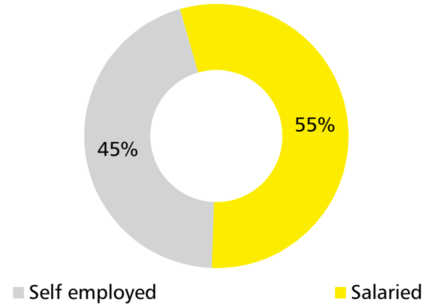
- Loan book stands at ₹ 3,512 crores as on 31st March, 2021
- Net Worth of ₹ 910 crores as on 31st March, 2021
- Profit stood at ₹ 40 crores during FY21
- NIM – 6.1%, Spread – 5.1%
- GNPA – 2.2% and NNPA – 1.5%
- Provision coverage – 92%
- Net Debt to Equity – 2.8x
- Cost to Income – 33%
- Capital adequacy – 50%

Loan Book & Borrowing Analysis

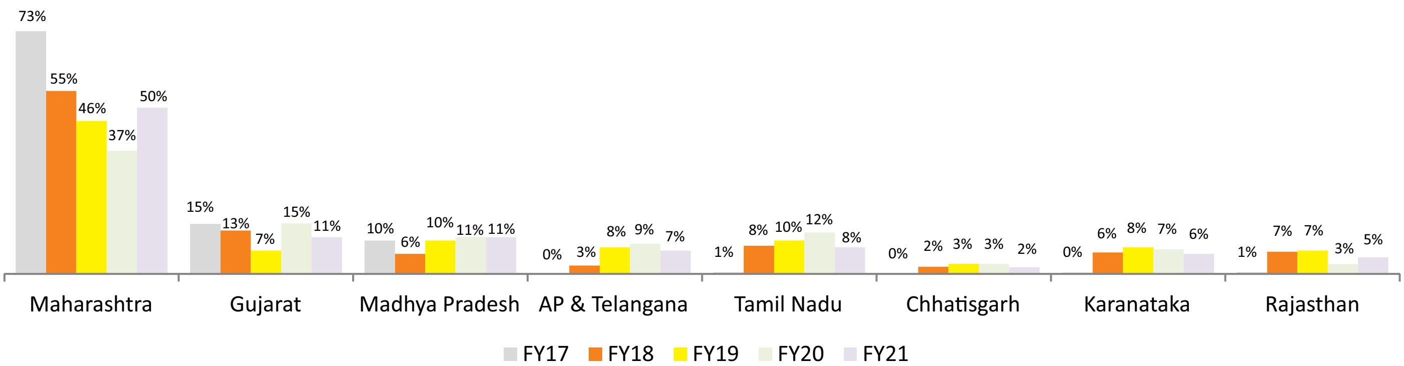
State wise loan book mix



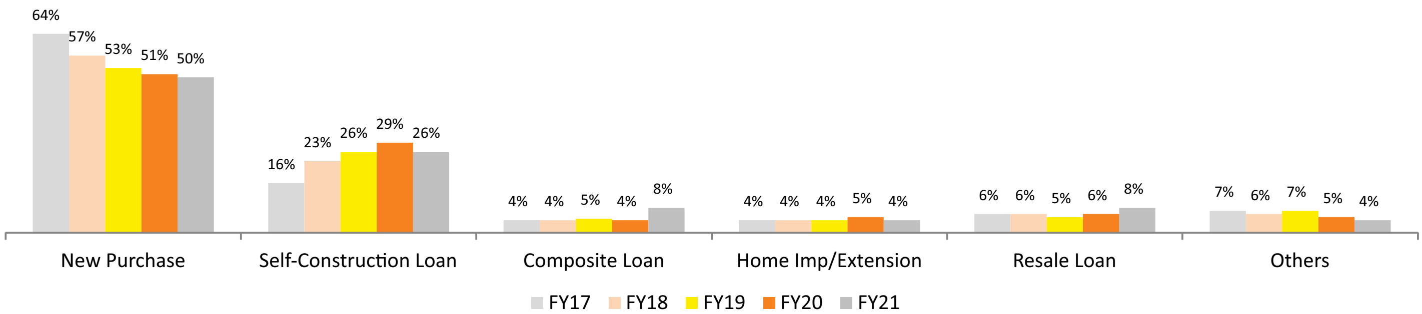
Balanced customer mix (%)



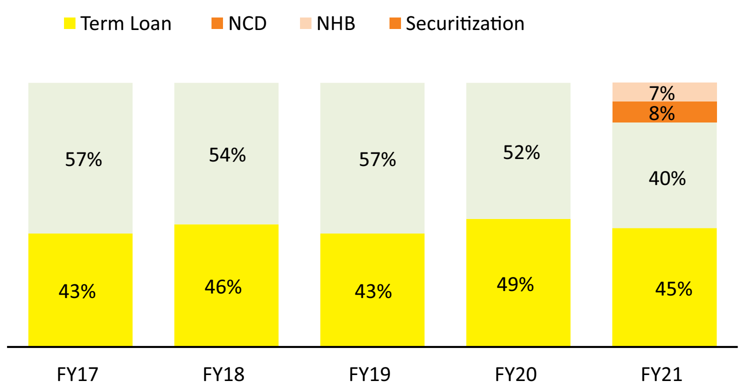
State wise Disbursement Mix



Loan book - Product mix



Borrowing Mix



ESG Initiatives

Environmental

- We ensure that we fund to projects which is on non agriculture land & non forest land and having all **environmental clearance**.
- We ensure while funding proper sanitation/hygiene /safety standards are maintained and no environmental harm is done while constructing a house
- Company follows norms issued by **National Disaster Management Authority** which help us in avoiding funding environmentally sensitive areas.
- Focus on enabling home ownership in tier 2 & tier 3 cities thereby helping in reducing the strain and load on resource in tier 1 cities.
- Planted & maintaining trees in & around the office premises. Around **1000+ trees** planted by employees through various volunteer programs
- Use of LED lights which consumes **45% less** electricity; office space is provided with motion sensors to save electricity
- Use of sensors in water taps to reduce wastage in hand washing.
- **No single-use plastics:** use of glass bottles & mugs
- Company's building is covered with aluminum fins which refracts around 70% of sun rays and hence minimum power is utilized for cooling
- Use of online/digital platforms for process of application, regulatory filings, etc., thereby saving paper on a large scale.
- Digitalized operational process
- Adaption of E-Receipts and usage of app for customer request reduces paper flow and customer transportation to our branches.

Fight Against Covid

- Motilal Oswal foundation has donated ₹ 5 crs to PM CARES fund
- Motilal Oswal foundation has contributed additional ₹ 5 crs for COVID relief
- 310 oxygen concentrators in Maharashtra, Rajasthan and Gujarat through BJS50 BIPAP ventilators to various hospitals
- Provided PPCRone ambulance to Nandurbar collector
- 200 GAS CYLINDERS provided to hospitals in Rajasthan
- Working with Seva Bharti and Sonu Sood foundation.

Social

- Company follows **International Finance Corporation (IFC)** Performance Standards
- Implemented **Work From Home (WFH)** Policy to avoid spread of infection and also deployed strict measures towards 'Mask' discipline to inculcate Covid appropriate Behavior and periodic communication is sent to all employees.
- Campaign initiated for **PAN India employees vaccination.**
- **Medical – Moral – Financial support to Employees & their families combating Covid**
- **Joy of Giving:** As part of Joy of Giving Week, employees and well-wishers participated in the **Meal Sponsorship program.**
- Inaugurated **Motilal Oswal- KISS Residential School** which will provide free education to 2000 tribal children.
- Hiring from premier campus: **MTs from IIM A/B/C campus** Dedicated Talent Development Program for developing High Potentials, fast-tracking for Hi-Pos
- Company has formed committee **W-I-N-G-S (Women Initiative to Nurture, Grow & Succeed)** to ensure substantial women representation in mid-senior level of the organization
- Offers **home loan at concessional rate to women borrowers** working in private companies and self-employed women running their own businesses
- Dedicated Customer Service department to resolve requests, queries and complaints from customers

Governance

- Company has diversified Board with an appropriate combination of Executive, Non-Executive and Independent Directors who bring in a wide range of skills and experience to the Board.
- Board consist of more than 30% of Independent Directors including independent woman director
- Board follows regulatory norms of "Fit & Proper Criteria" in selection process of directors & also evaluation of annual performance of Board is carried out.
- Board has adopted Remuneration policy & details of all managerial remuneration is provided in Board's Report.
- Company has IT Strategy Committee chaired by an Independent Director for ensuring overall compliance of Information Technology Systems.
- Company has Risk Management framework and risk awareness is created through Training, workshop, E-mailers, seminars, conferences, etc.
- Policy on Prevention of Sexual Harassment at workplace & also creating awareness of the same through e-mailers
- Policy for prohibition of Insider Trading & having system driven controls for employees
- Corporate Governance Policy is in place which helps in ensuring highest level of corporate governance practice.
- Participated responsibly in GOI's initiative towards Covid Relief Package to customers vide approved policies i.e. Moratorium, Credit Score Non-Deterioration, Ex-gratia refund and Covid Restructuring to all eligible customer

Our Journey

2021

- Strong PAT growth of 73% YoY (excl. one time tax impact)
- New MD & CEO on boarded
- Received first refinance from NHB
- Completed first securitization transaction through PTC route
- Launched Digital MO Partner app for on-boarding partners
- Launched PMAY Portal
- Continued sales force expansion
- Collection team of 500+ members along with robust legal team

2020

- CRISIL has upgraded MOHFL's rating to AA- (stable outlook) from earlier A+ (stable) based on several positive changes undertaken.
- Sold NPA pool to ARC resulted into significant reduction into NPAs
- MOHFL has shifted to in-house developed software called "Loan Origination System" (LOS) and "Loan Management System" (LMS).
- We are able to execute "Business Continuity Plan" in tough times like
- lockdown with limited impact on business. Robustness of our IT system has been tested during this time and all stakeholders are benefitted from this.
- Management team with senior leaders having rich experience and expertise is in place.
- Profitability is back in FY20 after taking one time provisioning hit in FY19 Liability mobilization at competitive rates

MOTILAL
HOME FI

2019

- Name changed from Aspire Home Finance to 'Motilal Oswal Home Finance' with effect from 28th May, 2019
- Majority of stress recognition and higher provisioning done.
- Awarded the Customer Excellence Award at the India CX SUMMIT & AWARDS, 2019.
- Awarded "Digital Excellence in Urban Finance" at the Digital Customer Excellence Awards,2019
- Loan book of ₹ 4,357 crore with 52,000+ live accounts.
- Capital Infusion of ₹ 200 crore in FY19, taking the total cumulative Capital Infusion to ₹ 850 crore.

OSWAL
NANCE

2014

- Commencement of Business operations from 22nd May post receiving Certificate of
- Registration from the National Housing Bank
- First disbursement booked in June 2014 at Akola branch
- Loan book crosses ₹ 50 crs
- Rated “A/Stable” by CRISIL for ₹ 100 crs of NCDs. Issued ₹ 50 crs of NCDs
- Rated A1+ by ICRA for ₹ 50 crs of CPs. ₹ 50 crs of Cps issued
- First term loan drawdown

2015

- Presence across 14 locations
- Total staff: 160 employees
- Loan book at ₹ 357 crs with 3565 live accounts
- Year end PAT at ₹ 2.18 crs CRISIL upgrades rating for long term borrowings from "A/Stable" to "A+/Stable“

2016

- Awarded “Finnoviti 2016” for MALA program
- Rating Upgrade by ICRA to AA- Loan Book at ₹2,088 crs with 20,935 live accounts
- Present at 51 locations with Staff Count of ~500
- PAT for year at ₹ 39.99 crs
- Received Fast 50 Brands 2016 award by WCRC
- Presence extended to 62 Locations with staff count of more than 600 Loan book of ₹ 2,492 crs and 25,134 live accounts
- First quarter profit at ₹ 13.40 crs

2017

- Awarded second prize for Best Performing Primary Lending Institution under CLSS for EWS/LIG by Ministry of Housing and Urban Poverty Alleviation.
- Awarded “The Innovative Marketing Practices Award” & the Innovative Product and Services Award” at 7th National Conference and Game Changers Awards, 2017.
- Expanded to 6 new states with a presence 121 locations with staff count of 1049.
- Provided subsidy to 1348 customers cumulatively under CLSS scheme of PMAY
- Loan book of ₹ 4,165 crs with 46,142 live accounts

2018

- Collection and legal team in place
- ₹ 4,863 crs loan book

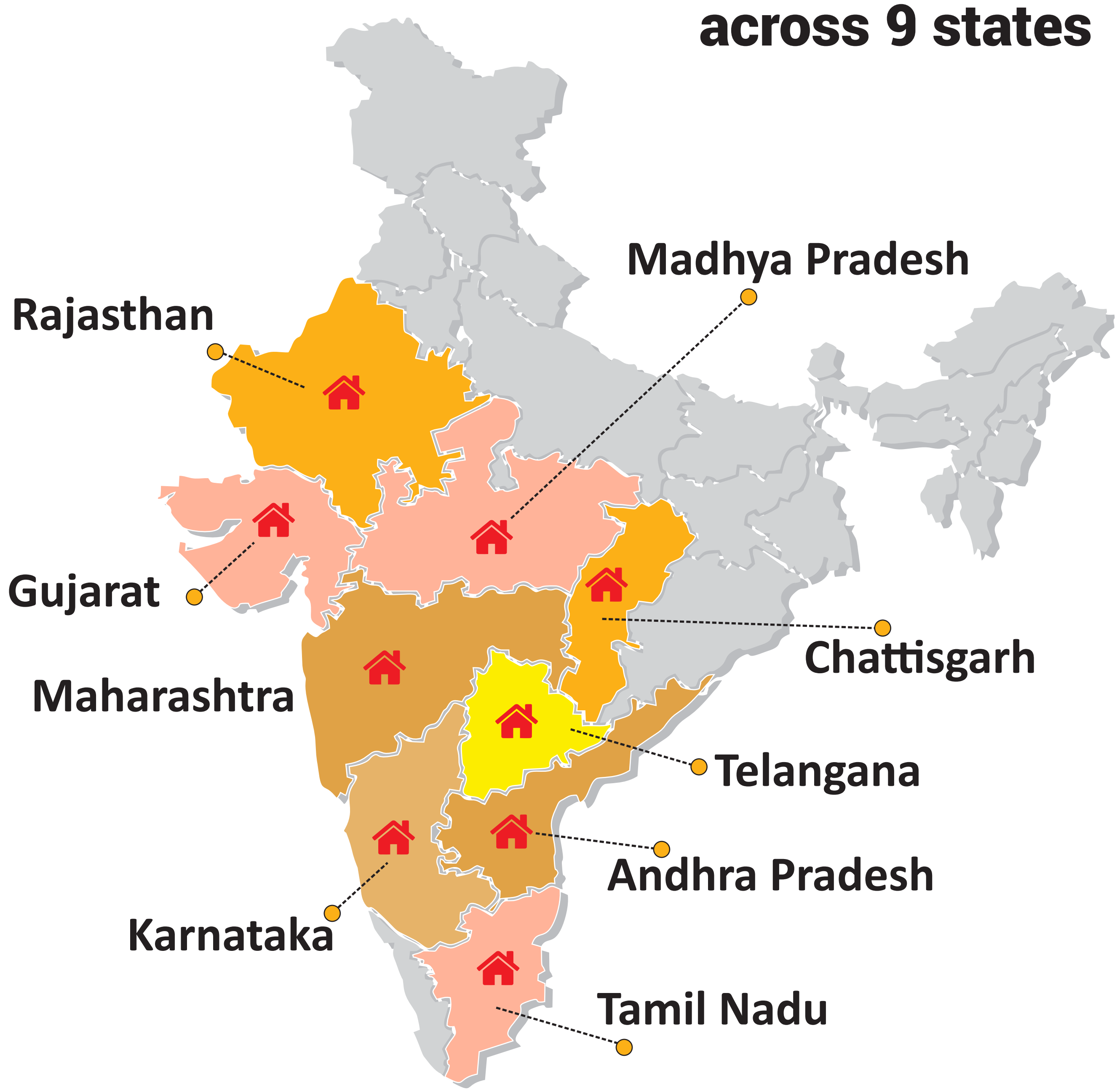
  Capital infusion by MOFSL of ₹ 150 crores

Key Strategic Initiatives

- Focus on scaling up loan book and disbursements
- Ramping up of Sales team underway, robust in-house collection, credit, legal & technical team already in place, in line with the maker-checker philosophy
- Extending our footprints to a few new geographies and densification in existing markets to leverage our well spread and diversified geographical reach
- Focus on Self Employed Assessed Income borrowers along with Salaried
- Focus on Self-construction (lower delinquency) loans as compared to new purchase
- Focus on first time home buyers and self-occupied residential properties
- Focus on completed properties (minimum construction stage to be at 85%)
- Extending our product bouquet by offering high yielding non housing loan products to low risk customers
- Extending our penetration and reach by on-boarding MO Partners (connectors) to more than double the current count
- Diversifying liability mix and strengthening ALM
- Focus on bringing down cost of funds and maintaining spread
- Further strengthen independent credit structure, along with independent business legal, technical (valuation) & ops teams
- Focus on improving TAT and enhancing customer delight through digital intervention and implementation of credit (decision) score cards and integrated rule engine
- Relevant and focused digitization and automation is the way-forward – technology first HFC

Our Presence

104 Locations across 9 states



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Management Discussion & Analysis

Management Discussion & Analysis

FY21 Overview

India stepped into FY21 with Covid-19 induced lockdown in place. The whole nation was in lockdown till May 31, 2020 and the unlocking process gradually started from June 1, 2020. Government of India and RBI has announced a slew of economic measures to help the country sustain the economic slowdown. Since March 2020, RBI reduced the repo and reverse repo rates by 115 and 155 bps to 4% and 3.35% respectively, and announced liquidity measures across three segments comprising Long Term Repo Operations, a cash reserve ratio cut of 100 bps, and an increase in marginal standing facility to 3% of the Statutory Liquidity Ratio and open market operations (including simultaneous purchases and sales of government securities), resulting in cumulative liquidity injections of 5.9% of GDP through September 2020. Further, RBI announced TLTRO-2.0, special refinance facilities for rural banks, housing finance companies, and SMEs, moratorium of three months of EMIs on all outstanding loans which was later on extended by another two months till August end etc. The main objectives of these measures were to facilitate and incentivize credit flows, ease the financial stress and enable the formal functioning of the market. Government of India, on the other hand, first announced an economic stimulus package worth ₹ 1.7 trillion to help millions of low income cope with lockdown and a second package of ₹ 20 trillion later on to revive the country's economy.

The economic impact of COVID-19 has been substantial and broad-based. GDP contracted sharply in Q1FY2021 to 24.4% due to the unprecedented lockdown to control the spread of COVID-19. The contraction moderated to -7.3% YoY in Q2FY2021, and growth returned to positive territory in Q3FY2021, at 0.4%, However the GDP is likely to contract in FY21 on a full year basis.

International Monetary Fund initially projected an impressive 11.5% growth rate for India in FY22 and raised its forecast further by 100 bps in April 2021 to 12.5%, the highest among emerging and advanced economies. India is expected to be the only country to register a double-digit growth this year amidst the coronavirus pandemic. However, with the second Covid wave and resurgence of cases in India, several state governments had announced lockdowns. This poses risk to economic recovery and thus leading brokerages have downgraded India's GDP growth projections for the current fiscal year to as low as 10%. After an estimated contraction of 3.3% in 2020, the global economy is projected to grow at 6% in 2021.

Housing Finance Industry Overview

As per ICRA's report, the total outstanding housing credit as on December 2020 stood at ₹ 22.1 lakh crores. Out of the total outstanding credit, Housing Finance Companies (HFCs) and Non-Banking Financial Corporations (NBFCs) contributed around ₹ 7.2 lakh crores. Due to Covid-19 induced lockdown, the industry witnessed moderation in growth rate in Q1FY2021. However, with the gradual unlocking of economy, disbursements started picking up from Q2FY2021, and the housing credit portfolio registered a growth of ~6% till December 2020. Banks continued to grow at a faster pace than HFCs, which was partly due to portfolio buyouts. The share of HFCs and NBFCs in the credit portfolio remained at 33%. Within HFCs, the affordable segment witnessed portfolio growth of ~8% till December 2020, supported by robust demand and liquidity support from NHB. The affordable housing segment is expected to grow at a faster pace than the overall industry.

After witnessing robust volumes in FY2019 and FY2020, securitization declined substantially in 9MFY2021. The nationwide lockdown to arrest rising Covid-19 cases severely impacted the income generation capability of large number of borrowers. This, coupled with moratorium policy announced by RBI increased investor's suspicion given the possibility of irregular cash flows and hence proved detrimental for securitization market.

The Covid-19 induced slowdown impacted the performance of HFCs. However, demand picked up during the last two quarters of FY2021. Most of the HFCs had already reached near pre-Covid level collection efficiencies too. According, to ICRA estimates, HFCs are likely to witness a growth rate of 6-8% in FY2021 and 8-10% in FY2022. However, with the ongoing second wave of Covid and subsequent lockdown in some of the states, the growth of the industry depends on how this pandemic pans out.

Encouraging demand to pull more suppliers: The government's focus on **'Housing for All by 2022'** has been undeterred in the last five years. The housing finance industry has been able to report a growth of 13% CAGR over FY2018-2020. This has made the housing finance space a center for traction with many new players entering the market. The affordable housing space has seen a special traction mainly on account of robust demand, absence of big players and large untapped market. Pradhan Mantri Awas Yojana Urban (PMAY) which was launched in 2015 targeted the creation of 50 million houses by 2022. Under the same, 'Credit Linked Subsidy Scheme' (CLSS) for economically weaker sections and lower income groups, opened the doors for customers who remained away from owning a house. Resultantly, there have been large numbers of new entrants in the market. Of late, Banks too have increased their focus in the retail housing finance space which has increased the competition in ₹ 25-75 lakhs home loan segment of the market. Compared to this, HFCs operating in affordable housing space (sub ₹ 25 lakh loan category) have been growing well and are expected to outpace the industry.

Governments' impetus on housing space to further open up the market: The government continued to focus on adding to more benefits for boosting housing and affordable housing space. The Union government in its budget extended the benefit of availing additional deduction of up to ₹ 1.5 lakh for interest paid on loans for affordable houses by an additional one year till 31 March 2021. The Central government has further tried to incentivize the affordable housing sector by providing a one-year tax holiday extension to real estate developers in the Union Budget 2020. Earlier, the government had announced that a tax holiday will be provided to real estate developers of affordable housing projects till 31 March 2020. This step will certainly boost the supply of affordable houses.

The government implemented cut in GST rates in FY19 after the one which took place in FY18. The GST rate for premium houses was slashed to 5% from 12% whereas for affordable houses, the rates have dropped down to 1% from 8%. Although, there are no benefits of input credit tax for developers under these rates, the overall cuts on the consumer side stands positive.

Tax Incentives - The Government has traditionally used tax concessions to promote the housing and housing finance sectors. Tax benefits available for home loan consumers include: (i) annual interest payments of up to ₹ 200,000 (₹ 300,000 for senior citizens) on housing loans can be claimed as a deduction from taxable income; (ii) principal repayments of up to ₹ 150,000 on a housing loan are allowed as a deduction from gross total income; and (iii) an additional deduction in respect of interest of ₹ 150,000 per annum has been provided exclusively for first-time home buyers, given the property value is up to ₹ 4.5 million.

Regulator Initiatives Regulatory Authority on HFCs Shifted from NHB to the RBI. The Union Budget 2019-2020 announced the transfer of regulatory power on HFCs from NHB to the RBI. This is expected to result in more streamlined regulations and implementation as well as better risk management framework for HFCs.

RBI issued a master circular on February 17, 2021 providing a consolidated regulatory framework applicable to HFCs. This circular supersedes the previously issued directions by NHB and RBI. Some of the key regulations include:

- **Maintenance of Liquidity buffer in terms of LCR:** RBI has provided timelines for maintenance of liquidity buffer starting from December 1, 2021 till December 1, 2025. All non-deposit taking HFCs with asset size of ₹ 100 bn and above and all deposit taking HFCs (irrespective of their asset size) should maintain a minimum Liquidity Coverage Ratio (LCR) of 50% by December 1, 2021, which would then gradually increase to 100% by December 1, 2025. All non-deposit taking HFCs with asset size between ₹ 50-100 bn should maintain a minimum LCR of 30% by December 1, 2021, which would then gradually increase to 100% by December 1, 2025.
- **Fresh Registration and Net Owned Requirement:** Companies intending to function as HFCs should register with RBI under Section 29A of NHB Act, 1987 and the minimum Net Owned Funds (NOF) should be ₹ 20 crores. For existing HFCs, whose NOF is less than ₹ 20 crores, they have to achieve the target of ₹ 15 crores by March 31, 2022 and ₹ 20 crores by March 31, 2023.
- **CRAR Requirement:** Every housing finance company shall maintain a minimum capital ratio on an ongoing basis consisting of Tier-I and Tier-II capital which shall not be less than 13% as on March 31, 2020; 14% on or before March 31, 2021; and 15% on or before March 31, 2022 and thereafter of its aggregate risk weighted assets and of risk adjusted value of off-balance sheet items. The Tier-I capital, at any point of time, shall not be less than 10%.
- **Risk Weight on Home Loans:** As per latest circular, the risk weight for housing loans with a loan-to-value **("LTV")** ratio lower than or equal to 80% is 35% for home loans up to ₹ 3.0 million, while it is 50% for more than 80% LTV. For home loans greater than ₹ 7.5 million and with LTV less than or equal to 75%, the risk weight is 75% for loans sanctioned before August 01, 2017 and 50% for loans sanctioned on or after August 01, 2017.

Share of Top 15 States in Affordable Housing Loan Outstanding

HFCs in top 15 states contribute to 93% of affordable credit outstanding of HFCs as of March 2020. Maharashtra tops with the overall share of 20% followed by Tamil Nadu (13%), Gujarat (9%), Uttar Pradesh (9%) and Rajasthan (7%). Cumulatively, the top four states account for half of the housing loans outstanding. In terms of disbursement of home loans extended by HFCs in the affordable-housing finance industry, Rajasthan has the highest market share (48%), followed by Tamil Nadu (45%), Gujarat (42%) and Madhya Pradesh (41%) in FY2020.

Progress under PMAY since 2014 (Major states)

States	Project Proposal Considered	Investment in Projects (₹ crores)	Central Assistance Sanctioned (₹ crores)	Central Assistance Released (₹ crores)	Houses Sanctioned	Houses Grounded for Construction	Houses Completed
Andhra Pradesh	1,023	90,032	30,802	9,993	2,031,612	1,243,426	423,714
Bihar	505	19,779	5,655	2,417	362,611	214,134	92,408
Chhattisgarh	1,639	11,666	4,071	2,475	264,239	210,807	137,838
Goa	10	772	89	89	3,902	3,844	3,844
Gujarat	1,473	72,613	14,394	10,423	776,240	703,667	539,835
Haryana	538	28,419	4,568	1,103	281,578	73,987	41,115
Himachal Pradesh	209	746	219	121	12,415	10,660	5,459
Jharkhand	405	13,722	3,284	2,249	214,521	164,996	101,789
Karnataka	2,601	47,833	11,020	4,768	679,748	447,148	237,369
Kerala	510	6,582	2,066	1,423	126,674	119,445	96,943
Madhya Pradesh	1,536	46,303	13,505	9,213	844,786	753,919	434,051
Maharashtra	1,167	143,825	21,107	9,688	1,286,368	709,224	441,082
Odisha	718	6,909	2,744	1,532	174,660	127,717	93,795
Punjab	885	6,226	1,734	985	105,359	75,686	40,626
Rajasthan	401	16,286	3,869	2,095	219,711	148,760	122,173
Tamil Nadu	3,689	44,450	11,163	6,754	705,903	588,028	414,641
Telangana	286	25,476	3,726	2,581	217,171	228,664	187,555
Uttar Pradesh	4,393	81,418	27,544	15,227	1,775,638	1,261,861	789,412
Uttarakhand	226	3,380	810	531	43,113	26,021	19,282
West Bengal	532	28,131	8,275	5,088	524,232	391,434	269,057
Total	**22,746**	**694,570**	**170,646**	**88,755**	**10,650,481**	**7,503,428**	**4,491,988**

Source: MHUPA as on 05th April, 2021

CLSS, GST, RERA, Benami Act provided standardization and accountability

GST and RERA has been so far successful in bringing standardization with respect to the taxes in relation to real estate transactions and increase the accountability for developers respectively. Under RERA, builders need to register themselves and projects which have more than 8 apartments. Consumers are also charged by carpet area. Moreover, buyers now have access to publications about project details, development plan, financial details etc. through the RERA website. The amendment to RERA further prevented builders from pre-selling or selling units without first getting clearance from all channels, such as financing.

On the demand side, the Government proposed a **credit-linked subsidy** capital, which could be as high as 44% (₹ 2,67,000) for a loan of up to ₹ 6,00,000. On December 31, 2016, two new middle income categories were introduced under the scheme, loans of up to ₹ 9,00,000 and ₹ 12,00,000 with subvention of 4% and 3%, respectively. The income eligibility criteria for the two categories are overall household incomes of ₹ 12,00,000 and ₹ 18,00,000,respectively. The last date to avail the CLSS scheme was March 31, 2020 for the two middle income categories but government extended it till March 31, 2021.

Developers can have easier access to institutional credits through the infrastructure status. The infrastructure status has enabled to reduce the borrowing costs, thereby enabling the government's goals of affordable housing by 2022.

Another positive introduction was the amendment to the **Benami Act**, which prevents the hoarders of black money from registering their properties and assets under other people's names, such as poorer family members/ servants etc. The benami owners of the property and other assets would have to provide source of income for the said acquisition and if the person was unable to name the source of income (even if gifted), then the property/asset would be sealed. An added prevention method of linking Aadhaar card further demotivates benami properties from being registered. These steps will decrease cash component into the real estate sector.

Housing Credit Growth: Owing to lockdown, the overall on-book housing loan portfolio growth of HFCs and NBFCs was 4% till period ended December 2020. The total housing credit outstanding stood at ₹ 22.1 lakh crore as on December 31, 2020. A shift in the market share was seen in the last two years between the key lender segments with the share of banks increasing to 67% as on December 31, 2020 and the trend is expected to continue. Disbursements picked up in last two quarters of FY2021 after muted growth in first half of FY2021.

Asset Quality: GNPA for HFCs increased by 80 bps YoY to 2.4% as on March 2020 due to deterioration of asset quality in the construction finance and LAP segments. The situation worsened further with the Covid-19 induced lockdown, though the same is not reflected on account of the asset classification dispensation as per the order by Supreme Court (SC) for not classifying accounts as NPAs till further order is announced. GNPA as on December 2020 was 2.1%, whereas proforma GNPA was around 2.7% for all HFCs. With SC lifting blanket ban on NPA classification, the NPAs are expected to be higher by 50-100 basis points on YoY basis in FY2021 and the same to remain elevated in FY2022.

Borrowing Profile: The borrowing profile of HFCs remained tilted towards NCDs, which comprised around 38% of total debt. Over last two years, HFCs have reduced funding from CP and its share has declined to around 2% in 9MFY2021 from 4% in FY2020. The proportion of fixed deposits has increased to 21% in 9MFY2021 from 16% in FY2020. Share of securitization has remained flat at 10%.

Outlook: FY2021 was a challenging year for housing finance industry. Disbursements were muted, collections were low and asset quality worsened in the first few months of FY2021. Government and RBI's timely intervention along with unlocking of economy helped the industry to gradually get back on its track, which was demonstrated by higher disbursements by HFCs in second half of FY2021. As per ICRA estimate loan book growth for HFC would be 8-10% for FY2022. However, with rising Covid cases due to second wave and lockdown imposed in some states, the growth rate will depend on how this pandemic pans out.

Motilal Oswal Home Finance Limited

Motilal Oswal Home Finance Ltd. (MOHFL) major focus has been to provide home loans to individuals and families for purchase, construction and extension of house. MOHFL also provides loans for repair and renovation of houses and home loans to families in the new to credit, self-employed, cash salaried category where formal income proofs, Credit Bureaus reports are not easily available, and the repayment capacity of such families are appraised based on their cash flows and Internal Score Cards.

MOHFL had signed a MOU with National Housing Bank (NHB) which is the Central Nodal Agency under the Pradhan Mantri Awas Yojana (PMAY) for the Credit Linked Subsidy Scheme (CLSS). MOHFL has assisted various economically weaker sections of the society to claim subsidy under this scheme.

With a view to enable uniform processing of credit risk assessment, MOHFL has adopted a risk based pricing methodology. The pricing of each loan is linked to the credit score and credit assessment report. This methodology enables MOHFL to price risk correctly by offering finer interest rates to deserving families, where credit risk is low and charge a higher rate of interest where credit risk is high. The credit score parameters, risk weightage, customer segmentation, collateral technical policy and rate of interest bands are reviewed timely, modified in lines with the changing risk profile of the customers and aligned with the prevailing market rates respectively.

MOHF 1.0: Initial scale up and consolidation:

MOHF's AUM and disbursements grew at a CAGR of 138% and 59% respectively between FY15 and FY18, largely driven by branch expansion from zero branches in FY15 to 120 branches in FY18.

During this period, the Company was able to precisely define its customer segment, create brand awareness through a wide network and demonstrate a viable business model.

The Company was on track to deliver strong profitability and growth post FY18, however, Demonetization was announced which impacted the earnings of the Company's customer base leading to a spike in delinquencies – the company had to absorb higher credit costs and focus on resolving asset quality concerns before restoring its focus on growth.

During FY19, the management decided to slow down growth to focus on strengthening the credit policies, creating a strong collection, legal and technical verticals, and curating a strong second line of management – all fundamental building blocks required to operate a lending business at scale. In FY19 & FY20, disbursements were lower and hence AUM de-grew, the profitability and hence the ROAs could not keep pace because of underutilization of infrastructure and high delinquencies.

MOHF 2.0: Profitable Growth through Productivity improvements and Risk Mitigation

Coming to FY21, even in a Covid year, the Company has recorded its strong growth in disbursements, profitability in absolute as well as relative terms. Disbursements grew by 42% YoY to ₹ 273 crores and Profit (PBT) grew by 48% YoY to ₹ 90 crores. While the AUM was marginally lower than FY20, due to first half being muted for disbursements, profitability (PAT excl. one time tax impact) however increased by 73% YoY to ₹ 68 crores and ROA improved by 80 bps to 1.7% largely driven by start of a better utilization of existing infrastructure, control over delinquencies and lowest ever cost of funds. In FY21, cost of funds was down by 95 bps YoY to 9.25%, resulting in improvement in spread and NIM at 5.1% and 6.1% respectively as compared to 4.1% and 5.4% in FY20. MOHF looks forward to a linear growth in AUM and improved profitability/ROA/ROEs.

Business Presence

MOHFL is operating in Nine states – Maharashtra, Gujarat, Madhya Pradesh, Karnataka, Rajasthan, Chhattisgarh, Tamil Nadu, Telangana and Andhra Pradesh. MOHFL now have 104 Branches across these nine states.

Disbursements

Due to Covid induced lockdown, MOHFL's disbursements remained muted for first few months in FY21. However, disbursements gradually picked up and highest monthly disbursement in last 24 months was witnessed in March 2021. During FY21, MOHFL disbursed loans amounting to ₹ 273 crores, a jump of 42% YoY. The disbursements are made with collateral first policy and after passing through several stringent checks and balances. We have expanded the sales force in FY21 and will continue hiring in FY22 to ramp up disbursements. Incremental contribution from new states is rising and expected to increase further due to hiring / productivity gains. The foundations necessary for strong growth like independent collection and legal organization are now well in place. These efforts are expected to fructify supporting sustainable growth, going forward. Cumulative disbursements as at March 31, 2021 stood at ₹ 6,810 crores.

Loans

MOHFL's total outstanding loans in FY21 stood at ₹ 3,512 crores. The loan book reduction was on account of cautiously lower disbursements during the year amid uncertain macro-economic environment. Further, repayments led by voluntary foreclosure and accrual of CLSS subsidy have also caused reduction in loan book. Loans to total assets stood at 90% as at March 31, 2021 with average LTV of the book is ~59%. Yield for FY21 stood at 14.3%. Average ticket size is ₹ 8.6 lacs, with loans extended to more than 47,660 families, as MOHFL is focused on the affordable housing segment. The overall FOIR during the year remained at a comfortable level of 44%.

Credit underwriting

The loan approval process at MOHFL is in 4 layers of approval process based on ticket size of the loan. Approvals of lending proposals are carried out by various authorities from Cluster Credit Head to National Credit Head. Approvals beyond certain limits are referred to the CRO and CEO. Additional layer of in-house legal and technical makes underwriting process more robust. There is a Dedicated Risk Containment Unit (RCU) in the company to minimize fraud related to income documents, profile and collateral. We have now credit underwriting done based on application score card and risk based pricing. Credit function is fully automated which ensures faster and accurate paperless processing resulting into better TAT for customers and better productivity for employees. MOHFLs strengthening of its underwriting, systems and processes resulted in robust performance of new loan book sourced from April'2018 onwards.

Recoveries and Provision for Contingencies

MOHFL NPAs as at March 31, 2021 were ₹ 77 crores. MOHFL carries NPA provisions of ₹ 24 Crores. MOHFL gross NPAs are 2.2% and Net NPAs are 1.5% on total outstanding loans of ₹ 3,512 Crores as at March 31, 2021. Company created strong PCR of 92% resulting in higher credit cost.

Due to pandemic related challenges and impact on cash flows of the customers, most of the customers have faced difficulties in paying their dues on time especially initial part of the year. However, prudent measures from RBI by announcing moratorium facility which has offered some breather to these customers and help them to regularize their loan account without impacting their credit history. Further, RBI has also allowed restructuring under **"Resolution Framework:1"** where customers who are coming out of moratorium and still have difficulties in paying their dues on time, for such customers RBI has directed to offer restructuring by either reducing their EMI by way of extending the loan tenure by 2 years or by offering top-up loans.

We have also offered moratorium to 36% of our customers in April'2020 and these number came down to 19% in August'2020 when moratorium ended. Further, considering situation of the customers in these trying times we have offered restructuring to some of the customers whose cash flows were genuinely impacted. We have offered restructuring to 1233 customers (3.5% of the loan book).

Despite of all these measures there was slight increase in NPA compared to March'20 levels. Across the industry there is spike in NPAs due to this unprecedented situation. However, our collection efficiency in March'21 month has reached to pre-covid level at 97% (1 EMI Collected/ 1 EMI Due) and including pre-payment it was at 125%.

However, challenges of second Covid wave and state wise lockdowns throwing challenges to keep this momentum going. We believe that we would be again back to pre-covid level collection efficiencies towards end of Q1FY2022 as situation on the ground starts improving.

MOHFL now has robust legal and collection unit in place. MOHFL has 500+ members in-house collection team across all buckets (dedicated teams for each bucket) with vertical organization structure. Further, we have 30 members legal team comprising of lawyers to take legal action against delinquent customers via SARFAESI, section 138 and arbitration route. Due to pandemic district magistrate / courts are working with limited capacity and hence delay in receiving court orders. This is resulting in overall delay in recovery process; however we believe these are temporary hiccups and once situation improves we would be accelerating pace of recovery.

Liability Management

Rating upgrade: MOHFL also received credit rating upgrade amid challenging environment in FY20 based on several positive changes undertaken. CRISIL has upgraded MOHFL's rating to AA- (stable outlook) from earlier A+ (stable). This rating upgrade is driven by MOHFL's ability and positive developments of Management depth and experience, strengthening of collections and recovery apparatus, enhancing credit appraisal and risk monitoring system, strengthening of capital position and greater integration of the MOHFL with those of its parent including the change of name of the company has improved the credit profile of MOHFL and enabled to bring down cost of funds in FY21 and over longer run.

MOHFL has been raising funds for its lending activities from banks by way of term loans from banks and refinance facility from NHB, by private placement of non-convertible debentures (NCDs), by securitization through PTC route. MOHFL has maintained a prudent mix of fixed rate borrowings and variable rate borrowings with a view to minimize the weighted average cost of borrowings and maintain a healthy spread on its lending activities.

To minimize the risk arising on account of mismatches if any, MOHFL has set internal norms on the quantum of short term borrowings so that a prudent balance is maintained in keeping the cost of funds low to an extent that the risk arising from the mismatch could be managed.

MOHFL continued to borrow for both long and short-term from the banking sector at competitive rates. MOHFL raised fresh loans from banks/NBFCs aggregating to ₹ 215 crores during the year and repaid loans aggregating to ₹ 352 crores. Term loans are secured by way of hypothecation over loan receivables. Outstanding balance of term loans was ₹ 1,299 crores as at March 31, 2021.

The outstanding balance of NCDs as at March 31, 2021 was ₹ 1,152 crores. Out of which ₹ 798 crores NCDs are secured by way of hypothecation over loan receivables. MOHFL NCDs are rated with "CRISIL AA-"& "ICRA A+" with Stable outlook indicating adequate degree of safety regarding timely servicing of financial obligations.

In FY21, MOHFL received first refinance from National Housing Bank (NHB) under the prescribed schemes and as of March 31, 2021, the outstanding balance was ₹ 225 crores. This financing from NHB helped in further strengthening of ALM profile and lower cost of borrowings.

MOHFL issued CPs amounting to ₹ 470 crores in FY21. There are no outstanding CPs as on March 31, 2021

MOHFL completed first securitization transaction through PTC route in FY21 and raised ₹ 188 crores. There is an ample opportunity to assign the pool and diversify liabilities in the future to improve ROA.

Total 20 banks extended credit lines and NCDs were allotted to 10 institutions/banks and various HNI's as of March 2021. The average cost of borrowing for MOHFL stood at 9.25% in FY21.

MOHFL has available credit lines of ₹ 850 crores, Cash & Bank Balance ₹ 347 Cr, investments are 'Nil' and 'Nil' short term loans or commercial papers as on 31st March 2021.

MOHFL continues to enjoy borrowing facilities from various Banks, Mutual funds & HNI investors. During the year it raised borrowings of ₹ 1,477 cr.

MOHFL has also repaid borrowings of various bank and mutual funds and gain lower cost of funds advantage on new borrowings. During FY21 it repaid borrowings facilities of ₹ 1,094 cr.

The outstanding subordinated debt as at March 31, 2021 was nil. Tier II capital now stands at ₹ 12 cr as of March 31, 2021.

MOHFL total borrowings as at March 31, 2021 of ₹ 2,852 crores were within the permissible limits of 12 times of net owned funds. Average duration of borrowings increased during the year resulting in enhanced ALM.

MOHFL has net debt to equity ratio of 2.8x in FY21. MOHFL Capital Adequacy Ratio as at March 31, 2021 was 50.03%. The Capital Adequacy on account of Tier I Capital was 49.34% and Tier II capital was 0.69%.

Cost of borrowing for us has come down by 95 bps in FY21 at 9.25% and cost of funds is 130 bps lower YoY at 8.8% in Q4FY21. Cost of funds for the month of March 2021 stood at 8.7%.

Taxation

MOHFL has shifted to new tax regime in FY21 and this has impacted company's overall profitability due to impact of deferred Tax (₹ 28 crores) due to reinstatement of tax asset post migration to new regime. Company's overall tax rate for FY21 was at 56%.

Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI)

The Government of India has set up the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) under section 21 of the SARFAESI Act, 2002 to have a central database of all mortgages created by lending institutions. The objective of this registry is to compile and maintain data relating to all transactions secured by mortgages. All Banks & HFCs which fall under the purview of SARFAESI Act are required to register with CERSAI and submit the data in respect of all properties mortgaged in its favour. The lending institutions are required to pay fees for uploading of the data of mortgage. MOHF is ensuring timely submission of information at CERSAI portal and is notified as a Financial Institution by Ministry of Finance (Department of Financial Services)

Risk Management Framework

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The Company has further strengthened the collateral risk management framework by creating in-house independent functions for property valuation and legal opinion. The company has developed Real Time Risk Management (RTRM) process for every sanctioned file to be audited on real-time basis prior to disbursal. The company has put in place a Risk Containment Unit (RCU) to scrutinise the genuineness of every loan proposal prior to disbursal. The company continues to invest in technology as a significant contributor to effective risk management in retail lending business.

The Company continuously monitors loan portfolio and 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 dynamic. Key sectors are analysed in detail to suggest strategies, considering both risks and opportunities. Corrective action, if required, is taken well in advance.

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 follows the best practice for management of credit risk, market risk, liquidity risk and operational risk and has put in place a comprehensive Risk Management Policy envisaging a robust risk management programme.

Internal Audit and Control

MOHFL 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. MOHFL has documented procedures covering all financial and operating functions.

Management Discussion & Analysis

(Contd..)

MOHFL has robust internal audit programme, where the internal auditors, an Independent Audit firm of Chartered Accountants, 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. Their audit program is agreed upon by the Audit Committee. Internal audit observations and recommendations are reported to the Audit Committee, which monitors the implementation of such recommendations.

Collection/Legal organisation

MOHFL has set up an in-house collection team of 500+ officers. Also, the investments in technology in the form of collection applications and geo-tagging feature have enabled the efficient capturing of efforts put in by collections team. MOHFL has strengthened legal unit to pursue legal actions aggressively such as SARFAESI, section 138.

IT Audit and Security

An information system is the backbone of MOHFL business. MOHFL has implemented application software which is being maintained and has been enhanced and modified by external IT software development group. The software is integrated to record and process lending and accounting transactions of MOHFL across its branches.

The Information System at MOHFL operates under centralized IT environment and all branches are connected through MPLS VPN connectivity.

The centralized IT environment enables prompt communication between its branch offices and head office and also provides highway for easy and quick MIS and preparation of various monthly reports. Considering the significant dependence of MOHFL operations on its IT system, MOHFL also takes initiative in maintaining adequate control for data integrity and its confidentiality. The Application Software and IT System at MOHFL are upgraded from time to time.

MOHFL has now shifted from "Omni" software system to in-house developed new IT system called "Loan Origination System" **(LOS)** and "Loan Management System" **(LMS)**. These newly developed systems provides lot of ease of access, operational convenient, efficiency enhancement and fast tracking of processes.

Business continuity Plan -

During lockdown period all staff of MOHFL is able to work from Home and all employees had connected with centralized IT and database with VPN connectivity. We are able to execute **"Business Continuity Plan"** in tough times like lockdown with limited impact on business. Robustness of our IT system has been tested during this time and all stakeholders are benefitted from this. Digital collections accounts for more than 85% of the total collections. However Incremental Disbursements are likely to be impacted during the lock-down period due to multiple factors including closure of government offices, hampered mobility, inability to conduct verification checks /RCU checks.

Digitisation: MOHFL has made investments in digital initiatives to reduce operating costs and turnaround time, and to improve customer experience. MOHFL does extensive use of technology developed by in-house group level IT team of 300+ members. There are separate mobile based apps for Sales, credit and collection for faster paperless processing and better productivity of employees. Despite catering to EWS and LIG income segment MOHFL has 100% customer registered on NACH. Also, bulk of the collection done through online payment gateway with minimum cash handling. MOHFL has won "Digital excellence in urban finance" award and "Customer excellence" award for 2019.

MOHFL has maximum thrust on digital payments. MOHFL has launched an online payment system in association with multiple online payment apps, payment gateways like Razorpay & digital payments banks such as PayTm. Other online options provided to the customers are – QR code (Static & Dynamic), BHIM, UPI, Googlepay, Razorpay, SMS Push Mechanism, Paytm and Payment through Whatsapp. All field portfolio officers are having online payment gateway system in Collection App.

Your company has launched 'MOHFL Genie', Chabot 24*7 robo assistance for customers. This has helped us greatly in resolving customer queries in a quick and effective manner. Customer can access all loan account information like loan amount, tenure, EMI, interest certificate, etc. on 'MOHFL Parivaar' app. As of March 2020 there was >18000 Logins in Mobile App and >6000 Chat Bot users.

Human Resource

Management team has been strengthened with all senior leadership in place. We on boarded Mr. Arvind Hali as MD and CEO. The transition of the organisation from a Branch banking model to a Vertical organisation coupled with re-writing of processes to ensure quality growth is now stands complete. Critical functions such as Sales, Credit, Operations and Collections are being driven by independent heads. MOHFL's total headcount stands at 1,316 employees. A captive Technical and Legal organisation has been created to provide strong foundation. With the high level of commitment and loyalty by staff members and the parent group, MOHFL is confident to face the challenges of all the adverse conditions while emerging out as a winner.

Outlook of the Company

Government initiative under "Housing for all by 2022" has created new era in the housing sector especially in the affordable housing. It is expected to deliver much needed boost to the real estate and housing finance industry by creating an enabling & supportive environment for expanding credit flow and increasing home ownership. Bringing Real Estate (Regulation and Development) Act is another significant measure which will streamline the business practices in the Real Estate Sector.

Through Pradhan Mantri Awas Yojana (PMAY), Urban launched in June 2015 under the mission "Housing for All by 2022", Government of India has increased the thrust in housing sector, affordable housing in particular. Under PMAY, schemes that provide demand side (Credit Linked Subsidy Scheme and beneficiary-led individual house construction) and supply side (Slum rehabilitation with participation of private developers and Affordable housing in partnership with Public and Private Sectors) intervention have been launched with an aim to increase housing stock in India.

With all the learnings from the past and subsequent corrective measures, MOHFL is poised to opportune from India's growing demand for affordable housing. FY18 to FY21 have been years of consolidation with conservative approach in terms of growth. Nevertheless, MOHFL has successfully built its independent departments of sales, credit, collection, legal, compliance and risk. The mutually exclusive operations of these departments will ensure prioritization of 'quality' growth in future.

Recent, global lifetime event of COVID-19 has disrupted and impacted entire world. Due to limited availability of vaccines and resurgence of cases, "Lockdown" remains only viable solution in order to control spread of this pandemic. However, Lockdown is impacting economies of all countries in big way and Housing finance Industry can't remain immune from this. With the ongoing 2nd COVID wave and subsequent lockdowns in some states in India, there will be a halt in construction activity which will create supply-side constrain for industry. Further, due to economic slowdown, unemployment, job loss and pay cut scenario demand will also take beating. NBFC and HFCs will also face challenges on both the fronts, assets side as well as on liability side. However, there is consistent support and measures taken by RBI and GOI in order to control these situations and help financial sector to come out this challenging time. We are fully confident that once situation on the ground improves and environment becomes conducive, we are fully prepared to ride next leg of growth in affordable housing finance space.

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.

Board's Report and Annexures

Board's Report

To,
The Members
Motilal Oswal Home Finance Limited

The Directors of your Company have the pleasure in presenting the Eighth Board's Report together with the Audited Financial Statements for the financial year ended March 31, 2021

Financial Results

Summary of Financial Results for the year ended March 31, 2021 is as under:

(Amount in ₹)

Sr. No.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
1	**Gross Income**	**5,45,52,19,083**	**5,76,44,00,960**
2	Income Before interest, depreciation and tax	**3,77,15,26,036**	3,99,77,67,206
3	Interest	**2,80,23,50,492**	3,32,05,95,139
4	Depreciation	**6,47,04,789**	6,80,04,053
5	**Net Profit/(Loss) Before Tax**	**90,44,70,755**	**60,91,68,014**
6	Tax	**50,21,80,712**	21,83,91,279
7	**Net Profit/(Loss) After Tax**	**40,22,90,043**	**39,07,76,735**
8	Other comprehensive income	**41,07,871**	73,37,092
9	**Balance available for appropriation**	**40,63,97,914**	**39,81,13,827**
10	Transfer to Special Reserve u/s 29C of the National Housing Bank ("NHB") Act, 1987	**8,04,58,009**	7,81,55,347
11	**Surplus carried to Balance Sheet**	**32,59,39,906**	**32,02,78,904**

Dividend

The Board of Directors of the Company have not recommended payment of dividend for the Financial Year 2020-21.

Information on the State of Affairs of the Company

The information on overall industry structure, economic developments, performance and state of affairs of the Company, risk management systems, impact of COVID-19 on housing finance sector and operations of the Company is given in the Management Discussion & Analysis Report forming part of Annual Report of the Company.

Review of Business Operations and Future Prospects

During the year under review, your Company earned the gross income of ₹ 545.52 crore as against ₹ 576.44 crore in the previous year. The total expenditure during the year under review was ₹ 455.07 crore as against ₹ 515.52 crore in the previous year. The Net Profit after tax was ₹ 40.23 crore as against Net Profit after tax of ₹ 39.07 crore 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.

Your Company would work on the philosophy of Housing Financial Institution enabling credit access to low and middle income segment for purchasing and acquiring affordable housing units. Further, a detailed information is provided Management Discussion & Analysis Report forming part of Annual Report of the Company.

Share Capital

The Authorised share capital of the Company as on March 31, 2021 is ₹ 10,00,00,00,000/- (Rupees One Thousand crore only) divided into 10,00,00,00,000 (One Thousand crore) Equity Shares of Re. 1/- each.

During the year under review, the Company has allotted 48,10,000 (Forty Eight Lacs Ten Thousand) Equity shares of Re. 1/- each under various Employee Stock Option Schemes (ESOS).

As on March 31, 2021, the Issued, Subscribed and Paid up Equity Share Capital of the Company stood at ₹ 6,01,78,47,765/- (Rupees Six Hundred One crore Seventy Eight Lacs Forty Seven Thousand Seven Hundred Sixty Five Only).

Fund Raising/ Source of Funds:

During the year under review, the Company met its funding requirements predominantly through long term debt comprising of NHB refinance, Securitisation, term loan, etc. Summary of source of fund is given below:

A. Refinance from National Housing Bank

The NHB has sanctioned Refinance facility to the Company under various refinance schemes such as Special Refinance Facility (SRF) scheme, Additional Special Refinance Facility (ASRF) scheme, Regular Refinance Scheme. During the year under review, the Company has availed refinance facility of ₹ 225 crore. As on March 31, 2021, outstanding balance of NHB refinance stood at ₹ 225 crore.

B. Securitization

The Company has actively tapped Securitization market, which has enabled it to create liquidity, reduce the cost of funds and minimizing asset liability mismatches.

During the year under review, the Company has received purchase consideration of ₹ 187.68 crore from assets assigned in securitisation transaction through Pass Through Certificate **("PTC")** route. As on March 31, 2021, outstanding balance of securitisation stood at ₹ 184.11 crore.

The securitisation transaction was carried out in line with guidelines issued by Reserve Bank of India ("RBI") on Securitization of Standard Assets.

C. Loans from Banks / Financial Institutions

During the year under review, the Company has availed Term Loans facilities of ₹ 215 crore from various banks / Financial Institutions. As on March 31, 2021, the outstanding loans stood at ₹ 1,298.82 crore.

D. Debentures

During the year under review, the Company has raised ₹ 379.50 crore through Non-Convertible Debentures ("NCDs") on a private placement basis. As on March 31, 2021, the outstanding NCDs stood at ₹ 1,152.45 crore.

The NCDs issued by the Company are listed on wholesale Debt Market segment of the BSE Limited.

During the financial year under review, the interest on Non-Convertible Debentures issued on private placement basis were paid by the Company on their respective due dates and there were no instances of interest amount not claimed by the investors or not paid by the Company.

Your Company being Housing Finance Company (HFC) is exempted from the requirement of creating Debenture Redemption Reserve ("DRR") and Debenture Reserve Fund ("DRF"). Further, pursuant to circular issued by the SEBI on Recovery Expense Fund ("REF"), the Company is required to deposit an amount equal to 0.01% of the issue size subject to maximum of ₹ 25 lakhs towards REF with the 'Designated Stock Exchange'. Accordingly, the Company has transferred amount equal to 0.01% of issue size to BSE Limited towards REF.

Disclosure under Chapter XI (Guidelines on Private Placement of Non-Convertible Debentures) of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021:

- The total number of non-convertible debentures which have not been claimed by the investors or not paid by the Company after the date on which the Non-Convertible Debentures became due for redemption: Nil
- The total amount in respect of such Debentures remaining unclaimed or unpaid beyond the date of such Debentures become due for redemption: Nil

E. Commercial Papers

During the year under review, the Company issued Commercial Papers (CP) amounting to ₹ 470 crores. There are no outstanding CPs as on March 31, 2021. The CPs are rated CRISIL A1+, [ICRA]A1+ and IND A1+ indicating that instrument have adequate degree of safety regarding timely payment of financial obligation.

Debenture Trustee

The details of the Debenture trustees of the Company are as under:

Milestone Trusteeship Services Private Limited
CoWrks Worli, PS 56, 3rd Floor, Birla Centurion, Century Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai – 400 030
Direct: +91 22 62886119,
Mobile: +91 9029969213
Website: www.milestonetrustee.in

Beacon Trusteeship Limited
4 C&D, Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club, Bandra (E), Mumbai - 400 051.
Direct: 022 26558759; Mobile: 8999389079
Website: www.beacontrustee.co.in

Credit Ratings

The Company's borrowings enjoy the following Credit Ratings:

Nature of Borrowing	Rating / Outlook		
	CRISIL	ICRA	India Ratings
Short Term			
Commercial Paper	CRISIL A1+	[ICRA]A1+	IND A1+
Long Term			
Market Linked Non-Convertible Debentures	CRISIL PP-MLD AA-r/ Stable	PP-MLD [ICRA] A+ (Stable)	–
Non-Convertible Debentures	CRISIL AA-/Stable	[ICRA]A+(Stable)	–
Bank Borrowings	CRISIL AA-/Stable	-	–

Disbursement

During the year under review, the Company has disbursed total loan amounting to the tune of ₹ 272.66 crore. As on March 31, 2021, total loan book stood at ₹ 3,512.23 crore comprising of housing loan of ₹ 3,061.87 crore and non-housing loan of ₹ 450.36 crore.

Public Deposits

Your Company is registered with the RBI as a non-deposit taking housing finance company. During the year under review, the Company has not accepted any deposits from the public and resolution in this regard was passed by the Board of Directors of the Company.

Compliance

The Company is registered with RBI as a Non–Deposit accepting Housing Finance Company. The Company has complied with and continues to comply with all the applicable provisions of the National Housing Bank Act, 1987, NHB Directions, 2010, Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (RBI Master Directions for HFCs) and all other applicable rules/regulations/ guidelines, issued and as amended from time to time.

As required under NHB Directions/ RBI Master Directions for HFCs, your Company was required to maintain a minimum capital adequacy of 14% on a basis on March 31, 2021. The Capital Adequacy Ratio as at March

31, 2021 was 50.03%. Tier I and Tier II capital adequacy ratios as at March 31, 2021 were at 49.34% and 0.69%, respectively.

During the year under review, Mr. Shantanu Dorlikar was appointed as the Compliance Officer of the Company with effect from April 27, 2021 for ensuring compliance under provisions of NHB/RBI Guidelines.

During the year under review, NHB has imposed a monetary penalty of ₹ 15,000 on the Company for non-compliance with provisions of Housing Finance Companies – Corporate Governance (NHB) Directions, 2016, Housing Finance Companies issuance of Non-Convertible Debentures on private placement basis (NHB) Directions, 2014 and Policy Circular no. 55 pertaining to the financial year 2019-20 and the same has been paid by the Company. The Company is of the view that this is not significant or material in nature.

The RBI, having considered it necessary in the public interest, and being satisfied that, for the purpose of enabling the Bank to regulate the financial system to the advantage for the country and to prevent the affairs of any Housing Finance Company (HFCs) from being conducted in a manner detrimental to the interest of investors and depositors or in any manner prejudicial to the interest of such HFCs, and in exercise of the powers conferred under sections 45L and 45MA of the Reserve Bank of India Act, 1934 and Sections 30, 30A, 32 and 33 of the National Housing Bank Act, 1987, has issued Master directions for HFCs. Accordingly, the Company is governed by guidelines issued by NHB/RBI.

Non- Performing Assets and Provisions for Contingency

Your Company has adhered to the Prudential guidelines for Non-Performing Assets ("NPAs") issued by NHB/RBI. The recognition of NPA and provision on Standard and Non-Performing Loans is made as per the prudential norms prescribed by the regulator. Additional provisions (over and above the prudential norms) is made as per NPA Policy approved by the Board of Directors of the Company.

Your Company has complied with the provisions of Indian Accounting Standards ("Ind-AS") and the provisions of NHB/RBI Directions on Accounting Standards, in terms of which the Accounting Standards and Guidance Notes issued by the Institute of Chartered Accountants of India, in so far as they are not inconsistent with any of the NHB/RBI Directions. The NHB/RBI circular requires HFCs to adopt sound methodologies, systems / procedures, commensurate with the size, complexity, risk, profile etc., specific to them while implementing Ind-AS. The provisioning for NPA under regulatory norms stands at ₹ 26.84 crore vis-à-vis provisioning under Ind-AS at ₹ 24.15 crore. Accordingly NNPA as per regulatory norms is 1.42% vis-à-vis 1.49% under Ind-AS.

Risk Management Framework

The Risk Management Framework has been given as a part of Management Discussion & Analysis report forming part of this Annual Report.

NHB/ RBI Guidelines

The Company has complied with the provisions of the NHB/RBI guidelines as amended from time to time. Further, the Circulars and the Notifications issued by NHB/RBI are also placed before the Board of Directors at regular intervals to update the Board members on the compliance of the same.

During the year under review, the Company has conducted annual review of frauds as per the provisions of Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016 (as amended from time to time). Further, the note on said Annual Review is also placed before the board for information. Reporting requirements as per said circular has also been made within stipulated time.

Your Company has in place Board approved Know Your Customer & Anti Money Laundering Policy (KYC & AML Policy) and adheres to the provisions of Master Direction - Know Your Customer (KYC) Direction, 2016 (as amended from time to time). The said Policy is in line with the guidelines issued by the RBI.

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. The FPC captures the spirit of the guidelines issued by RBI in Chapter XIII of the Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021. Further, we wish to keep you abreast that your Company has a robust and effective Grievance Redressal Mechanism, to address/resolve the complaints/ grievances of customers.

Prudential Norms for Housing Finance Companies

The RBI governs the HFCs and issues guidelines on income recognition, asset classifications, accounting for investments, provisions of Loan to Value (LTV) ratio, provisioning, provisioning for bad and doubtful debts, capital adequacy, accounting and disclosure policies, fair practice code and asset liability management. The Company is in compliance with applicable prudential norms and guidelines.

Special Reserve

As per Section 29C of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. During the period under review, your Company has transferred ₹ 8.05 crore to Special Reserve.

Holding/Subsidiary Company

The Company is a subsidiary of Motilal Oswal Financial Services Limited. It has no subsidiary, joint venture or associate company.

Accordingly, disclosures under Rule 8(1) and Rule 8(5)(iv) of Companies (Accounts) Rules, 2014 relating to subsidiary, joint venture and associate companies are not applicable to the Company.

Board of Directors

The composition of the Board of Directors of the Company is in accordance with the provisions of Section 149 of the Companies Act, 2013 ("Act") with an appropriate combination of Executive, Non-Executive and Independent Directors (including woman director) who bring in a wide range of skills and experience to the Board.

The Board consist of following members as on date of this Report:

Sr. No.	Name of Director	Designation
1	Mr. Motilal Oswal	Chairman & Non-Executive Director
2	Mr. Arvind Hali	Managing Director & Chief Executive Officer
3	Mr. Raamdeo Agarawal	Non-Executive Director
4	Mr. Navin Agarwal	Non-Executive Director
5	Mr. Sanjaya Kulkarni	Independent Director
6	Mrs. Divya Momaya	Independent Director

During the year under review, Mrs. Divya Momaya was appointed as an Independent Director of the Company w.e.f. September 25, 2020 and Mr. Arvind Hali was appointed as Managing Director & Chief Executive Officer of the Company w.e.f. October 4, 2020.

Mrs. Smita Gune has resigned from the position of Independent Director of the Company w.e.f. closing of business hours on April 16, 2020 due to personal reasons and Mrs. Rekha Shah has resigned from the position of Independent Director of the Company w.e.f. closing of business hours on October 1, 2020 due to increased work commitments.

The Board places on record its deep appreciation and gratitude for the valuable support and guidance provided by Mrs. Gune and Mrs. Shah to the Company and the Board as a whole during their tenure as an Independent Director of the Company.

Section 152 of the Act provides that unless the Articles of Association provide for the retirement of all directors at every Annual General Meeting ("AGM"), not less than two-third of the total number of directors of a public company (excluding the Independent Directors) shall be persons whose period of office is liable to determination by retirement of directors by rotation. Accordingly, Mr. Motilal Oswal, director will retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment. The details of Mr. Oswal is provided in the Notice of the ensuing AGM of the Company.

The resolution for the re-appointment of Mr. Oswal as detailed in the Notice of the ensuing AGM would be placed for your approval at the ensuing AGM.

Key Managerial Personnel

During the year under review, Mr. Arvind Hali, Managing Director & Chief Executive Officer and Mr. Ritin Mawani, Company Secretary were designated as Key Managerial Personnel of the Company. Mr. Vijay Kumar Goel has resigned from the position of Chief Executive Officer of the Company w.e.f. September 25, 2020.

As on date of this Report, the Company has the following Key Managerial Personnel:

1. Mr. Arvind Hali – Managing Director & Chief Executive Officer
2. Mr. Shalibhadra Shah – Chief Financial Officer
3. Mr. Ritin Mawani – Company Secretary

Performance Evaluation

Pursuant to the provisions of section 134(3)(p) of the Act and Schedule IV of the Act, the Board has carried out the annual performance evaluation of the Board as a whole, various Committees of the Board and of the individual Directors. The performance evaluation of the Independent Directors was carried out by the entire Board. The Directors expressed their satisfaction with the evaluation process.

The Board and the Nomination and Remuneration Committee reviewed the performance of the Individual Directors on the basis of the criteria such as Transparency, Performance, etc.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive Directors and Non-Executive Directors.

The same was discussed in the Board Meeting followed by the meeting of Independent Directors, at which the performance of the Board, its Committee(s) and Individual Directors was also discussed.

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 and its holding / subsidiary companies. Nomination and Remuneration Committee of the Company has granted the options to the eligible employees of the Company and employees of Motilal Oswal Financial Services Limited ("MOFSL"), a holding company, as detailed hereunder:-

Sr. No.	Particulars	MOHFL "ESOS 2014"	MOHFL "ESOS 2016"	MOHFL "ESOS 2017"
a)	Options granted	Refer to the Note No. 40 of the Financial Statements		
b)	The Pricing formula			
c)	Options vested			
d)	Options exercised			

The Employee Stock Option Schemes are administered by the Nomination and Remuneration Committee of the Board of the Company, in accordance with the applicable regulations.

Corporate Social Responsibility

The Company recognizes the responsibilities towards society and strongly intends to contribute towards development of knowledge based economy. Since, the average net profit of the Company during the last three immediately preceding financial years was negative, the Company was not required to spend any amount on CSR activities during the year under review. In accordance with the requirements of the provisions of Section 135 of the Act, the Company has constituted a Corporate Social Responsibility Committee.

The Corporate Social Responsibility Committee consists of the following Members:

Sr. No.	Name of the Member	Designation in the Committee
1	Mr. Sanjaya Kulkarni	Chairman
2	Mr. Motilal Oswal	Member
3	Mr. Navin Agarwal	Member

The Company has also formulated a Corporate Social Responsibility Policy which is available on the website of the Company at https://www.motilaloswalhf.com/uploads/pdf/governance/CSR_Policy.pdf

During the year, the Company was not required to spent on CSR and hence the Annual Report on activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended from time to time) is not applicable.

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.

Audit Committee

The Audit Committee consists of the following members:

Sr. No.	Name of the Member	Designation in the Committee
1	Mr. Sanjaya Kulkarni	Chairman
2	Mrs. Divya Momaya	Member
3	Mr. Motilal Oswal	Member

The Audit Committee was re-constituted by the Board of Directors of the Company at their meeting held on September 25, 2020 by inducting Mrs. Divya Momaya as a Member of the Committee in place of Mrs. Rekha Shah.

Terms of reference of the Audit Committee:-

(i) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

(ii) review and monitor the auditor's independence and performance, and effectiveness of audit process;

(iii) examination of the financial statement and the auditors' report thereon;

(iv) approval or any subsequent modification of transactions of the company with related parties;

(v) scrutiny of inter-corporate loans and investments;

(vi) valuation of undertakings or assets of the company, wherever it is necessary;

(vii) evaluation of internal financial controls and risk management systems;

(viii) monitoring the end use of funds raised through public offers and related matters;

(ix) Ensure that an Information System Audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the Company.

(x) Any other function as may be mandated by the Board or stipulated by the Companies Act, 2013, National Housing Bank guidelines or any other regulatory authorities from time to time.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of the following members;

Sr. No.	Name of the Member	Designation in the Committee
1	Mr. Sanjaya Kulkarni	Chairman
2	Mrs. Divya Momaya	Member
3	Mr. Motilal Oswal	Member

The Nomination and Remuneration Committee was re-constituted by the Board of Directors of the Company at their meeting held on September 25, 2020 by inducting Mrs. Divya Momaya as a Member of the Committee in place of Mrs. Rekha Shah.

Terms of reference of the Nomination and Remuneration Committee:-

a) Formulate criteria for determining qualifications, positive attributes and independence of an Individual who may be appointed as a Director or Key Managerial Personnel or in senior management level of the Company;

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

c) Specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Committee or by an independent external agency and review its implementation and compliance;

d) Recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees. The policy shall be referred as Nomination and Remuneration policy.

e) To ensure 'fit and proper' status of proposed/ existing directors.

f) To formulate, implement and administer Employee Stock Option Scheme(s) of the Company and grant stock options to the eligible employees.

g) Any other function as may be mandated by the Board or stipulated by the Companies Act, 2013, National Housing Bank guidelines or any other regulatory authorities from time to time.

Company's Policy relating to Directors appointment, payment of remuneration and discharge of their duties

The salient features of Nomination and Remuneration Policy of the Company are as follows:

- Formulation of criteria to qualify individuals who may become Director or who may be appointed in senior management level of the Company.
- Appointment and removal of Directors, Key Managerial Personnel and senior management personnel.
- Performance evaluation of all Director.
- Remuneration for the Executive Directors, Non-Executive Directors, Key Managerial Personnel and Senior Management Personnel

The Nomination and Remuneration Policy is available on the website of the Company at https://www.motilaloswalhf.com/uploads/pdf/governance/Nomination_and_Renumeration_Policy.pdf

Stakeholders Relationship Committee

The Company has constituted the Stakeholders Relationship Committee for resolving the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report, etc.

The Stakeholders Relationship Committee consists of the following Members:

Sr. No.	Name of the Member	Designation in the Committee
1	Mr. Motilal Oswal	Chairman
2	Mr. Raamdeo Agarawal	Member
3	Mr. Navin Agarwal	Member

Terms of reference of the Stakeholders Relationship Committee:-

(a) To address requests/resolve grievances of security holders including complaints related to transfer/ transmission of securities, non-receipt of balance sheet, non-receipt of declared dividends/interests, etc.;

(b) To monitor and transfer the amounts/shares transferable to Investor Education and Protection Fund ("IEPF");

(c) Taking decision on waiver of requirement of obtaining the Succession Certificate/Probate of Will on case to case basis;

(d) To address the remat/demat requests of security holders for rematerialisation/ dematerialisation of securities;

(e) To issue duplicate share/debenture certificate(s) reported lost, defaced or destroyed as per the laid down procedure and to resolve the grievances of security holders of the Company;

(f) Attending to complaints of security holders routed by SEBI (SCORES)/Stock Exchanges/RBI or any other Regulatory Authorities;

(g) Any other matters that can facilitate better investor services and relations.

Vigil Mechanism/Whistle Blower Policy

Pursuant to Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules 2014 read with Section 177(9) of the Act (as amended from time to time), 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 behavior, fraud, violation of law, inappropriate behavior / 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.

The Policy framed by the Company is in compliance with the requirements of the Act and same is available on the website of the Company at https://www.motilaloswalhf.com/uploads/ pdf/governance/MOHFL_WHISTLEBLOWER_POLICY_VER_1.1.pdf

Declaration by Independent Directors

All Independent Directors have submitted the declaration of independence, pursuant to provisions of the Section 149(7) of the Act, stating that they meet the criteria of independence as provided in Section 149(6) of the Act and are not disqualified from continuing as Independent Directors of the Company. Further, the Independent Directors have confirmed their registration on Independent Directors Databank.

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.

Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Workplace

The Company has in place a Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Work Place. Appropriate reporting mechanisms are in place for ensuring protection against Sexual Harassment and the right to work with dignity.

During the year under review, the Company has received no complaint in this regard.

Further, the Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Particulars of Loans, Guarantees or Investments made under Section 186 of the Companies Act, 2013

Since the Company is a Housing Finance Company, the provisions of Section 186 of the Act relating to granting of loans to any persons or bodies corporate, giving of guarantees or providing security in connection with loans to any other bodies corporate or persons are not applicable to the Company

Number of Board Meetings

During the period under review, the Board met Nine times i.e. on April 27, 2020, May 23, 2020, July 29, 2020, August 27, 2020, September 25, 2020, October 29, 2020, December 16, 2020, January 27, 2021 and March 25, 2021.

The maximum gap between any two meetings was not more than one hundred and twenty days. The required quorum was present at all the above meetings.

Directors' Responsibility Statement:

In accordance with the provisions of Section 134(5) of the Act, the Board of Directors confirm that, to the best of its knowledge and belief:

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for that period;

(c) the Directors have taken proper and sufficient care for the 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 fraud and other irregularities;

(d) the Directors have prepared the annual accounts on a going concern basis;

(e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively;

(f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Financial Controls

The Internal Financial Controls with reference to Financial Statements as designed and implemented by the Company are adequate. The Internal Financial Control procedure adopted by the Company are adequate for safeguarding 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. During the year under review, the Internal Financial Controls were operating effectively and no material or serious observation has been received from the Auditors of the Company for inefficiency or inadequacy of such controls.

Statutory Auditors

Pursuant to the provisions of Section 139(2) of the Act and the rules made thereunder, the Members of the Company at their Sixth AGM held on July 11, 2019, had appointed M/s. Walker Chandiok & Co. LLP, Chartered Accountants (Firm Registration No. 001076N/N500013), as the Statutory Auditors of the Company for a term of five years i.e. from the conclusion of Sixth AGM till the conclusion of the Eleventh AGM.

Mr. Murad D. Daruwalla, Partner, Walker Chandiok & Co. LLP, Chartered Accountants, Statutory Auditors, has signed the Audited Financial Statements of the Company.

Statutory Auditors' Report

The Statutory Auditors' Report issued by M/s. Walker Chandiok & Co. LLP for the year under review does not contain any qualification, reservations or adverse remarks. The Notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further clarifications under Section 134(3)(f) of the Act. Further, pursuant to Section 143(12) of the Act, the Statutory Auditors of the Company have not reported any instances of frauds committed in the Company by its officers or employees.

Internal Auditor

Internal Audit for the year ended March 31, 2021 was done by M/s. Aneja Associates, Chartered Accountants and Internal Audit report in accordance with internal audit program for the year was placed before the Audit Committee.

Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended from time to time), the Company had appointed M/s. Aabid & Co., Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for the FY 2020-21.

The Secretarial Audit Report is appended as "Annexure 1" to this Annual Report.

There is no adverse remark, qualifications or reservation in the Secretarial Audit Report.

Compliance of Secretarial Standards

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India.

Extract of Annual Return as required and prescribed under Section 92(3) of the Act and Rules made thereunder

The extract of Annual Return in form MGT-9 as required under Section 92(3) of the Act and prescribed in Rule 12 of the Companies (Management and Administration) Rules, 2014 is appended as Annexure 2 to this Annual Report. The Annual Return will be uploaded on the website of the Company www.motilaloswalhf.com

Particulars of Contracts or Arrangements made with Related Parties

The Board of Directors has approved the policy on transactions with related parties ("RPT Policy"), pursuant to the recommendation of the Audit Committee. In line with the requirements of the Act, the Company has formulated the RPT Policy which is also available on the Company's website at https://www.motilaloswalhf.com/uploads/pdf/governance/MOHFL-Related_Party_Transaction_Policy.pdf

All related party transactions entered into during the FY 2020-21 were on an arm's length basis and in the ordinary course of business.

All Related Party Transactions were placed before the Audit Committee for prior approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of unforeseen or repetitive in nature. The details of all such related party transactions entered into pursuant to the omnibus approval of the Committee, were placed before the Audit Committee on a quarterly basis for its review.

The Directors draw attention of the Members to Note No. 43 to the Financial Statements which sets out related party disclosures.

During the year under review, there were no material contracts or arrangements or transactions entered into by the Company with related parties and accordingly Form AOC-2 is not applicable.

Dematerialisation of Shares

The Ministry of Corporate Affairs vide notification dated September 10, 2018 has mandated every unlisted public company to issue the securities only in dematerialised form and facilitate dematerialisation of all its existing securities in accordance with provisions of the Depositories Act, 1996 and regulations made there under.

Accordingly, the Company has provided facility to dematerialize share held by the shareholders in physical form.

As on March 31, 2021, out of the Company's total paid-up Equity Share Capital comprising of 6,01,78,47,765 Equity Shares, 6,00,26,97,755 shares are in demat form and remaining 1,51,50,010 shares are in physical form. In view of the numerous advantages offered by the Depository System, the Members holding shares in physical form are advised to avail the facility of dematerialization.

Human Resource Development

Human Resource Development plays a vital role in effective implementation of business plans. Constant endeavours are being made to offer professional growth opportunities and recognitions, apart from imparting training to employees. Throughout the year, in-house online training programmes were provided to employees, inter alia, in lending Operations, Documentation, process, product, policy KYC & ALM Policy, IT System & Security, and Accounts, etc. Simultaneously, periodical assessments was conducted for various departments to check on the knowledge. We have also started with various other learning support activities like sending DYK on new changes in product and policy as required, created video training module and byte size learning in pdf etc. was also shared on what's app group for easy accessibility for all and educating the team.

Particulars of Employees

In terms of first proviso to Section 136 of the Act, the Report and Financial Statements are being sent to the Members and others entitled thereto, excluding the information on employees' particulars as required pursuant to provisions of Rule 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

In accordance with the provisions of Section 197(12) of the Act read with Rule Rule 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the ratio of the remuneration of each Director to the median employee's remuneration, the names & other particulars of employees and other details is available for inspection at the Registered Office of the Company during the business hours on working days of the Company up to the date of the ensuing AGM. Any shareholder interested in obtaining a copy of the said Annexure may write to the Company Secretary & Compliance Officer in this regard.

The Board of Directors affirms that the remuneration paid to employees of the Company is as per the Nomination and Remuneration Policy of the Company.

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

No material changes and commitments 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 this report.

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

Considering the Company's Housing Finance activities during the year under review, the particulars regarding conservation of energy and technology absorption as required to be disclosed pursuant to the Rule 8(3) of the Companies (Accounts) Rules, 2014 are not relevant to its activities.

However, Steps taken by the Company towards conservation of energy is provided in ESG section of this Annual Report.

There were no foreign exchange earnings and outgo during the year under review.

Acknowledgement

The Directors express their sincere gratitude to the National Housing Bank/Reserve Bank of India, Securities and Exchange Board of India, BSE Limited, Ministry of Finance, Ministry of Corporate Affairs, Registrar of Companies, other government and regulatory authorities, lenders, financial institutions and the Company's Bankers for the ongoing support extended by them. The Directors also place on record their sincere appreciation for the continued support extended by the Company's stakeholders and trust reposed by them in your Company. The Directors sincerely appreciate the commitment displayed by the employees of the Company and its subsidiaries across all levels, resulting in successful performance during the year.

For and on behalf of the Board
Motilal Oswal Home Finance Limited

Motilal Oswal
Chairman
DIN: 00024503

Place: Mumbai
Date: April 28, 2021

Secretarial Audit Report

For the Financial year ended 31st March, 2021

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

To,
The Members,
Motilal Oswal Home Finance Limited
Mumbai

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **Motilal Oswal Home Finance 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 opinion thereon.

Based on our verifications of the Motilal Oswal Home Finance'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, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, and Minute Books, Forms and Returns filed and other records maintained by **Motilal Oswal Home Finance Limited** as given in **Annexure - I** for the Financial Year ended on 31st March, 2021 according to the provisions of:

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

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

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder is not applicable 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 during the audit period)**

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

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable during the audit period)**

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme)Guidelines, 1999/ The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable during the audit period)**

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

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable during the audit period)** and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable during the audit period)**

(vi) The other Laws applicable specifically to the company is Annexed with this Report as Annexure- II.

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

(i) Secretarial Standards issued by the Institute of Company Secretaries of India.

(ii) Securities and Exchange Board of India (Listing Obligations and disclosure requirements) Regulations, 2015 to the extent applicable to the Company.

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 including Woman Director. The changes in the composition of the Board of Directors that took place during the period under reviewwere carried out in compliance with the provisions of the Act.

Adequate notices are 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 exist for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

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 the Company has complied applicable regulations with respect to listing of Non-convertible debentures.

We further report that during the audit period, the following specific events were held:

1. Mrs. Smita Gune has resigned from the position of Independent Director w.e.f. 16th April, 2020.
2. Mr. Ritin Mawani was appointed as a Company Secretary and also designated as Key Managerial Personnel w.e.f. 27th April, 2020.
3. Mr. Navin Agarwal was re-appointed as director.
4. Mr. Vijay Kumar Goel has resigned from the position of Chief Executive Officer w.e.f. 25th September, 2020.
5. Mrs. Divya Momaya was appointed as an Independent Director of the Company w.e.f 25th September, 2020.
6. Mrs. Rekha Shah has resigned from the position of Independent Director w.e.f. 1st October, 2020.
7. Mr. Arvind Hali was appointed as a Managing Director and Chief Executive Officer of the Company w.e.f. 4th October, 2020.
8. During the financial year 2020-21, Company has issued a 48,10,000 Equity Shares of Re. 1.00/- each for cash to its employees as per Employee Stock Option Scheme.
9. During the financial year company issue a following Non convertibles Debentures-

Date of Allotment	No. of Debentures Allotted	Amount (in ₹)
June 11, 2020	338	338,000,000
June 18, 2020	298	298,487,528
June 22, 2020	250	250,000,000
June 25, 2020	500	500,000,000
June 29, 2020	500	500,000,000
June 30, 2020	292	293,298,816
July 15, 2020	72	72,574,128

Date of Allotment	No. of Debentures Allotted	Amount (in ₹)
July 17, 2020	750	750,000,000
July 30, 2020	250	250,000,000
July 31, 2020	155	155,000,000
August 14, 2020	255	255,799,170
August 28, 2020	131	131,822,287

Note: This report is to be read with our letter of even date which is annexed as **'Annexure-III'** and forms an integral part of this report.

For **Aabid & Co**
Company Secretaries

Mohammed Aabid
Partner
Membership No.: F6579
COP No.: 6625
UDIN: F006579C000134454

Place: Mumbai
Date: 20th April, 2021

ANNEXURE – I

List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the Financial Year ended 31st March, 2021.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee held during the financial year under report.
4. Minutes of General Body Meetings held during the financial year under report.
5. Agenda papers submitted to all the directors / members for the Board Meetings and Committee meetings.
6. Declarations received from the Directors of the Company pursuant to the provisions of Section 164 (2) and 184 (1) of Companies Act, 2013.
7. Intimations / documents/ reports/ returns filed with the Stock Exchanges pursuant to the provisions of Listing Regulations for the issuance and listing of Non-Convertible Debentures during the financial year under report.
8. Intimations / documents / reports / returns filed under the National Housing Bank Act, 1987 during the financial year under report.
9. E-forms filed by the Company, from time to time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.
10. Statutory Registers under Companies Act, 2013.

ANNEXURE-II

LIST OF OTHER LAWS SPECIFICALLY APPLICABLE TO THE COMPANY

1. The National Housing Bank Act, 1987 and all the Rules, Regulations, Circulars, Directions and Guidelines prescribed thereunder and the Housing Finance Companies (NHB) Directions, 2010 and Housing Finance Company Issuance of Non-Convertible Debentures on Private Placements (NHB) Directions, 2014 for Housing Finance Companies.
2. Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021.
3. The Prevention of Money-Laundering Act, 2002 and The Prevention of Money Laundering (Maintenance of Records, etc.) Rules, 2005.
4. The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.
5. Credit Information Companies (Regulation) Act, 2005 and Rules.
6. The Maternity Benefit Act, 1961.
7. The Payment of Gratuity Act, 1972.
8. The Maharashtra Shops & Establishment Act, 1972
9. The Employee’s State Insurance Act, 1948.
10. Employee’s Compensation Act, 1923.
11. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
12. The Employees Provident Funds and Miscellaneous Provisions Act, 1952
13. The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975

ANNEXURE-III

To,
The Members,
Motilal Oswal Home Finance Limited

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
4. Wherever required, we have obtained Management Representation about the compliance laws, rules and regulations, and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on a test basis.
6. 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.

Annexure 2 to Board's Report

Form No. MGT-9

Extract of Annual Return

As on the financial year ended on March 31, 2021

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details:

i)	CIN	U65923MH2013PLC248741
ii)	Registration Date	October 1, 2013
iii)	Name of the Company	Motilal Oswal Home Finance Limited
iv)	Category / Sub-Category of the Company	Public Company, Limited by Shares
v)	Address of the registered office and contact details	Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400 025. Tel: +91 22 4718 9999 / 6272 9898 Fax: 22 5036 2365 Email: hfquery@motilaloswal.com
vi)	Whether listed company	No*
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai – 400083. Tel: +91 22 49186000 Fax:+91 22 49186060 E-mail: rnt.helpdesk@linkintime.co.in

* Non-Convertible Debentures of the Company are listed on BSE Limited

II. Principal Business Activities of the Company

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Housing Finance (other credit granting) - Home Loan, Loan against Property and Construction Funding	64920	100%

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Motilal Oswal Financial Services Limited Motilal Oswal Tower, Rahimtullah Sayani Road, Opp. Parel ST Depot, Prabhadevi, Mumbai - 400 025	L67190MH2005PLC153397	Holding	80.37	2(46)

Annexure 2 to Board's Report
(Contd..)

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 1, 2020)				No. of Shares held at the end of the year (As on March 31, 2021)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	20	0	20	0.00	20	0	20	0.00	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	5,88,89,20,465	0	5,88,89,20,465	97.94	5,88,89,20,465	0	5,88,89,20,465	97.86	(0.08)
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1):-	**5,88,89,20,485**	**0**	**5,88,89,20,485**	**97.94**	**5,88,89,20,485**	**0**	**5,88,89,20,485**	**97.86**	**(0.08)**
(2) Foreign	0	0	0	0	0	0	0	0	0
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Shareholding of Promoter (A) = (A)(1)+(A)(2)	**5,88,89,20,485**	**0**	**5,88,89,20,485**	**97.94**	**5,88,89,20,485**	**0**	**5,88,89,20,485**	**97.86**	**(0.08)**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B) (1):-	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	3,89,097	0	3,89,097	0.01	18,36,698	0	18,36,698	0.03	0.02
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 1, 2020)				No. of Shares held at the end of the year (As on March 31, 2021)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	1,64,92,758	12,30,010	1,77,22,768	0.29	2,92,89,283	12,00,010	3,04,89,293	0.51	0.22
ii) Individual Shareholders Holding nominal share capital in excess of ₹ 1 Lakh	8,22,10,952	1,39,50,000	9,61,60,952	1.60	7,11,96,234	1,39,50,000	8,51,46,234	1.41	(0.19)
c) Others									
Trust	90,57,250	0	90,57,250	0.15	87,06,750	0	87,06,750	0.14	(0.01)
HUF	6,87,213	0	6,87,213	0.01	12,84,149	0	12,84,149	0.02	0.01
AOPs	0	0	0	0.00	1,00,000	0	1,00,000	0.00	0.00
Non Resident Indian	75,000	0	75,000	0.00	3,87,439	0	3,87,439	0.01	0.01
NRN	25,000	0	25,000	0.00	9,76,717	0	9,76,717	0.02	0.02
Sub-total (B) (2):-	**10,89,37,270**	**1,51,80,010**	**12,41,17,280**	**2.06**	**11,37,77,270**	**1,51,50,010**	**12,89,27,280**	**2.14**	**0.08**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**10,89,37,270**	**1,51,80,010**	**12,41,17,280**	**2.06**	**11,37,77,270**	**1,51,50,010**	**12,89,27,280**	**2.14**	**0.08**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**5,99,78,57,755**	**1,51,80,010**	**6,01,30,37,765**	**100.00**	**6,00,26,97,755**	**1,51,50,010**	**6,01,78,47,765**	**100.00**	**NIL**

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 1, 2020)			Shareholding at the end of the Year (As on March 31, 2021)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	Motilal Oswal Financial Services Limited	4,83,62,67,897	80.43	0.00	4,83,62,67,897	80.37	0.00	(0.06)
2.	Motilal Oswal Finvest Limited	60,00,00,000	9.98	0.00	60,00,00,000	9.97	0.00	(0.01)
3.	Motilal Oswal Wealth Management Limited	19,23,07,702	3.20	0.00	19,23,07,702	3.19	0.00	(0.01)
4.	Motilal Oswal Investment Advisors Limited	26,03,44,836	4.33	0.00	26,03,44,836	4.33	0.00	0.00
5.	MOPE Investment Advisors Private Limited	10	0.00	0.00	10	0.00	0.00	0.00
6.	Motilal Oswal Asset Management Company Limited	10	0.00	0.00	10	0.00	0.00	0.00
7.	Motilal Oswal Real Estate Investment Advisors II Private Limited	10	0.00	0.00	10	0.00	0.00	0.00
8.	Mr. Motilal Oswal	10	0.00	0.00	10	0.00	0.00	0.00
9.	Mr. Ramdeo Agarawal	10	0.00	0.00	10	0.00	0.00	0.00
	Total	**5,88,89,20,485**	**97.94**	**0.00**	**5,88,89,20,485**	**97.86**	**0.00**	**(0.08)**

Annexure 2 to Board's Report
(Contd..)

iii) Change in Promoter's Shareholding (please specify, if there is no change)

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year (as on April 1, 2020)		Transactions during the year		Cumulative Shareholding during the year (April 1, 2020 to March 31, 2021)	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No of shares	% of total shares of the company
1	Motilal Oswal Financial Services Limited						
	At the beginning of the year	4,83,62,67,897	80.43				
	At the end of the year					4,83,62,67,897	80.37
2	Motilal Oswal Finvest Limited						
	At the beginning of the year	60,00,00,000	9.98				
	At the end of the year					60,00,00,000	9.97
3	Motilal Oswal Wealth Management Limited						
	At the beginning of the year	19,23,07,702	3.20				
	At the end of the year					19,23,07,702	3.19

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year (as on April 1, 2020)		Transactions during the year		Cumulative Shareholding during the year (April 1, 2020 to March 31, 2021)	
		No. of shares held	% of total shares of the company	Date of transaction$	No. of shares	No of shares	% of total shares of the company
1	Like Minded Wealth Creation Trust						
	At the beginning of the year	90,47,250	0.15				
	Transfer(Sell)			November 20, 2020	(3,50,500)	86,96,750	0.14
	At the end of the year					86,96,750	0.14
2	Mr. Satish Kotian						
	At the beginning of the year	42,00,000	0.07				
	At the end of theyear					42,00,000	0.07
3	Mr. Anil Krishnan						
	At the beginning of the year	60,00,000	0.10				
	Transfer (Sell)			June 5, 2020	(10,00,000)	50,00,000	0.08
	Transfer (Sell)			July 31, 2020	(7,00,000)	43,00,000	0.07
	Transfer (Sell)			August 14, 2020	(5,00,000)	38,00,000	0.06
	Transfer (Sell)			December 4, 2020	(5,00,000)	33,00,000	0.05
	Transfer (Sell)			January 1, 2021	(1,00,000)	32,00,000	0.05
	At the end of the year					32,00,000	0.05
4	Mr. Kalpesh I. Ojha						
	At the beginning of the year	24,00,000	0.04				
	At the end of the year					24,00,000	0.04

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year (as on April 1, 2020)		Transactions during the year		Cumulative Shareholding during the year (April 1, 2020 to March 31, 2021)	
		No. of shares held	% of total shares of the company	Date of transaction$	No. of shares	No of shares	% of total shares of the company
5	Mr. Sachin Bhausaheb Nikam						
	At the beginning of the year	10,00,000	0.02				
	Transfer (Buy)			June 19, 2020	1,55,000	11,55,000	0.02
	Transfer (Buy)			December 18, 2020	2,00,000	13,55,000	0.02
	At the end of the year					13,55,000	0.02
6	Mr. Jasani Ashok						
	At the beginning of the year	8,25,000	0.01				
	ESOP Allotment			August 15, 2020	1,50,000	9,75,000	0.02
	At the end of the year					9,75,000	0.02
7	Mr. Sudheer Menon						
	At the beginning of the year	9,00,000	0.01				
	At the end of the year					9,00,000	0.01
8	Mr. Subodh kuckian						
	At the beginning of the year	9,00,000	0.01				
	At the end of the year					9,00,000	0.01
9	Mr. Shakir Sheikh						
	At the beginning of the year	9,00,000	0.01				
	At the end of the year					9,00,000	0.01
10	Mr. Kalpesh Rajendra Dave						
	At the beginning of the year	9,00,000	0.01				
	At the end of the year					9,00,000	0.01

$ Date of the transfer has been considered as the date on which the beneficiary position was provided by the depositories to the Company.

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year (as on April 1, 2020)		Transactions during the year		Cumulative Shareholding during the year (April 1, 2020 to March 31, 2021)	
		No. of shares held	% of total shares of the company	Date of transaction$	No. of shares	No of shares	% of total shares of the company
1	Mr. Motilal Oswal (Chairman & Non-Executive Director)						
	At the beginning of the year	10	0.00				
	At the end of the year					10	0.00

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year (as on April 1, 2020)		Transactions during the year		Cumulative Shareholding during the year (April 1, 2020 to March 31, 2021)	
		No. of shares held	% of total shares of the company	Date of transaction$	No. of shares	No of shares	% of total shares of the company
2	Mr. Arvind Hali* (Managing Director & CEO)						
	At the beginning of the year	0	0.00				
	At the end of the year					0	0.00
3	Mr. Raamdeo Agarawal (Non-Executive Director)						
	At the beginning of the year	10	0.00				
	At the end of the year					10	0.00
4	Mr. Navin Agarwal (Non-Executive Director)						
	At the beginning of the year	6,50,00,010	1.08				
	Transfer (Sell)			December 25, 2020	(3,00,000)	6,47,00,010	1.07
	Transfer (Sell)			January 1, 2021	(7,00,000)	6,40,00,010	1.06
	Transfer (Sell)			January 8,2021	(11,00,000)	6,29,00,010	1.04
	Transfer (Sell)			January 15, 2021	(7,00,000)	6,22,00,010	1.03
	Transfer (Sell)			January 21, 2021	(2,89,626)	6,19,10,384	1.03
	Transfer (Sell)			February 5, 2021	(16,49,100)	6,02,61,284	1.00
	Transfer (Sell)			February 19, 2021	(6,35,000)	5,96,26,284	0.99
	Transfer (Sell)			February 26, 2021	(11,95,000)	5,84,31,284	0.97
	Transfer (Sell)			March 5, 2021	(6,18,500)	5,78,12,784	0.96
	Transfer (Sell)			March 12, 2021	(1,50,000)	5,76,62,784	0.96
	Transfer (Sell)			March 19, 2021	(7,40,000)	5,69,22,784	0.95
	Transfer (Sell)			March 26, 2021	(6,00,000)	5,63,22,784	0.93
	Transfer (Sell)			March 31, 2021	(9,17,497)	5,54,05,287	0.92
	At the end of the year					5,54,05,287	0.92
5	Mr. Sanjaya Kulkarni (Independent Director)						
	At the beginning of the year	0	0.00				
	At the end of the year					0	0.00

Annexure 2 to Board's Report
(Contd..)

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year (as on April 1, 2020)		Transactions during the year		Cumulative Shareholding during the year (April 1, 2020 to March 31, 2021)	
		No. of shares held	% of total shares of the company	Date of transaction$	No. of shares	No of shares	% of total shares of the company
6	Mrs. Divya Momaya (Independent Director)**						
	At the beginning of the year	0	0.00				
	At the end of the year					0	0.00
7	Mrs. Smita Gune*** (Independent Director)						
	At the beginning of the year	0	0.00				
	At the end of the year					0	0.00
8	Mrs. Rekha Shah**** (Independent Director)						
	At the beginning of the year	0	0.00				
	At the end of the year					0	0.00
9	Mr. Shalibhadra Shah (Chief Financial Officer)						
	At the beginning of the year	62,500	0.00				
	ESOP Allotment			September 3, 2020	50,000	1,12,500	0.00
	Transfer (Sell)			February 12, 2021	(20,000)	92,500	0.00
	Transfer (Sell)			February 19, 2021	(87,000)	5,500	0.00
	At the end of the year					5,500	0.00
10	Mr. Ritin Mawani***** (Company Secretary)						
	At the beginning of the year	0	0.00				
	At the end of the year					0	0.00

$ Date of the transfer has been considered as the date on which the beneficiary position was provided by the depositories to the Company.

* Appointed as Managing Director & CEO w.e.f. October 4, 2020.

** Appointed as Independent Director w.e.f. September 25, 2020.

*** Resigned from the position of Independent Director w.e.f. April 16, 2020.

**** Resigned from the position of Independent Director w.e.f. October 1, 2020.

***** Appointed as Company Secretary w.e.f. April 27, 2020.

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	26,890,372,609	2,650,000,000	0	29,540,372,609
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	393,353,699	53,697,663	0	447,051,362
Total (i+ii+iii)	**27,283,726,308**	**2,703,697,663**	**0**	**29,987,423,971**
Change in Indebtedness during the financial year				
• Addition	10,151,429,676	3,000,000,000	0	13,151,429,676
• Reduction	11,976,996,175	2,111,000,000		14,087,996,175
Net Change	**-1,825,566,499**	**889,000,000**	**0**	**-936,566,499**
Indebtedness at the end of the financial year				
i) Principal Amount	25,064,806,110	3,539,000,000	0	28,603,806,110
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	472,880,723	81,057,385	0	553,938,108
Total (i+ii+iii)	**25,537,686,833**	**3,620,057,385**	**0**	**29,157,744,218**

VI. Remuneration of Directors and Key Managerial Personnel (KMP)

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager and KMP	Total Amount
		Mr. Arvind Hali* (Managing Director & Chief Executive Officer)	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	73,60,475	73,60,475
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–
2.	Stock Option	–	–
3.	Sweat Equity	–	–
4.	Commission		
	- as % of profit		
	- others, specify, Bonus	–	–
5.	Others, please specify	–	–
	Total (A)	**73,60,475**	**73,60,475**
	Ceiling as per the Act	As per Sec 197 of Companies Act, 2013	

* Appointed as Managing Director & Chief Executive Officer w.e.f. October 4, 2020.

B. Remuneration to Other Directors:

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
		Mrs. Smita Gune***	Mr. Divya Momaya*	Mr. Sanjaya Kulkarni	Mrs. Rekha Shah**	
1.	Independent Directors					
	• Fee for attending board and committee meetings	–	1,40,000	3,10,000	1,60,000	6,10,000
	• Commission	–	2,00,000#	2,00,000#	–	4,00,000
	• Others, please specify	–	–	–	–	–
	Total (1)	**–**	**3,40,000**	**5,10,000**	**1,60,000**	**10,10,000**
2	Other Non-Executive Directors					
	• Fee for attending board / committee meetings	–	–	–	–	–
	• Commission	–	–	–	–	–
	• Others, please specify	–	–	–	–	–
	Total (2)	**–**	**–**	**–**	**–**	**–**
	Total (B)=(1+2)	**–**	**3,40,000**	**5,10,000**	**1,60,000**	**10,10,000**
	Total Managerial Remuneration					
	Overall Ceiling as per the Act	Within the overall limits of 1% of the Net Profit of the Company				

* Appointed as Independent Director w.e.f. September 25, 2020
** Resigned from the position of Independent Director w.e.f. October 1, 2020
*** Resigned from the position of Independent Director w.e.f. April 16, 2020
# Commission is approved by the Board at its meeting held on April 28, 2021 & the same will be disbursed in FY 2021-22.

C. Remuneration to Key Managerial Personnel Other than MD/ Manager/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Vijay Kumar Goel#	Mr. Shalibhadra Shah (CFO) @	Mr. Ritin Mawani (CS)$ @	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	–	–	–	–
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–	–	–
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	–	–	–	–
2.	Stock Option	–	–	–	–
3.	Sweat Equity	–	–	–	–
4.	Commission				
	- as % of profit				
	- others, specify	–	–	–	–
5.	Others, please Specify	–	–	–	–
	Total	**–**	**–**	**–**	**–**

Resigned from the position of Chief Executive Officer w.e.f. September 25, 2020
@ Draws remuneration from Motilal Oswal Financial Services Limited, a holding company
$ Appointed as a Company Secretary w.e.f. April 27, 2020

VII. Penalties / Punishment / Compounding of Offences (Under Companies Act, 2013): None

For and on behalf of the Board of
Motilal Oswal Home Finance Limited

Motilal Oswal
Chairman
DIN: 00024503

Place: Mumbai
Date: April 28, 2021

Independent Auditor's Report

To the Members of Motilal Oswal Home Finance Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **Motilal Oswal Home Finance Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter – Impact of COVID-19 pandemic

4. We draw attention to Note 38 of the accompanying financial statements, which describes the uncertainties relating to the effects of COVID-19 pandemic on the impact on expected credit loss recognised towards the loans to customers outstanding as at 31 March 2021. Our conclusion is not modified in respect of this matter.

Key Audit Matters

5. 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.
6. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Impairment of loans and advances to customers (Refer to the accounting policies in "Note 3.1 (iii) to the financial statements: Impairment", "Note 2(iv)(b) to the Financial Statements: Significant Accounting Policies - use of estimates and judgement" and "Note 7 to the Financial Statements: Loans") As at 31 March 2021, the Company has reported gross loans and advances of INR 35,302,439,548 against which an impairment loss allowance of INR 706,029,425 is recognised as at year-end.	Our audit procedures included, but were not limited to, the following: • Considered the Company's accounting policies for impairment of financial instruments and assessed compliance with the policies in terms of Ind AS 109. • Obtained an understanding of management's process including the key inputs and assumptions used, systems and controls implemented in relation to impairment allowance process.

Key audit matter	How our audit addressed the key audit matter

Ind AS 109, Financial Instruments requires the Company to provide for impairment of its financial assets using the expected credit loss ('ECL') approach which involves estimates for probability of loss on the financial assets over their life, unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12-month ECL, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Company's financial assets. In this process, substantial judgement has been applied by the management in assessing the 'significant increase in credit risk' in respect of following matters:
a) The Company has grouped its loan portfolio based on days past due and other qualitative criteria as mentioned in the Credit-risk section under Note 46(A). Loans grouped under a particular category are assumed to represent a homogenous pool thereby expected to demonstrate similar credit characteristics.
b) Staging of loans and estimation of behavioral life.
c) Estimation of expected loss from historical observations.
d) Estimation of losses in respect of those groups of loans which had no/ minimal defaults in the past.
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).
Considering the significance of above model for impairment to the overall financial statements and the degree of management's estimates and judgments involved including the regulatory announcement of moratorium facility and restructuring facility for eligible customers, this area required significant auditor attention to test such complex accounting estimates. Therefore, we have determined this to be a key audit matter for the current year audit.
	• Obtained the policy on moratorium of loans and restructuring of loans approved by the Board of Directors pursuant to the regulatory announcements made by the RBI.
	• Assessed and tested the design and operating effectiveness of key internal financial controls over the loan impairment process used to calculate the impairment
	• Assessed the critical assumptions used by the management including the impact due to the moratorium facility and restructuring facility availed by eligible customers for estimation of allowance for expected credit losses as at 31 March 2021, which included:
	  • examining on sample basis, data inputs to the discounted cash flow models
	  • corroborating the forecasts of future cash flows prepared on the basis of expected repayments from the borrowers on sample basis
	  • testing collateral valuation adopted based on internal policies of the Company on a sample basis
	• Assessed the assumptions used by the Company for grouping and staging of loan portfolio into various categories and default buckets based on their past-due status and other qualitative factors identified by the management which indicate significant increase in credit risk. For a sample of exposures, we tested the appropriateness of such staging.
	• Understood and checked the key data sources and assumptions for data used in the ECL model used by the Company to determine impairment provisions.
	• On sample basis tested the completeness and accuracy of the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records.
	• Tested the arithmetical accuracy of computation of ECL provision performed by the Company.

Information Technology (IT) systems and controls impacting financial reporting The Company is highly dependent on its information technology (IT) systems for carrying on its operations which require large volume of transactions to be processed on a daily basis. The Company's key financial accounting and reporting processes are highly dependent on the automated controls enabled by the IT systems and information extracted from loan management systems which impacts key financial accounting and reporting areas such as loans and advances, interest income, impairment of loans amongst others.	Our audit procedures with the involvement of our IT specialists included, but were not limited to, the following: • In relation to key accounting and financial reporting systems, we obtained an understanding on IT General Controls (ITGC), IT infrastructure and key automated controls operating over such identified IT applications. • Tested the design and operating effectiveness of the Company's IT controls over IT applications as identified above.

Key audit matter	How our audit addressed the key audit matter
The controls implemented by the Company in its IT environment determine the integrity, accuracy, completeness and validity of data that is processed by the applications which is ultimately used for financial reporting. We have focused on user access management, change management, migration process, segregation of duties and key automated controls over key financial accounting and reporting systems. Accordingly, since our audit strategy has focused on key IT systems and controls impacting financial reporting due to the pervasive nature including the complexity of the IT environment and included extensive testing of automated controls and general IT controls, we have determined IT systems and controls impacting financial reporting as a key audit matter for the current year audit.	• Tested a sample of key general controls operating over the information technology in relation to the identified IT applications particularly logical access, password management and backup procedures. • Tested that requests for access to systems were appropriately reviewed and authorised; tested controls around Company's periodic review of access rights; inspected requests of changes to systems for appropriate approval and authorisation. • Tested the design and operating effectiveness of Change Management controls to assess that only authorised changes are moved to production environment. • Reviewed data migration process followed by the Company, as applicable. • Tested related interfaces, configuration and other application layer controls identified during our audit and report logic for system generated reports relevant to the audit for evaluating the completeness and accuracy.

Information other than the Financial Statements and Auditor's Report thereon

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

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

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

9. 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing 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.

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

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

13. 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.

14. 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.

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

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
17. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
18. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
    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 of the accompanying financial statements;
    b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
    c) the financial statements dealt with by this report are in agreement with the books of account;
    d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
    f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 28 April 2021 as per Annexure B expressed unmodified opinion; and
    g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
        i. the Company, as detailed in note 35 to the financial statements, has disclosed the impact of pending litigation on its financial position as at 31 March 2021;
        ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
        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 31 March 2021; and
        iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Murad D. Daruwalla
Partner
Membership No.: 043334
UDIN: 21043334AAAABG3955

Place: Mumbai
Date: 28 April 2021

Annexure A to the Independent Auditor's Report of even date to the members of Motilal Oswal Home Finance Limited, on financial statements for the year ended 31 March 2021

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

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

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

(c) The Company does not hold any immovable property (in the nature of 'property, plant and equipment'). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) There are no dues in respect of goods and service tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

The dues outstanding in respect of income-tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	1,524,312	Nil	Assessment year 2017-18	CIT Appeals

(viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or any dues to debenture-holders during the year. There are no loans or borrowings payable to government.

(ix) In our opinion, the Company has applied moneys raised by way of issuance of non-convertible debentures and term loans for the purposes for which these were raised during the year, though idle funds which were not required for immediate utilisation have been invested in liquid investments, redeemable on demand. The Company did not raise moneys by way of initial public offer/ further public offer during the year.

(x) No material fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Murad D. Daruwalla

Partner
Membership No.: 043334
UDIN: 21043334AAAABG3955

Place: Mumbai
Date: 28 April 2021

Annexure 'B'
To the Independent Auditors' Report

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of **Motilal Oswal Home Finance Limited** ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

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

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI .

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Murad D. Daruwalla
Partner
Membership No.: 043334
UDIN: 21043334AAAABG3955

Place: Mumbai
Date: 28 April 2021

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Financial Statements

Balance Sheet
as at 31 March 2021

(Amount in INR)

Particulars		Note	As at 31 March 2021	As at 31 March 2020
I. ASSETS				
(I) Financial Assets				
(a) Cash and cash equivalents		4	**2,945,248,627**	1,134,226,728
(b) Bank balances other than (a) above		5	**520,168,130**	27,655,409
(c) Receivables		6		
(i) Trade receivables			**49,653,854**	12,503,003
(ii) Other receivables			**–**	–
(d) Loans		7	**34,596,410,124**	36,275,409,357
(e) Investment		8	**–**	–
(f) Other financial assets		9	**167,631,848**	131,094,703
Total Financial assets	**(A)**		**38,279,112,583**	**37,580,889,200**
(II) Non-financial Assets				
(a) Current tax assets (net)		10	**103,014,386**	84,595,678
(b) Deferred tax assets (net)		11	**473,288,290**	976,224,576
(c) Property, Plant and Equipment		12	**69,979,720**	130,473,670
(d) Other Intangible assets		13	**20,550,148**	28,855,997
(e) Other non-financial assets		14	**29,869,348**	72,889,570
Total Non- Financial Assets	**(B)**		**696,701,892**	**1,293,039,491**
Total Assets	**(C) = (A) +(B)**		**38,975,814,475**	**38,873,928,691**
II. LIABILITIES AND EQUITY				
(I) Financial liabilities				
(a) Payables				
Trade Payables				
(i) Total outstanding dues of micro enterprises and small enterprises		15	**–**	–
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises “		15	**55,640,593**	5,488,659
(b) Debt securities		16	**11,492,400,101**	15,084,638,683
(c) Borrowings (Other than Debt securities)		17	**17,032,070,942**	14,355,158,994
(d) Other financial liabilities		18	**1,256,081,616**	694,023,115
Total Financial liabilities	**(D)**		**29,836,193,252**	**30,139,309,451**
(II) Non-Financial Liabilities				
(a) Provisions		19	**30,369,844**	25,615,658
(b) Other non-financial liabilities		20	**13,888,684**	35,149,703
Total Non-Financial Liabilities (E)			**44,258,528**	**60,765,361**

Balance Sheet
(Contd..)

(Amount in INR)

Particulars		Note	As at 31 March 2021	As at 31 March 2020
(III) EQUITY				
(a) Equity share capital		21	**6,017,847,765**	6,013,037,765
(b) Other equity		22	**3,077,514,930**	2,660,816,114
Total Equity	**(F)**		**9,095,362,695**	**8,673,853,879**
TOTAL LIABILITIES AND EQUITY	**(G) = (D) + (E)+ (F)**		**38,975,814,475**	**38,873,928,691**

The accompanying notes form an integral part of these financial statements

This is the Balance sheet referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Murad D. Daruwalla
Partner
Membership No: 043334

Place: Mumbai
Date: 28 April 2021

For and on behalf of the Board of Directors of
Motilal Oswal Home Finance Limited
CIN: U65923MH2013PLC248741

Motilal Oswal
Chairman
DIN: 00024503

Arvind Hali
Managing Director & CEO
DIN: 05285114

Shalibhadra Shah
Chief Financial Officer

Ritin Mawani
Company Secretary

Place: Mumbai
Date: 28 April 2021

Statement of Profit and Loss

for the year ended 31 March 2021

(Amount in INR)

Particulars		Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations		23		
Interest income			**5,293,870,055**	5,636,686,057
Net gains on fair value changes (Realised/Unrealised)			**39,833,638**	20,197,828
Fees and other Income			**58,215,208**	73,155,505
Total revenue from operations	**(I)**		**5,391,918,901**	**5,730,039,390**
Other income		24		
Other income			**63,300,182**	34,361,570
Total other income	**(II)**		**63,300,182**	**34,361,570**
Total Income	**III= (I+II)**		**5,455,219,083**	**5,764,400,960**
Expenses				
Finance cost		25	**2,888,977,611**	3,432,563,737
Employee benefits expenses		26	**576,557,226**	626,577,814
Depreciation and amortization expenses		12	**64,704,789**	68,004,053
Impairment on financial instruments (Provision for contingencies)		27	**803,495,957**	766,468,476
Other expenses		28	**217,012,745**	261,618,866
Total Expenses	**(IV)**		**4,550,748,328**	**5,155,232,946**
Profit/(Loss) before tax	**(III-IV)**		**904,470,755**	**609,168,014**
Less: Tax expense :		29		
(1) Current tax			**–**	–
(2) Deferred tax			**501,554,552**	218,391,279
(3) Prior Period tax			**626,160**	–
Profit/(Loss) for the period			**402,290,043**	**390,776,735**
Other comprehensive income		30		
(A) Items that will not be reclassified to profit & loss			**–**	–
(i) Actuarial gain/(loss) on post retirement benefit plans			**5,489,605**	11,278,118
Tax impact on the above			**(1,381,734)**	(3,941,026)
Total other comprehensive income			**4,107,871**	**7,337,092**
Total comprehensive income for the year			**406,397,914**	**398,113,827**
Earnings per share:		31		
Basic			**0.07**	0.07
Diluted			**0.07**	0.06
Face value per share			**1.00**	1.00

Statement of Profit and Loss
(Contd..)

The accompanying notes form an integral part of these financial statements

This is the Statement of profit and loss referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

Murad D. Daruwalla
Partner
Membership No: 043334

Place: Mumbai
Date: 28 April 2021

For and on behalf of the Board of Directors of
Motilal Oswal Home Finance Limited
CIN: U65923MH2013PLC248741

Motilal Oswal
Chairman
DIN: 00024503

Arvind Hali
Managing Director & CEO
DIN: 05285114

Shalibhadra Shah
Chief Financial Officer

Ritin Mawani
Company Secretary

Place: Mumbai
Date: 28 April 2021

Statement of Cash Flows

for the year ended 31 March 2021

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flows from operating activities:		
Profit/(Loss) before tax:	**904,470,755**	609,168,014
Adjustments :		
Depreciation and amortisation	**64,704,789**	68,004,053
Interest income	**(12,963,100)**	(1,967,949)
Interest expense	**7,334,620**	8,068,263
Employee share option scheme	**7,156,401**	(10,145,373)
Provisions for employee benefits	**2,422,489**	9,301,732
Other provisions	**7,821,302**	30,670
Impairment on financial instruments	**272,703,331**	(1,316,754,989)
Loss on derecognition of loan assets	**530,792,626**	2,083,223,462
Net gains on fair value changes	**(39,833,638)**	(20,197,828)
Operating profit before working capital changes	**1,744,609,575**	**1,428,730,055**
Adjustments for increase/ decrease in operating assets and liabilities:		
(Increase)/Decrease in Trade receivables	**(37,150,851)**	11,982,261
(Increase)/Decrease in Loans	**875,503,277**	5,089,122,979
(Increase)/Decrease in Other financial assets	**(36,537,145)**	441,009,028
(Increase)/Decrease in Other non financial assets	**43,277,036**	189,385,701
Increase/(Decrease) in Debt securities	**(3,592,238,582)**	(5,276,462,116)
Increase/(Decrease) in Non financial liabilities	**(21,261,019)**	19,144,415
Increase/(Decrease) in Borrowings other than debt securities	**2,676,911,949**	(1,107,690,130)
Increase/(Decrease) in Trade payables	**50,151,933**	(29,115,820)
Increase/(Decrease) in Other financial liabilities	**597,479,674**	(859,552,465)
Cash generated from/ (used in) operations	**2,300,745,847**	(93,446,088)
Less: Income taxes paid (net of refunds)	**(19,044,868)**	(62,028,839)
Net cash outflow from operating activities	**2,281,700,979**	**(155,474,927)**
Cash flows from investing activities:		
Sale of investment measured at FVTPL	**39,833,638**	26,578,976
Purchase of property, plant and equipments	**3,838,197**	(89,108,596)
Sale of mutual funds units	**54,365,000,000**	81,510,000,000
Purchase of mutual funds units	**(54,365,000,000)**	(81,010,000,000)
(Increase)/Decrease in deposits with maturity of more than 3 months	**(241,891,096)**	(1,771,154)
Interest income on fixed deposit	**12,963,100**	1,967,949
Net cash inflow/(outflow) from investing activities	**(185,256,161)**	**437,667,175**

Statement of Cash Flows
(Contd..)

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flows from financing activities:		
Proceeds from issue of share capital	**4,810,000**	4,345,250
Share Premium on issue of share capital	**3,144,500**	2,223,150
Increase in lease liabilities (net)	**(16,307,519)**	74,324,809
Payment towards lease liabilities	**(19,113,656)**	(20,453,346)
Interest paid	**(7,334,619)**	(8,068,263)
Net cash inflow from financing activities	**(34,801,294)**	**52,371,600**
Net Increase/(Decrease) in Cash and cash equivalents	**2,061,643,525**	**334,563,848**
Add: Cash and cash equivalents as at beginning of the year	**1,134,226,728**	799,662,880
Cash and cash equivalents at end of the year	**3,195,870,253**	**1,134,226,728**
Component of cash and cash equivalents		
Cash and cash equivalents	**2,945,248,627**	1,134,226,728
Deposits with maturity of less than 3 months	**250,621,625**	–
Total	**3,195,870,252**	**1,134,226,728**

The Statement of cash flow has been prepared under the 'Indirect Method' given under Ind AS 7 - Statement of Cash Flows.

The accompanying notes form an integral part of these financial statements

This is the Statement of cash flows referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

Murad D. Daruwalla
Partner
Membership No: 043334

Place: Mumbai
Date: 28 April 2021

For and on behalf of the Board of Directors of
Motilal Oswal Home Finance Limited
CIN: U65923MH2013PLC248741

Motilal Oswal
Chairman
DIN: 00024503

Arvind Hali
Managing Director & CEO
DIN: 05285114

Shalibhadra Shah
Chief Financial Officer

Ritin Mawani
Company Secretary

Place: Mumbai
Date: 28 April 2021

Statement of Changes in Equity

(Amount in INR)

A. Equity share capital

	Number	Amount
Balance as at 01 April 2019	**6,008,692,515**	**6,008,692,515**
Changes in equity share capital during the year	**4,345,250**	**4,345,250**
Balance as at 31 March 2020	**6,013,037,765**	**6,013,037,765**
Balance as at 01 April 2020	**6,013,037,765**	**6,013,037,765**
Changes in equity share capital during the year	**4,810,000**	**4,810,000**
Balance as at 31 March 2021	**6,017,847,765**	**6,017,847,765**

B. Other equity

Particulars	Other Equity				Total equity attributable to equity holders of the Company
	Securities Premium	Statutory reserve	ESOS Outstanding Account	Retained earnings	
Balance as at 01 April 2020	**2,607,654,192**	**455,222,577**	**14,060,738**	**(416,121,393)**	**2,660,816,114**
Profit for the year	–	–	–	402,290,043	402,290,043
Other comprehensive income for the year	–	–	–	4,107,871	4,107,871
Total comprehensive income for the period	**2,607,654,192**	**455,222,577**	**14,060,738**	**(9,723,479)**	**3,067,214,028**
Transfer to statutory reserve	–	80,458,009	–	(80,458,009)	–
Stock options exercised/ lapsed	–	–	7,156,402	–	7,156,402
Securities premium on shares issued during the year	3,144,500	–	–	–	3,144,500
Balance as at 31 March 2021	**2,610,798,692**	**535,680,586**	**21,217,140**	**(90,181,488)**	**3,077,514,930**

Particulars	Other Equity				Total equity attributable to equity holders of the Company
	Securities Premium	Statutory reserve	ESOS Outstanding Account	Retained earnings	
Balance as at 01 April 2019	**2,605,431,042**	**377,067,230**	**24,206,111**	**(749,343,178)**	**2,257,361,205**
Profit for the year	–	–	–	390,776,735	390,776,735
Other comprehensive income for the year	–	–	–	7,337,092	7,337,092
Total comprehensive income for the period	**2,605,431,042**	**377,067,230**	**24,206,111**	**(351,229,351)**	**2,655,475,032**
Transfer to statutory reserve	–	78,155,347	–	(78,155,347)	–
Stock options exercised/ lapsed	–	–	(10,145,373)	–	(10,145,373)
Securities premium on shares issued during the year	2,223,150	–	–	–	2,223,150
Transfer from lease equalisation due to adoption of Ind AS 116	–	–	–	12,942,882	12,942,882
Others	–	–	–	320,423	320,423
Balance as at 31 March 2020	**2,607,654,192**	**455,222,577**	**14,060,738**	**(416,121,393)**	**2,660,816,114**

Statement of Changes in Equity

(Contd..)

The accompanying notes form an integral part of these financial statements

This is the Statement of changes in equity referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

Murad D. Daruwalla
Partner
Membership No: 043334

Place: Mumbai
Date: 28 April 2021

For and on behalf of the Board of Directors of
Motilal Oswal Home Finance Limited
CIN: U65923MH2013PLC248741

Motilal Oswal
Chairman
DIN: 00024503

Arvind Hali
Managing Director & CEO
DIN: 05285114

Shalibhadra Shah
Chief Financial Officer

Ritin Mawani
Company Secretary

Place: Mumbai
Date: 28 April 2021

(Amount in INR)

Summary of Significant Accounting Policies and Other Explanatory Information

NOTE 1 : Corporate information

Motilal Oswal Home Finance Limited ("MOHFL" or "the Company") (formerly known as Aspire Home Finance Corporation Limited) was incorporated in India on 01 October 2013. The Company is registered with the National Housing Bank under section 29A of the National Housing Bank Act, 1987 with effect from 19 May 2014.

MOHFL is primarily engaged into providing loans for purchase or construction of residential houses.

NOTE 2: Basis of Preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. As required by Division III issued under Schedule III of the Act, the Company has presented the assets and liabilities in the balance sheet in order of the liquidity.

(i) Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015 as amended by the Companies (Indian Accounting Standards) Rules 2016.

The financial statements have been drawn up on the basis of Ind AS that are applicable to the Company as at 31 March 2021 based on the 'Press Release' issued by the Ministry of Company Affairs on 18 January 2016. Any application guidance/ clarifications/ directions issued by the NHB or RBI or other regulators are implemented as and when they are issued / applicable.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and financial liabilities are measured at fair value (refer accounting policy regarding financial instruments).
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value; and
- Share based payment determined on fair value of options.

(iii) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is MOHFL's functional and presentation currency.

(iv) Use of estimates and judgment

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

(a) **Provision and contingent liability:** On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is provided in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are neither provided nor disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

(b) **Allowance for impairment of financial asset:** The Company recognizes loss allowances for expected credit losses on its financial assets measured at amortized cost. At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit impaired'

(Amount in INR)

when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

(c) **Recognition of deferred tax assets:** Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized. Further details are disclosed in note 11 and note 29.

(d) **Share based payment:** The Company accounts for share based payments by measuring and recognizing as compensation expense the fair value of all share-based payment awards made to employees based on grant date fair values. The determination of fair value involves a number of significant estimates. The Company uses the Black Scholes option pricing model to estimate the fair value of employee stock options which requires a number of assumptions to determine the model inputs. These include the expected volatility of Company's stock and employee exercise behavior which are based on historical data as well as expectations of future developments over the term of the option. As share based payment expense is based on awards ultimately expected to vest. Management's estimate of exercise is based on historical experience but actual exercise could differ materially as a result of voluntary employee actions and involuntary actions which would result in significant change in share based payment expense amounts in the future.

(e) **Determination of the estimated useful lives of Property, plant and equipment:** Useful lives of property, plant and equipment are taken as prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

(f) **Recognition and measurement of defined benefit obligations:** The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. Further details are disclosed in note 39.

(g) **Determining whether an arrangement contains a lease:** The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

(h) **Effective interest rate:** The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected behavioral life of the financial asset to the gross carrying amount of the financial asset. This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments, the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges) as well expected changes to the base rate and other transaction costs and fees paid or received that are integral parts of the instrument.

(i) **Business model assessment:** Classification and measurement of financial assets depends on the results of the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company considers the frequency, volume and timing of sales in prior years, the reason for such sales, and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of a holistic assessment of how company's stated objective for managing the financial assets is achieved and how cash flows are realized. Therefore, the Company considers information about past sales in the context of the reasons for those sales, and the conditions that existed at that time as compared to current conditions.

(Amount in INR)

Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

(j) **De-recognition of Financial instruments:** The Company enters into securitisation transactions where financial assets are transferred to a structured entity for a consideration. The financial assets transferred qualify for derecognition only when substantial risk and rewards are transferred. This assessment includes judgements reflecting all relevant evidence including the past performance of the assets transferred and credit risk that the Company has been exposed to. Based on this assessment, the Company believes that the credit enhancement provided pursuant to the transfer of financial assets under securitisation are higher than the loss incurred on the similar portfolios of the Company hence it has been concluded that securitisation transactions entered by the Company does not qualify for de-recognition since substantial risk and rewards of the ownership has not been transferred. The transactions are treated as financing arrangements and the sale consideration received is treated as borrowings.

(v) Measurement of fair values:

The Company's accounting policies and disclosures require the measurement of fair values for, both financial and non-financial assets and liabilities.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

NOTE 3: Summary of significant accounting policies

3.1. Financial instrument

(i) Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees, commissions etc. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortized cost.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognizes the difference as follows:

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

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

(Amount in INR)

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

(ii) Classification and subsequent measurement

(a) Financial Assets

As per principles given under Ind AS 109, the Company classifies its financial assets in the following measurement categories:

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

Classification and subsequent measurement of financial assets depend on:

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

(ii) the cash flow characteristics of the asset.

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

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVTPL, are subsequently measured at amortized cost using effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

Fair value through other comprehensive income: Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Fair value through profit or loss: A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity securities held by MOHFL are classified as FVTPL unless conditions to classify at FVOCI are met.

(b) Financial liability and equity instruments

(i) Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

(ii) Financial liability:

Financial liabilities are classified at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Impairment

The Company applies the ECL model in accordance with Ind AS 109 for recognising impairment loss on financial assets. The ECL allowance is based on the credit losses expected to arise from all possible default events over the expected life of the financial asset ('lifetime ECL'), unless there has

(Amount in INR)

been no significant increase in credit risk since origination, in which case, the allowance is based on the 12-month ECL. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is calculated on a collective basis, considering the retail nature of the underlying portfolio of financial assets.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. When determining whether the risk of default on a financial asset 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 a provision matrix which takes into account the Company's historical credit loss experience, current economic conditions, forward looking information and scenario analysis.

The expected credit loss is a product of exposure at default ('EAD'), probability of default ('PD') and loss given default ('LGD'). The Company has devised an internal model to evaluate the PD and LGD based on the parameters set out in Ind AS 109. Accordingly, the financial assets have been segmented into three stages based on the risk profiles. The three stages reflect the general pattern of credit deterioration of a financial asset. The company categorises financial assets at the reporting date into stages based on the days past due ('DPD') status as under:

- Stage 1: Low credit risk, i.e. 0 to 30 days past due
- Stage 2: Significant increase in credit risk, i.e. 31 to 90 days past due
- Stage 3: Impaired assets, i.e. more than 90 days past due

LGD is an estimate of loss from a transaction given that a default occurs. 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. 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.

The Company incorporates forward looking information into both assessments of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on the consideration of external actual and forecast information, the Company forms a 'base case' view of the future direction of relevant economic variables. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. The base case represents a most likely outcome while the other scenarios represent more optimistic and more pessimistic outcomes.

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. The Company regularly reviews its models in the context of actual loss experience and makes adjustments when such differences are significantly material.

The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

After initial recognition, trade receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment. The Company follows the simplified approach required by Ind AS 109 for recognition of impairment loss allowance on trade receivables, which requires lifetime ECL to be recognised at each reporting date, right from initial recognition of the receivables.

(Amount in INR)

(iv) Derecognition

(a) 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:

- The contractual rights to receive cash flows from the financial asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset and the Company has transferred 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 neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not de-recognised and the proceeds received are recognised as a collateralised borrowing.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

(b) Financial liabilities

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

(v) Offsetting

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, the Company has a legally enforceable right to offset the recognised amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(vi) Write-offs

The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no reasonable expectation of recovering the asset in its entirety or a portion thereof. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written-off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

3.2 Repossessed collateral

Repossessed collateral represents non-financial assets acquired by the Company in settlement of overdue loans. Any collateral obtained as a result of foreclosure is not recognized as a separate asset unless it is acquired by the Company in settlement of overdue loans.

3.3 Revenue Recognition

(i) Revenue from contract with customers:

Revenue (other than for those items to which Ind AS 109 Financial Instruments is applicable) is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are exclusive of goods

(Amount in INR)

and services tax ('GST') and amounts collected on behalf of third parties. Ind AS 115 Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes previous revenue recognition guidance found within Ind AS.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

Specific policies for the Company's different sources of revenue are explained below:

(ii) Recognition of Interest income and other charges

(a) Interest income

Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial asset through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial asset after netting off the fees received and cost incurred approximates the effective interest rate method of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECLs).

(b) Other financial charges

Cheque bouncing charges, late payment charges, foreclosure charges and application money are recognised on a point-in-time basis and are recorded when realised since the probability of collecting such monies is established when the customer pays.

(iii) Dividend income

Dividend income is recognized in the statement of profit or loss on the date that the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the shareholders approve the dividend.

(iv) Other income

In other cases, income is recognized following accrual principles when there is no significant uncertainty as to determination and realization.

3.4 Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(Amount in INR)

Current Taxes

Current tax is measured at the amount of tax payable to tax authorities on the taxable income for the year calculated in accordance with the provision of Income Tax Act, 1961.

Deferred Taxes

Deferred tax is recognised for all the temporary differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured

using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised and carried forward only to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by 'The Taxation Laws (Amendment) Act, 2019'. Under this option, Company is not required to comply with provisions of Minimum Alternate Tax.

3.5 Leases – As lessee

For any new contracts entered into on or after 1 April 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

The Company has adopted Ind AS 116 "Leases" using the cumulative catch-up approach. Company has recognised Right of Use assets as at 1 April 2019 for leases previously classified as operating leases and measured at an amount equal to lease liability (adjusted for related prepayments/ accruals). The Company has discounted lease payments using the incremental borrowing rate for measuring the lease liability.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

(Amount in INR)

3.6 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, balances with banks, deposits with original maturities of three months or less that are readily convertible to known amounts of cash, which are subject to insignificant risk of change in value.

3.7 Property, plant and equipment

(i) Recognition & measurement

Items of property, plant and equipment are stated at historical cost less depreciation. Historical cost less accumulated depreciation and accumulated impairment loss, if any. includes expenditure that is directly attributable to the acquisition of the items.

(ii) Subsequent cost

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

(iii) Transition to Ind AS

On transition to IndAS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 01 April 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

(iv) Depreciation methods, estimated useful lives and residual value

The Company provides for depreciation on a straight-line basis over the useful life commencing from the month in which the asset is first put to use, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013 as mentioned below

Assets	Estimated Useful life
Computers	3 Years
Furniture & Fixtures	10 Years
Motor car	8 Years
Office equipments	10 years

(v) Gain or Loss on disposal

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit or loss.

3.8 Intangible assets

(i) Recognition and measurement

Intangible assets are recognized where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment, if any.

(ii) Subsequent cost

Expenditure incurred on acquisition/development of intangible assets which are not put/ready to use at the reporting date is disclosed under intangible assets under development.

(iii) Amortisation

The Company amortizes intangible assets on a straight-line basis over the useful life of 5 years commencing from the month in which the asset is first put to use.

(iv) Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognized as at 01 April 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

(Amount in INR)

3.9 Employee benefits

(i) Short-term employee benefit

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered. The Company recognises the costs of bonus payments when it has a present obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

(ii) Post-employment benefit

Defined contribution plan:

Contribution payable to the recognised provident fund, which is a defined contribution scheme, is charged to the Statement of Profit and Loss in the period in which they occur.

Defined benefits plan:

Gratuity is post-employment benefit and is in the nature of defined benefit plan. The liability recognised in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the Balance Sheet date together with the adjustments for unrecognised actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses comprise experience adjustment and the effects of changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income.

(iii) Other long-term employee benefit

(a) Heritage club benefit

Heritage club benefits are recognised as liability at the present value of defined benefits obligation as at the Balance Sheet date. The defined benefits obligation is calculated at the Balance Sheet date by an independent actuary using the projected unit credit method.

(b) Compensated absences

An employee can carry forward leave to next financial year as per the policy of Company. No leave is allowed to be encashed. An obligation arises as employees render service that increases their entitlement to future compensated absences. Provision is made for expected cost of accumulating compensated absences as a result of unused leave entitlement which has accumulated as at the balance sheet date.

(iv) Share-based payments

Employee Stock Option Scheme (ESOS)

The Employees Stock Options Scheme (the "Scheme") has been established by the Company. The Scheme provides that employees of Aspire Home Finance Corporation Limited and group companies as well, are granted an option to subscribe to equity share of the Company that vest on the satisfaction of vesting conditions. The fair value of options granted under ESOS is recognized as an employee benefits expense with a corresponding increase in share based payment reserve. The total amount to be expensed is determined reference to the fair value of the options granted excluding the impact of any service conditions.

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the statement of profit and loss.

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

(Amount in INR)

Grants provided by the holding company to the employees at deputation to the company are also accounted for in line with accounting treatment described above. The corresponding impact of the expense recorded on account of such grants are recorded as payable to holding company.

3.10 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

(b) Diluted earnings per share

Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

3.11 Provisions and Contingent Liabilities:

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. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

3.12 Impairment of Non-financial assets

Assessment is done at each reporting date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each reporting date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. After impairment (if any), depreciation/ amortisation is provided on the revised carrying amount of the assets over its remaining life.

3.13 Foreign currency

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each closing date of the Company's monetary items at the closing rate are recognized as income and expenses in the period in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of transactions. Non-monetary items that are measured at fair value in a foreign currency shall be translated into functional currency using the exchange rates at the date when the fair value was determined. Exchange differences are recognised in the statement of profit and loss.

3.14 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable to the Company from 1 April 2020.

Notes to Financial Statements
(Contd..)

(Amount in INR)

	As at 31 March 2021	As at 31 March 2020
NOTE 4: Cash and cash equivalents		
(i) Cash on hand	**18,107,858**	2,928,737
(ii) Balance with banks :		
In current account	**2,927,140,769**	1,131,297,991
	2,945,248,627	**1,134,226,728**

1. There are no earmarked balances with banks.
2. There are no balances with banks held as margin money or security against the borrowings, guarantees, other commitments.
3. There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period.

	As at 31 March 2021	As at 31 March 2020
NOTE 5: Bank balances other than (4) above		
Deposits with maturity of less than 3 months	**250,621,625**	–
Deposits with maturity of more than 3 months but less than 12 months*	**240,041,096**	27,655,409
Deposits with maturity of more than 12 months **	**29,505,409**	–
	520,168,130	**27,655,409**

* Held as cash collateral for securitisation of receivables

** The above deposit is lien with State Bank of Mauritius, against term loan.

	As at 31 March 2021	As at 31 March 2020
NOTE 6 : Trade and other receivables		
Trade Receivables		
Considered good - unsecured	**49,653,854**	12,503,003
	49,653,854	**12,503,003**

1. There are no trade receivable which have significant increase in credit risk or which are credit impaired.
2. There are no debts due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms including limited liability partnerships (LLPs), private companies respectively in which any director is a partner or a director or a member.

	As at 31 March 2021	As at 31 March 2020
NOTE 7 : Loans - At amortised cost (Also, refer note 32)		
(A) Asset under management*	**35,302,439,549**	36,708,735,452
less : Impairment loss allowance	**706,029,425**	433,326,095
	34,596,410,124	36,275,409,357
* Comprises of housing loans and non-housing loans		
(B) (i) Secured by tangible assets	**35,302,439,549**	36,708,735,452
(ii) unsecured	**–**	–
Less : Impairment loss allowance	**706,029,425**	433,326,095
Total (B)	**34,596,410,124**	**36,275,409,357**

(Amount in INR)

	As at 31 March 2021	As at 31 March 2020
C) (I) Loans in India		
(i) Public sector	–	–
(ii) Others	35,302,439,549	36,708,735,452
Less : Impairment loss allowance	706,029,425	433,326,095
Total (C) (I)	**34,596,410,124**	**36,275,409,357**
C) (II) Loans Outside India	–	–
Less : Impairment loss allowance	–	–
Total (C) (II)	–	–
Total (C) (I) and (C) (II)	**34,596,410,124**	**36,275,409,357**
Stage wise break up of loans,(net of provisions)		
(i) Low credit risk (Stage 1)	32,092,607,583	34,474,922,572
(ii) Significant increase in credit risk (Stage 2)	1,976,072,464	1,304,865,865
(iii) Credit impaired (Stage 3)	527,730,077	495,620,921
Total	**34,596,410,124**	**36,275,409,358**
Loan assets pledged as security for borrowings	28,949,781,181	31,102,518,077

	As at 31 March 2021	As at 31 March 2020
NOTE 8 : Investments		
(i) 'Investments in Mutual Funds	–	–
	–	–

	As at 31 March 2021	As at 31 March 2020
NOTE 9 : Other Financial assets		
EMI /Pre EMI receivables on home loans	146,506,443	107,166,359
Other receivable from related parties	159,294	782,904
Security deposit	11,941,498	15,778,618
Loan to Employees	9,024,613	7,366,822
	167,631,848	131,094,703

	As at 31 March 2021	As at 31 March 2020
NOTE 10 : Current tax assets (Net)		
Advance income tax and TDS	103,014,386	84,595,678
	103,014,386	84,595,678

	As at 31 March 2021	As at 31 March 2020
NOTE 11: Deferred tax assets (Net)		
Deferred tax assets (net) (Refer note 29)	473,288,290	976,224,576
	473,288,290	976,224,576

(Amount in INR)

NOTE 12 : Property, Plant and Equipment

	Computers and data processing units	Furniture and fixtures	Electric installations	Office equipments	Motor car	Leasehold improvements	Right of use (Office premise)	Total
Reconciliation of carrying amount								
Cost or deemed cost (gross carrying amount)								
Balance as at 1 April 2019	82,209,656	39,558,482	19,829,859	33,181,459	2,337,137	71,654,473	–	248,771,066
Adjustment on transition to Ind AS 116	–	–	–	–	–	–	81,973,196	81,973,196
Additions	955,192	–	74,580	416,382	–	2,974,655	–	4,420,809
Disposals	–	48,934	–	–	–	47,920	7,648,387	7,745,241
Balance as at 31 March 2020	**83,164,848**	**39,509,548**	**19,904,439**	**33,597,841**	**2,337,137**	**74,581,208**	**74,324,809**	**327,419,830**
Additions	2,735,974	1,119,645	732,695	1,053,275	–	4,916,028	–	10,557,617
Disposals	–	–	–	–	–	–	16,307,519	16,307,519
Balance as at 31 March 2021	**85,900,822**	**40,629,193**	**20,637,134**	**34,651,116**	**2,337,137**	**79,497,236**	**58,017,290**	**321,669,928**
Accumulated depreciation and impairment losses								
Balance as at 1 April 2019	56,458,798	16,520,606	12,456,697	12,316,807	434,520	40,738,864	–	138,926,292
Depreciation for the year	10,687,008	2,495,097	3,417,546	2,485,000	260,165	12,335,437	26,339,615	58,019,868
Disposals	–	–	–	–	–	–	–	–
Balance as at 31 March 2020	**67,145,806**	**19,015,703**	**15,874,243**	**14,801,807**	**694,685**	**53,074,301**	**26,339,615**	**196,946,160**
Depreciation for the year	6,602,865	2,951,051	2,512,151	2,679,952	257,308	11,408,161	28,332,561	54,744,049
Disposals	–	–	–	–	–	–	–	–
Balance as at 31 March 2021	**73,748,671**	**21,966,754**	**18,386,394**	**17,481,759**	**951,993**	**64,482,462**	**54,672,176**	**251,690,209**
Carrying amounts (net)								
As at 31 March 2020	16,019,042	20,493,845	4,030,196	18,796,034	1,642,452	21,506,907	47,985,194	130,473,670
As at 31 March 2021	**12,152,151**	**18,662,439**	**2,250,740**	**17,169,357**	**1,385,144**	**15,014,774**	**3,345,114**	**69,979,720**

NOTE 13: Other Intangible assets

	Computer software
Reconciliation of carrying amount	
Cost or deemed cost	
Balance as at 1 April 2019	47,654,910
Additions – internally developed	6,793,765
Balance as at 31 March 2020	54,448,675
Other additions – internally developed	1,654,890
Balance as at 31 March 2021	**56,103,565**
Accumulated amortisation and impairment losses	
Balance as at 1 April 2019	15,608,491
Amortisation for the year	9,984,187
Balance as at 31 March 2020	25,592,678
Amortisation for the year	9,960,739
Balance as at 31 March 2021	**35,553,417**
Carrying amounts (net)	
As at 31 March 2020	28,855,997
As at 31 March 2021	**20,550,148**

(Amount in INR)

	As at 31 March 2021	As at 31 March 2020
NOTE 14 : Other non-financial assets		
Prepaid expenses	**2,371,960**	1,628,814
GST Credit receivable	**11,693,054**	37,892,147
Capital advances	**4,737,684**	4,994,497
Other advances	**11,066,650**	25,481,531
Service tax credit receivable	**–**	2,892,581
	29,869,348	**72,889,570**

	As at 31 March 2021	As at 31 March 2020
NOTE 15 : Trade payables		
total outstanding dues of Micro small & medium enterprises (Refer Note 55)	**–**	–
total outstanding dues of creditors other than Micro small & medium enterprises	**55,640,593**	5,488,659
	55,640,593	**5,488,659**

	As at 31 March 2021	As at 31 March 2020
NOTE 16: Debt Securities at Amortised cost		
Secured redeemable non-convertible debentures	**7,963,255,543**	12,443,659,409
Unsecured redeemable non-convertible debentures	**3,529,144,558**	2,640,979,274
	11,492,400,101	**15,084,638,683**
Debt Securities in India	**11,492,400,101**	15,084,638,683
Debt Securities Outside India	**–**	–

Security and other terms of Debt securities

1. **Terms of repayment as below (Repayment schedule mentioned below excludes Unamortised borrowing cost):**

As at 31 March 2021

NCD Series	Units	Amount	Security provided	Security coverage	Rate of Interest	Maturity date
SERIES A (2016-17)/07	997	997,000,000	Exclusive charge over specific receivables	1.1 times of the amount outstanding	9.85%	15 May 2023
SERIES A-5/ FY20/FY23	2,000	2,000,000,000	Exclusive charge over specific receivables	1 times of the amount outstanding	10.00%	24 March 2023
SERIES A-6 / F.Y.21/ F.Y.23	250	250,000,000	Exclusive charge over specific receivables	1.1 times of the amount outstanding	9.79%	22 June 2023
SERIES A-7 / F.Y.21/ F.Y.23	500	500,000,000	Exclusive charge over specific receivables	1.2 times of the amount outstanding	9.50%	23 June 2023

Notes to Financial Statements
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(Amount in INR)

NCD Series	Units	Amount	Security provided	Security coverage	Rate of Interest	Maturity date
SERIES A-8 / F.Y.21/ F.Y.23	500	500,000,000	Exclusive charge over specific receivables	1.1 times of the amount outstanding	9.60%	29 June 2023
SERIES A-9 / F.Y.21/ F.Y.23	750	750,000,000	Exclusive charge over specific receivables	1.25 times of the amount outstanding	9.45%	21 April 2023
SERIES A-10 /F.Y.21/F.Y.23	250	250,000,000	Exclusive charge over specific receivables	1.1 times of the amount outstanding	9.00%	28 January 2022
SERIES M-1/ FY19/FY22	46	47,757,099	Exclusive charge over specific receivables	1 times of the amount outstanding	10.25%	30 April 2021
SERIES M-2/ FY20/FY22	143	143,204,078	Exclusive charge over specific receivables	1 times of the amount outstanding	9.95%	16 November 2021
SERIES M-3/ FY20/FY22	280	282,670,905	Exclusive charge over specific receivables	1 times of the amount outstanding	9.75%	28 December 2021
SERIES M-6/ FY20/FY23	334	335,397,844	Exclusive charge over specific receivables	1 times of the amount outstanding	9.25%	18 May 2022
SERIES M-7/ FY20/FY23	383	384,481,068	Exclusive charge over specific receivables	1 times of the amount outstanding	9.30%	29 December 2022
SERIES M-8 /F.Y.21 /F.Y.22	1,000	1,002,361,172	Exclusive charge over specific receivables	1 times of the amount outstanding	8.90%	10 December 2021
SERIES M-9 /F.Y.21 /F.Y.24	541	542,621,457	Exclusive charge over specific receivables	1 times of the amount outstanding	8.50%	01 June 2023
Grand Total	**7,974**	**7,985,493,623**				

As at 31 March 2020

NCD Series	Units	Amount	Security provided	Security coverage	Rate of Interest	Maturity date
SERIES A-3/ FY19/FY25	250	250,000,000	Exclusive charge over specific receivables	1 times of the amount outstanding	10.00%	19 October 2024
SERIES A-4/ FY19/FY25	3,000	3,000,000,000	Exclusive charge over specific receivables	1.05 times of the amount outstanding	10.00%	27 January 2024
SERIES A-1/ FY19/FY24	2,500	2,500,000,000	Exclusive charge over specific receivables	1.05 times of the amount outstanding	9.85%	24 August 2023
SERIES A (2016-17)/07	997	997,000,000	Exclusive charge over specific receivables	1.1 times of the amount outstanding	9.85%	15 May 2023
SERIES A-5/ FY20/FY23	2,000	2,000,000,000	Exclusive charge over specific receivables	1 times of the amount outstanding	10.00%	24 March 2023
SERIES M-7/ FY20/FY23	383	384,481,168	Exclusive charge over specific receivables	1 times of the amount outstanding	9.30%	29 December 2022

(Amount in INR)

NCD Series	Units	Amount	Security provided	Security coverage	Rate of Interest	Maturity date
SERIES M-6/ FY20/FY23	334	335,397,844	Exclusive charge over specific receivables	1 times of the amount outstanding	9.25%	18 May 2022
SERIES M-3/ FY20/FY22	280	282,670,905	Exclusive charge over specific receivables	1 times of the amount outstanding	9.75%	28 December 2021
SERIES M-2/ FY20/FY22	143	143,204,078	Exclusive charge over specific receivables	1 times of the amount outstanding	9.95%	16 November 2021
SERIES M-1/ FY19/FY22	1,000	1,019,479,696	Exclusive charge over specific receivables	1 times of the amount outstanding	10.25%	30 April 2021
SERIES M-5/FY20 /FY21	313	313,952,643	Exclusive charge over specific receivables	1 times of the amount outstanding	9.35%	26 November 2020
SERIES M-4/FY20 /FY21	808	809,976,569	Exclusive charge over specific receivables	1 times of the amount outstanding	9.50%	16 October 2020
SERIES A (2015-16)/3	450	450,000,000	Exclusive charge over specific receivables	1.1 times of the amount outstanding	10.75%	08 June 2020
Grand Total	**12,458**	**12,486,162,903**				

Unsecured Debt securities as at 31 March 2021

NCD Series	Amount	Units	Rate of Interest	Maturity date
SERIES A (2016-17)/1	39,000,000	39	11.40%	28 April 2021
SERIES A (2016-17)/11	500,000,000	500	11.25%	07 August 2026
SERIES A-4/FY19/FY25	3,000,000,000	3,000	8.00%	27 January 2024
Total	**3,539,000,000**	**3,539**		

Unsecured Debt securities As at 31 March 2020

NCD Series	Amount	Units	Rate of Interest	Maturity date
SERIES A (2016-17)/11	500,000,000	500	11.25%	07 August 2026
SERIES A-2/FY19/FY24	2,000,000,000	2,000	10.00%	28 September 2023
SERIES A (2016-17)/1	150,000,000	150	11.40%	28 April 2021
Total	**2,650,000,000**	**2,650**		

(Amount in INR)

	As at 31 March 2021	As at 31 March 2020
NOTE 17: Borrowings at Amortised cost		
Secured		
Term loans from banks*	**12,825,623,195**	14,360,474,636
Term loans from Securitization	**1,841,147,118**	–
Term loans from NHB Refinance	**2,250,000,000**	–
Cash Credit from banks #	**115,300,629**	(5,315,642)
	17,032,070,942	**14,355,158,994**
* Out of the above, term loans amounting INR 7,433,928,571 (PY - INR 8,474,910,714) are also secured by Corporate guarantee from the Holding Company.		
# This represents debit balances in cash credit accounts as at 31 March 2020.		
Borrowings in India	**17,032,070,942**	14,355,158,994
Borrowings outside India	**–**	–

Security and other terms of loans are as follows :

a) Rate of interest of cash credit is 3M MCLR (Marginal cost of funds-based Lending Rate) + 1.50% and is secured by way of hypothecation of receivables. Further, these are repayable on demand.

b) Securitisation liability represents amounts received in respect of securitisation transactions (net of repayments & investment therein) as these transactions do not meet the derecognition criteria specified under Ind AS. These are secured by way of hypothecation of designated assets on finance receivables.

c) Terms of repayment of terms loans

As at 31 March 2021

(i) Term loans from banks - secured by way of hypothecation of receivables i.e. loans and advances.

Maturity	0-1 years	1-3 years	3-5 years	> 5 years	Total
Rate of interest					
5.25 % to 10.95 % annually	4,961,968,761	6,387,768,634	2,431,978,616	1,293,907,182	15,075,623,193
Total	**4,961,968,761**	**6,387,768,634**	**2,431,978,616**	**1,293,907,182**	**15,075,623,193**

(ii) Terms of maturity of securitisation liability

Maturity	0-1 years	1-3 years	3-5 years	> 5 years	Total
Rate of interest					
7.55 % annually	29,741,315	149,887,210	165,387,577	1,496,131,016	1,841,147,118
Total	**29,741,315**	**149,887,210**	**165,387,577**	**1,496,131,016**	**1,841,147,118**

As at 31 March 2020

(i) Term loans from banks - secured by way of hypothecation of receivables i.e. loans and advances.

Maturity	0-1 years	1-3 years	3-5 years	> 5 years	Total
Rate of interest					
7.00 % to 12.00 % annually	3,332,499,556	6,250,039,244	3,958,698,689	819,237,147	14,360,474,636
Total	**3,332,499,556**	**6,250,039,244**	**3,958,698,689**	**819,237,147**	**14,360,474,636**

(Amount in INR)

	As at 31 March 2021	As at 31 March 2020
NOTE 18: Other Financial liabilities		
Interest accrued but not due on borrowings	**553,938,108**	447,051,362
Salary and bonus payable	**25,164,903**	30,008,408
Other liabilities	**259,142,377**	120,399,217
Lease liability	**18,450,288**	53,871,463
Book overdraft	**399,385,940**	42,692,665
	1,256,081,616	**694,023,115**

	As at 31 March 2021	As at 31 March 2020
NOTE 19: Provisions		
(a) Provision for employee benefits		
Gratuity (Refer note 39 B)	**7,817,489**	7,831,989
Other employee benefit	**371,253**	685,411
Compensated absences	**8,479,550**	11,218,008
(b) Provision for expenses	**13,701,552**	5,880,250
	30,369,844	**25,615,658**

	As at 31 March 2021	As at 31 March 2020
NOTE 20: Other non-financial liabilities		
Statutory Liabilities	**13,888,684**	35,149,703
	13,888,684	**35,149,703**

Particulars	**As at 31 March 2021**		As at 31 March 2020	
	Number	**Amount**	Number	Amount
NOTE 21: (I) Equity Share capital				
(a) Authorised Share Capital				
Equity shares of Re. 1/- each	**10,000,000,000**	**10,000,000,000**	10,000,000,000	10,000,000,000
(b) Equity shares of Re. 1/- each issued, subscribed and fully paid up				
Equity share capital of Re. 1/- each	**6,017,847,765**	**6,017,847,765**	6,013,037,765	6,013,037,765
	6,017,847,765	**6,017,847,765**	**6,013,037,765**	**6,013,037,765**

a) The Company has only one class of equity shares having a face value of Re. 1 each. Each holder of equity shares is entitled to one vote per share.

b) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their holding. However, there exists no preferential liability as at 31 March 2021.

(Amount in INR)

(c) Reconciliation of share capital :

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number	Amount	Number	Amount
Equity shares				
Outstanding at the beginning of the year	**6,013,037,765**	**6,013,037,765**	6,008,692,515	6,008,692,515
Issued during the year	**4,810,000**	**4,810,000**	4,345,250	4,345,250
Outstanding at the end of the year	**6,017,847,765**	**6,017,847,765**	**6,013,037,765**	**6,013,037,765**

(d) Details of shares held by holding Company and subsidiaries of holding company / shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number	% of holding	Number	% of holding
Motilal Oswal Financial Services Limited				
Equity share of Re. 1 each fully paid-up	**4,836,267,897**	**80.37%**	4,836,267,897	80.43%
Motilal Oswal Finvest Limited				
Equity share of Re. 1 each fully paid-up	**600,000,000**	**9.97%**	600,000,000	9.98%
	5,436,267,897	**90.34%**	**5,436,267,897**	**90.41%**

Also refer note 40 for disclosure relating to employee stock option scheme.

(e) The Company has not issued any shares for consideration other than cash nor there has been any buyback of shares during the five years immediately preceding 31 March 2021.

	As at 31 March 2021	As at 31 March 2020
NOTE 22: Other Equity		
(I) Other Reserves		
(a) Share option outstanding account		
Opening Balance	**14,060,738**	24,206,111
Add: Addition during the year/(Deletion)	**7,156,401**	(10,145,373)
Transfer of Share Premium on account of issue of shares	**–**	–
	21,217,139	**14,060,738**
(b) Statutory reserves		
Opening Balance		
Section 29C of The National Housing Bank Act, 1987	**149,441,138**	71,285,792
Special reserve u/s 36(1) (viii) of Income Tax Act, 1961	**305,781,438**	305,781,438
Transfer during the year		
Section 29C of The National Housing Bank Act, 1987	**–**	78,155,347
Special reserve u/s 36(1) (viii) of Income Tax Act, 1961	**80,458,009**	–
Closing Balance		
Section 29C of The National Housing Bank Act, 1987	**149,441,138**	149,441,138
Special reserve u/s 36(1) (viii) of Income Tax Act, 1961	**386,239,447**	305,781,438
	535,680,585	455,222,576

(Amount in INR)

			As at 31 March 2021	As at 31 March 2020
	(c)	**Securities Premium account**		
		Opening Balance	**2,607,654,192**	2,605,431,042
		Securities premium on shares issued during the year	**3,144,500**	2,223,150
			2,610,798,692	**2,607,654,192**
(II)	**Retained Earnings**			
	(a)	**Surplus/ (Deficit) in profit or loss account**		
		Opening Balance	**(440,508,260)**	(766,392,954)
		(Loss) / Profit for the year	**402,290,043**	390,776,735
		Transfer to Statutory Reserve	**(80,458,009)**	(78,155,347)
		Transfer from Lease equalisation due to Ind AS 116	**–**	12,942,882
		Others	**–**	320,424
			(118,676,226)	**(440,508,260)**
	(b)	**Other comprehensive income**		
		Opening Balance	**24,386,868**	17,049,776
		Other Comprehensive Income (net of tax)	**4,107,871**	7,337,092
			28,494,739	**24,386,868**
	Total Other Equity		**3,077,514,930**	**2,660,816,114**

Note: During the year, the Company has not drawn down any of the reserves.

22.1 Nature and purpose of Other Reserve

Share option outstanding account

Share option outstanding account is used to recognise the grant date fair value of equity settle instruments issued to employees under the stock option scheme of the Company.

Statutory Reserves

(a) Reserve u/s 29C of National Housing Bank Act, 1987:

The Company has created a reserve fund as required by section 29C of National Housing Bank Act, 1987, wherein a sum equal to twenty percent of its profit every year, as disclosed in the profit and loss account and before any dividend is declared, is transferred.

(b) Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961:

In respect of any special reserve created and maintained by a specified entity, an amount not exceeding twenty percent of the profits derived from eligible business computed under the head "Profits and gains of business or profession" (before making any deduction under this clause) is carried to such reserve account.

Securities Premium

The security premium account is use to record the premium received on issue of shares. The reserve will be utilised in accordance with the provisions of the Act.

Retained earnings

Retained earnings represents accumulated surplus/ deficit of the Company and remeasurement gains/ loss on defined benefit plan.

Notes to Financial Statements
(Contd..)

(Amount in INR)

	For the year ended 31 March 2021	For the year ended 31 March 2020
NOTE 23: Revenue from operations		
(i) Interest Income on Loan at amortised cost	**5,280,906,955**	5,634,718,108
(ii) Interest Income on Fixed Deposit at amortised cost	**12,963,100**	1,967,949
(iii) Net gains on fair value changes on financial instruments at FVTPL	**39,833,638**	20,197,828
(iv) Fees and commission income	**58,215,208**	73,155,505
TOTAL	**5,391,918,901**	**5,730,039,390**

	For the year ended 31 March 2021	For the year ended 31 March 2020
NOTE 24: Other income		
Other non operating income	**63,300,182**	34,361,570
TOTAL	**63,300,182**	**34,361,570**

	For the year ended 31 March 2021	For the year ended 31 March 2020
NOTE 25: Finance cost		
(i) Interest cost	**2,794,627,653**	3,312,526,877
(ii) Interest cost on lease liability	**7,334,620**	8,068,263
(iii) Interest cost on securitization	**388,219**	–
(iv) Other borrowing cost	**86,627,119**	111,968,597
TOTAL	**2,888,977,611**	**3,432,563,737**

	For the year ended 31 March 2021	For the year ended 31 March 2020
NOTE 26: Employee benefits expenses		
(i) Salary, Bonus and Allowances	**539,256,769**	595,598,974
(ii) Share based payments	**4,284,867**	(11,885,096)
(iii) Contribution to provident & other funds (Refer note 39 A)	**27,041,896**	30,050,422
(iv) Staff welfare expenses	**344,360**	3,391,872
(v) Gratuity obligation (Refer note 39 B)	**5,629,334**	9,421,642
TOTAL	**576,557,226**	**626,577,814**

(Amount in INR)

	For the year ended 31 March 2021	For the year ended 31 March 2020
NOTE 27: Impairment on financial instruments		
(i) Impairment on loans (Loans measured at amortised cost)	**272,703,331**	(1,316,754,986)
(ii) Loss on derecognition of loan assets*	**530,792,626**	2,083,223,462
TOTAL	**803,495,957**	**766,468,476**

* This majorly includes loss on sale of assets to an asset reconstruction company. Also, refer note 32 for additional details.

	For the year ended 31 March 2021	For the year ended 31 March 2020
NOTE 28: Other Expenses		
(i) Rates & Taxes	**13,960,887**	23,174,866
(ii) Rent	**26,896,190**	48,411,528
(iii) Insurance	**6,206,620**	7,926,996
(iv) Computer Maintenance & Software Charges	**3,247,160**	4,195,679
(v) Legal & Professional Charges	**48,627,030**	36,506,055
(vi) Remuneration to auditors (Refer note 33)	**4,134,394**	3,710,400
(vii) Data processing charges	**9,221,823**	10,763,604
(viii) Marketing & brand promotion expenses	**5,113,723**	314,761
(ix) Advertisement expenses	**8,800,352**	11,609,617
(x) Printing & Stationary	**1,898,775**	3,343,099
(xi) Power and fuel	**6,039,802**	10,422,190
(xii) Communication and data charges	**14,788,484**	9,814,255
(xiii) Travelling, lodging and boarding expenses	**17,757,503**	31,253,536
(xiv) Business Support Service	**21,876,250**	22,500,000
(xv) Repair and Maintenance	**818,607**	1,276,912
(xvi) Miscellaneous expenses	**27,625,145**	36,395,368
TOTAL	**217,012,745**	**261,618,866**

(Amount in INR)

	For the year ended 31 March 2021	For the year ended 31 March 2020
NOTE 29: Income Tax Expense		
A. Amounts recognised in statement of profit or loss		
Current tax		
Current year (a)	**–**	–
Changes in estimates related to prior years (b)	**626,160**	–
Deferred tax (c)		
Origination and reversal of temporary differences	**501,554,552**	218,391,279
Tax expense of continuing operations (a)+(b)+(c)	**502,180,712**	**218,391,279**
B. Amount recognised in other comprehensive income		
Remeasurements of defined benefit liability	**(1,381,734)**	(3,941,026)
	(1,381,734)	(3,941,026)
C. Reconciliation of effective tax		
Profit/(Loss) before tax	**904,470,755**	609,168,014
Tax at the rate of 25.168% (P.Y. 34.944%)	**227,655,289**	212,867,671
Effect of:		
Prior Period tax liability on assessment	**626,160**	–
Loss due to restatement for the year*	**273,110,446**	–
Recognition of tax on unamortised borrowings	**–**	5,166,037
Miscellaneous disallowance	**162,656**	357,571
Effective tax	**501,554,551**	**218,391,279**
Effective Tax Rate	**55.45%**	35.85%
Effective Tax Rate (excluding loss due to restatement & prior period tax)	**25.19%**	35.85%
* The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by 'The Taxation Laws (Amendment) Act, 2019'. Accordingly, the Company has recognised provision for Income Tax for the year ended 31 March 2021 and re-measured its Deferred tax assets/ liability basis the rate prescribed in the aforesaid section. Accordingly, an amount of INR 273,110,446 for the year ended 31 March 2021, is attributable to the effect of revising the annual effective income tax rate.		
D. Recognised deferred tax assets and liabilities		
Deferred tax assets and liabilities are attributable to the following:		
Difference between book depreciation and tax depreciation	**15,765,231**	18,941,491
Other Employee Benefits	**(1,243,393)**	1,013,711
Unamortized borrowing cost	**(4,287,058)**	(14,640,674)
Deposit and rent Equalization	**5,850,749**	8,123,354
Provision for compensated absence	**2,134,133**	3,920,021
Provision for Loan assets	**177,813,471**	151,584,774
Reserve created u/s 36(1)(viii)	**(20,249,672)**	577,114
Business loss	**282,901,425**	759,576,588
Unamortized upfront income and expenses	**14,603,405**	47,128,197
	473,288,290	**976,224,576**

(Amount in INR)

	For the year ended 31 March 2021	For the year ended 31 March 2020
NOTE 30: Other comprehensive income		
(i) Items that will not be reclassified to profit or loss		
Actuarial gain/(loss) on post retirement benefit plans	**5,489,605**	11,278,118
Deferred tax impact on the above	**(1,381,734)**	(3,941,026)
Total other comprehensive income, net of tax	**4,107,871**	**7,337,092**

	For the year ended 31 March 2021	For the year ended 31 March 2020
NOTE 31: Earnings per share		
Basic earnings per share		
Profit attributable to equity shareholders (Rupees) [A]	**402,290,043**	390,776,735
Nominal value per share (in Rupees)	**1**	1
Weighted average number of equity shares outstanding during the year [B] (Face value ₹ 1)	**6,015,429,079**	6,010,857,762
Basic earnings per share [A] / [B] (Rupees)	**0.07**	0.07
Diluted earnings per share		
(Loss)/Profit attributable to equity shareholders (Rupees)	**402,290,043**	390,776,735
Less : Impact on profit due to exercise of diluted potential equity shares	**–**	-
Net profit attributable to equity shareholders for calculation of diluted earnings per share [A]	**402,290,043**	390,776,735
Weighted average number of equity shares used in computing basic earnings per share	**6,015,429,079**	6,010,857,762
Effect of potential equity shares for stock options outstanding	**(18,177,223)**	21,637,854
Weighted number of equity shares used in computing diluted earnings per share [B]	**5,997,251,856**	6,032,495,616
Diluted earnings per share (Rupees) [A] / [B]	**0.07**	0.06

NOTE 32: Loans and ECL movement

1 Loan book movement - during the year ended 31 March 2021

Particulars	Total
Opening	**36,708,735,452**
Origination of new loans	2,726,564,993
Derecognition of loans*	(1,135,541,486)
Repayments received during the year	(2,997,319,411)
Closing	**35,302,439,548**

*Derecognition of loan includes loan assets sold to an asset reconstruction company (ARC):

During the current year, the Company has sold in three tranches a pool of certain non performing loan assets aggregating to INR 1,135,541,486 to an Asset Reconstruction Company vide separate agreements dated 29 September 2020, 29 December 2020 and 1 March 2021 respectively. These loan assets have been de-recognised from the loan portfolio of the Company as the sale of loan assets was done on "no-recourse" basis and on true

(Amount in INR)

sale basis. This has resulted in reversal of ECL amounting to INR 272,529,957, which represents the amount of ECL allowance created on such loans.

2 Loan book movement - during the year ended 31 March 2020

Particulars	Total
Opening	**43,881,081,889**
Origination of new loan	1,921,787,505
Derecognition of loans**	(4,211,635,532)
Repayments received during the year	(4,882,498,410)
Closing	**36,708,735,452**

**Derecognition of loan includes loan assets sold to an asset reconstruction company (ARC):

During the current year, the Company has sold in two tranches a pool of certain non performing loan assets aggregating to INR 4,211,635,532 to an Asset Reconstruction Company vide separate agreements dated 30 September 2019 and 26 March 2020. These loan assets have been de-recognised from the loan portfolio of the Company as the sale of loan assets was done on "no-recourse" basis and on true sale basis. This has resulted in reversal of ECL amounting to INR 953,157,809, which represents the amount of ECL allowance created on such loans.

Break - up of loans under

Particulars	As at 31 March 2021	As at 31 March 2020
Low credit risk (Stage 1)	**32,329,372,990**	34,591,386,719
Significant increase in credit risk (Stage 2)	**2,203,864,747**	1,456,662,672
Credit impaired (Stage 3)	**769,201,812**	660,686,061
Closing	**35,302,439,549**	**36,708,735,452**

ECL movement

Particulars	As at 31 March 2021	As at 31 March 2020
Opening	**433,326,094**	**1,750,081,082**
ECL impact due to sale of loans to ARC	(272,529,957)	(953,157,809)
Movement during the year*	545,233,287	(363,597,179)
Closing	**706,029,424**	**433,326,094**

* This is combination of addition for slippage, additional allowance for Covid-19 pandemic impact and improvisation in Probability of Default post sale to Asset Reconstruction Company of non performing loan assets.

Break - up of ECL

Particulars	As at 31 March 2021	As at 31 March 2020
Low credit risk (Stage1)	**236,765,407**	116,464,148
Significant increase in credit risk (Stage2)	**227,792,283**	151,796,807
Credit impaired (Stage3)	**241,471,735**	165,065,139
Closing	**706,029,425**	**433,326,094**

(Amount in INR)

Note:

a) The above ECL calculation is inclusive of impairment calculated on overdue principal and interest.

b) For the year ended 31 March 2021, the Company made an expected credit loss (ECL) provision on stage 1 and 2 assets of INR 196,296,735, taking the overall ECL provision on stage 1 and 2 assets to INR 464,557,690 as of 31 March 2021. The ECL provision on stage 1 and 2 assets as a percentage of underlying assets stands at 1.32% as of 31 March 2021 (0.74% as of 31 March 2020). The Company's provision coverage ratio including standard assets for the year ended 31 March 2021, keeping stage 3 assets as base, stands at 92.14% (65.66% as of 31 March 2020).

c) Non performing asset % (NPA %) are given as below

Ratios	**As at 31 March 2021**	As at 31 March 2020
Gross non performing asset ratio (GNPA %)	**2.18%**	1.81%
Net non performing asset ratio (NNPA %)	**1.49%**	1.36%

NOTE 33: Remuneration to auditors

	For the year ended 31 March 2021	For the year ended 31 March 2020
Payment to Auditor		
Statutory audit	**2,050,000**	1,950,000
Limited review of quarterly results	**1,360,000**	1,200,000
For certification work	**370,000**	240,000
As Auditor	**3,780,000**	**3,390,000**
Reimbursement of expenses	**107,074**	88,886
GST	**247,320**	231,514
Total*	**4,134,394**	**3,710,400**

*Amount includes Goods and service tax for which Input credit has been disallowed

NOTE 34: Corporate Social Responsibility

1. During the year, Company has spent Nil amount (previous year ₹ 0/-) on CSR activities, considering the average profit for last three financial years is negative.
2. Details of CSR spent during the Financial Year:
   (a) Total amount to be spent for the Financial Year: Nil
   (b) Amount unspent, if any: NA

(Amount in INR)

(c) Manner in which the amount spent during the Financial Year is detailed below:

For the year ended 31 March 2021						
CSR Project or Activity identified	**Sector in which the project is covered (As in Schedule VII)**	**Address**	**Amount Outlay (Budget) or Project or program wise**	**Amount spent on the project or program Subheads:**	**Cumulative Expenditure upto the reporting period**	**Amount spent: directly or through implementing agency**
NA	NA	NA	NA	NA	NA	NA
For the year ended 31 March 2020						
CSR Project or Activity identified	**Sector in which the project is covered (As in Schedule VII)**	**Address**	**Amount Outlay (Budget) or Project or program wise**	**Amount spent on the project or program Subheads:**	**Cumulative Expenditure upto the reporting period**	**Amount spent: directly or through implementing agency**
NA	NA	NA	NA	NA	NA	NA

		As at 31 March 2021	As at 31 March 2020
NOTE 35: Contingent liabilities and commitments			
(a)	Claims against the company not acknowledge as debt		
	Income tax matter	**5,802**	5,802
(b)	Estimated amount of contracts remaining to be executed on capital account and not provided for	**–**	46,000
(c)	Undrawn committed sanctions to borrowers	**394,608,970**	671,788,930
		394,614,772	671,840,732

(d) The Hon'ble Supreme Court of India ("SC") by their order dated 28 February 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Pending directions from the EPFO for the applicability of SC judgement for the past period, if any, the impact is not ascertainable at present and consequently no effect has been given in the books of account.

NOTE 36: Leases

The Company has taken various office premises on operating lease for the period which ranges from 12 months to 60 months with an option to renew the lease by mutual consent on mutually agreeable terms.

Information about leases for which the company is a lessee are presented below:

(A) Right of use assets for the year ended 31 March 2021

Particulars	Amount
Balance as at 1 April 2020	**47,985,194**
Movement during the year	(16,307,519)
Depreciation on Right-Of-Use (ROU) assets	(28,332,561)
Balance as at 31 March 2021	**3,345,114**

(B) Lease liabilities for the year ended 31 March 2021

Particulars	Amount
Balance as at 1 April 2020	**53,871,463**
Adjustment on transition to Ind AS 116	
Movement during the year	(16,307,519)
Add: Interest cost accrued during the period	7,334,620
Less: Payment of lease liabilities	(26,448,276)
Balance as at 31 March 2021	**18,450,288**

(Amount in INR)

(C) Maturity analysis - Discounted Cashflows of Contractual maturities of lease liabilities as at 31 March 2021

	As at 31 March 2021	As at 31 March 2020
Less than three months	**1,956,953**	7,007,616
Three to twelve months	**13,949,495**	18,760,415
One to five years	**2,543,840**	27,438,614
More than five years	**–**	664,818
Total	**18,450,288**	**53,871,463**

(D) Amount recognised in statement of profit & loss for the year ended 31 March 2021

Particulars	Amount
Interest cost on lease liabilities	7,334,620
Depreciation on right of use assets	28,332,561
Rental Expenses recorded for short-term lease payments and payments for leases of low-value assets not included in the measurement of the lease liability	26,896,190

(E) Amount recognised in statement of cash flows for the year ended 31 March 2021

Particulars	Amount
Cash payments for the principal & interest portion of the lease liability within financing activities	(26,448,276)
Short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability within operating activities.	26,896,190

NOTE 37: Credit Rating

For the year under review, following Credit Ratings have been assigned to various borrowing programs of the Company by "ICRA", " CRISIL" and "India Ratings" :

	As at 31 March 2021			As at 31 March 2020	
Nature of borrowing	**Rating / Outlook**			**Rating / Outlook**	
	ICRA	**CRISIL**	**India Ratings**	**ICRA**	**CRISIL**
Short Term Commercial paper	[ICRA]A1+	CRISIL A1+	IND A1+	[ICRA]A1+	CRISIL A1+
Long Term Non-Convertible Debentures	ICRA]A+ (Stable)	CRISIL AA-/ Stable	–	ICRA]A+ (Stable)	CRISIL AA-/ Stable
Market linked Debentures	PP-MLD[ICRA] A+(Stable)	CRISIL PP-MLD AA-r/Stable		PP-MLD[ICRA] A+(Stable)	CRISIL PP-MLD AA-r/Stable
Bank Borrowings	–	CRISIL AA-/ Stable	–	ICRA]A+ (Stable)	CRISIL AA-/ Stable

Notes:

1. ICRA has reaffirmed its '[ICRA]A+ (Stable)/ PP-MLD ICRA A+/Stable/ICRA A1+' rating on the debt instruments and withdrawn rating for bank loan facilities of the Company.
2. CRISIL has reaffirmed its 'CRISIL AA-/CRISIL PP-MLD AA-r/Stable/CRISIL A1+' rating on the debt instruments and bank loan facilities of the Company.
3. India Ratings and Research (Ind-Ra) has assigned a Short-Term Issuer Rating of 'IND A1+' to the company.

(Amount in INR)

NOTE 38: Estimation of uncertainties relating to the global health pandemic from COVID-19

The SARS-CoV-2 virus responsible for COVID -19 continues to spread across the globe and India. On 11 March 2020 last year, the COVID-19 outbreaks was declared as a global pandemic by the World Health Organisation. Governments and companies including Motilal Oswal Home Finance Limited have introduced & continued a variety of measures to contain the spread of the virus.

The economic fallout on account of the Covid-19 pandemic has led to significant financial stress for borrowers across the board. RBI in view of same on 6 August 2020 came up with resolution plan Framework for COVID-19-related Stress. The intent was to facilitate revival of real sector activities and mitigate the impact on the ultimate borrowers, it has been decided to provide a window under the Prudential Framework to enable the lenders to implement a resolution plan in respect of eligible borrowers.

Company in view of same duly implemented one time measure to offer the facility of restructuring to its eligible customers identified basis RBI circular on resolution plan & joint decision of credit, risk, collection & legal departments of the company. The Company has Board approved policy dated 29 October 2020 for implementation of resolution plan.

Further, in accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated 27 March 2020 and subsequent guidelines dated 17 April 2020 and 23 May 2020 and Board approved policy dated 31 March 2020 and 23 May 2020, the Company granted a moratorium of six months on payments of instalments and/ or interest falling due between 1 March 2020 and 31 August 2020 to eligible borrowers. For such accounts where the moratorium is granted, the asset /Stage-wise classification shall remain stand still during the moratorium period. (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification).

The current second wave of Covid-19 pandemic have resulted in significant increase of new cases in India. The impact of the same is uncertain and will depend on the spread of Covid-19 , the effectiveness of current and future steps taken by the governments to mitigate the economic impact and other variables.

The Company has recognised provisions as on 31 March 2021 towards its loans based on the information available at this point of time including economic forecasts, in accordance with the Expected Credit Loss method. The Company believes that it has taken into account all the possible impact of known events arising out of COVID 19 pandemic in the preparation of financial results. However the impact assessment of COVID 19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes to future economic conditions.

NOTE 39: Disclosure pursuant to Ind AS 19 - Employee Benefits

A) Defined contribution plan :

Motilal Oswal Home Finance Limited (formerly known as Aspire Home Finance Corporation Limited), incurs expenditure like common senior management compensation cost, advertisement cost, rent expenditure, etc. which is for the common benefit of itself and certain fellow subsidiary companies. This cost so expended is reimbursed by the Company on the basis of number of employees, area occupied, time spent by employees for other companies, actual identifications etc. Accordingly, and as identified by the management, the expenditure heads include reimbursements paid based on the management's best estimate.

Particulars	**As at 31 March 2021**	As at 31 March 2020
Employer's contribution to provident fund	**22,086,839**	24,067,098
Employer's contribution to ESIC	**4,757,057**	5,704,312
Employer's contribution to National Pension Scheme	**198,000**	279,012
Total	**27,041,896**	**30,050,422**

(Amount in INR)

B) Defined benefit plan :

The details of the Company's post- retirement benefit plans for its employees including whole time directors are given below which is as certified by the actuary and relied upon by the auditors.

Principal actuarial assumptions at the balance sheet date

Particulars	As at 31 March 2021	As at 31 March 2020
Interest / Discount Rate	**3.93%**	4.80%
Rate of increase in compensation	**7.08%**	10.24%
Employee attrition rate (Past Service) (PS)	**PS: 0 to 40 : 74.90%**	PS: 0 to 40 : 55.44%
Expected average remaining service	**0.33**	0.8

Changes in the present value of the defined benefit obligation are as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Present value of obligation at the beginning of the year	**7,831,989**	10,613,678
Current service cost	**5,578,715**	9,070,656
Past service cost	**(251,931)**	(347,354)
Interest cost	**302,550**	698,340
Benefit paid	**(154,229)**	(925,213)
Curtailment cost		–
Settlement cost		–
Net actuarial gain or loss recognized in the year	**(5,489,605)**	(11,278,118)
Present value of obligation at the end of the year	**7,817,489**	**7,831,989**

Fair value of plan assets

Particulars	As at 31 March 2021	As at 31 March 2020
Present value of obligation at the beginning of the year	**7,831,989**	10,613,678
Actual return on plan assets	**–**	–
Contributions	**154,229**	925,213
Benefit paid	**(154,229)**	(925,213)
Fair value of plan assets at end of period	**–**	–
Funded status (including unrecognized past service cost)	**(7,817,489)**	(7,831,989)
Excess of actual over estimated return of plan assets	**–**	**–**

Experience history

Particulars	As at 31 March 2021	As at 31 March 2020
(Gain)/loss on obligation due to change in assumption	**(2,152,715)**	(4,720,311)
Experience (gain)/loss on obligation	**(3,336,890)**	(6,557,807)
Actuarial gain/(loss) on plan assets	**(5,489,605)**	**(11,278,118)**

(Amount in INR)

Amounts to be recognized in the balance sheet

Particulars	As at 31 March 2021	As at 31 March 2020
Present value of obligation at the beginning of the year	**7,817,489**	7,831,989
Fair value of plan assets at end of period		
Funded status	**(7,817,489)**	(7,831,989)
Unrecognized actuarial gain/(loss)	**–**	–
Unrecognized past service cost - non vested benefits	**–**	–
Net assets/(liability) recognized in balance sheet	**(7,817,489)**	**(7,831,989)**

Changes in the present value of the defined benefit obligation are as follows

Expense recognized in the statement of profit and loss account

Particulars	As at 31 March 2021	As at 31 March 2020
Current service cost	**5,578,715**	9,070,656
Interest cost	**302,550**	698,340
Past service cost (non vested benefits)	**(251,931)**	(347,354)
Past service cost (vested benefits)		
Unrecognized past service cost - non vested benefits	**–**	–
Expected return on plan assets	**–**	–
Net actuarial gain/ (loss) recognized for the period	**–**	–
Expense recognized in the statement of profit and loss account	**5,629,334**	**9,421,642**

Movements in the liability recognized in balance sheet

Particulars	As at 31 March 2021	As at 31 March 2020
Opening net liability	**7,831,989**	10,613,678
Expenses as above	**5,881,265**	9,768,996
Transfer in liability	**77,396**	721,824
Transfer Out liability	**(329,327)**	(1,069,178)
Expenses recognized	**5,629,334**	9,421,642
Employer's contributions	**(154,229)**	(925,213)
Other Comprehensive Income(OCI)	**(5,489,605)**	(11,278,118)
Closing net liability	**7,817,489**	7,831,989
Closing provisions at the end of the year	**7,817,489**	**7,831,989**

(Amount in INR)

Defined benefit plans

Particulars	As at 31 March 2021	As at 31 March 2020
Defined benefit obligation	**7,817,489**	7,831,989
Plan assets	**(7,817,489)**	(7,831,989)
Experience adjustments :		
On plan liabilities	**–**	–
On plan assets	**–**	–

Sensitivity analysis

Particulars	DR: Discount Rate		ER Salary Escalation Rate	
	PVO DR +1%	PVO DR -1%	PVO ER - 1%	PVO ER - 1%
Present value of obligation (PVO)	7,737,136	7,900,072	7,860,186	7,775,175

Expected Payout

Year	Expected Outgo First	Expected Outgo Second	Expected Outgo Third	Expected Outgo Fourth	Expected Outgo Fifth	Expected Outgo Six to Ten years
Payouts	5,010,192	1,851,357	867,900	307,284	87,415	31,553

Asset Liability Comparisons

Year	31 March 2017	31 March 2018	31 March 2019	31 March 2020	31 March 2021
PVO at the end of period	12,758,761	15,095,907	10,613,678	7,831,989	**7,817,489**
Plan Assets	–	–	–	–	**–**
Surplus / (Deficit)	(12,758,761)	(15,095,907)	(10,613,678)	(7,831,989)	**(7,817,489)**
Experience adjustments on plan assets	**–**	**–**	**–**	**–**	**–**

NOTE 40: Disclosure relating to Employee stock option scheme

The Company has following stock option schemes:

Aspire Home Finance Corporation Limited -Employees' Stock Option Scheme 2014 - (ESOS - 2014)

The Scheme was approved by Board of Directors on 11 September 2014 and by the shareholders in EGM dated 16 October 2014 for issue of 50,000,000 options representing 50,000,000 Equity shares of Re. 1 each. The grant of stock options for the aforesaid scheme has been done in three tranches.

Aspire Home Finance Corporation Limited - Employees' Stock Option Scheme 2016 (ESOS-2016)

The Scheme was approved by Board of Directors on 29 April 2016 and by the shareholders in AGM dated 07 July 2016 for issue of 50,000,000 options representing 50,000,000 Equity shares of Re. 1 each. The grant of stock options for the aforesaid scheme has been done in five tranches.

Aspire Home Finance Corporation Limited - Employees' Stock Option Scheme 2017 (ESOS-2017)

The Scheme was approved by Board of Directors on 25 April 2017 and by the shareholders in EGM dated 25 May 2017 for issue of 10,000,000 options representing 10,000,000 Equity shares of Re. 1 each. The grant of stock options for the aforesaid scheme has been done in two tranches.

Aspire Home Finance Corporation Limited - Employees' Stock Option Scheme 2017 (ESOS-2017 H Co.) (Issued to Holding Company Employees)

The Scheme was approved by Board of Directors on 25 April 2017 and by the shareholders in EGM dated 25 May 2017 for issue of 30,000,000 options representing 30,000,000 Equity shares of Re. 1 each.

(Amount in INR)

The activity in the (ESOS 2014), (ESOS 2016) , (ESOS 2017) and (ESOS 2017 H Co.) during the year ended 31 March 2021 and 31 March 2020 is set below:

Equity Shares	As at 31 March 2021 (in numbers)	Weighted Average Exercise price	As at 31 March 2020 (in numbers)	Weighted Average Exercise price
The AHFCL (ESOS 2014): (Face value of Re. 1 each)				
Options outstanding at the beginning of the year	**17,145,000**	**2.92**	3,990,000	1.00
Add: Granted	**–**	**NA**	17,725,000	3.00
Less: Exercised	**–**	**NA**	640,000	1.00
Less: Lapsed	**7,160,000**	**2.97**	3,930,000	1.66
Options outstanding at the end of the year	**9,985,000**	**2.88**	17,145,000	2.92
Exercisable at the end of the year	**1,538,500**	**2.22**	720,000	1.00
The AHFCL (ESOS 2016) : (Face value of Re. 1 each)				
Options outstanding at the beginning of the year	**17,715,000**	**2.82**	42,800,000	2.39
Add: Granted	**33,250,000**	**3.50**	10,930,000	3.50
Less: Exercised	**797,500**	**1.66**	640,000	1.60
Less: Lapsed	**11,780,000**	**3.31**	35,375,000	2.53
Options outstanding at the end of the year	**38,387,500**	**3.28**	17,715,000	2.82
Exercisable at the end of the year	**2,129,500**	**1.65**	1,360,000	1.60
The AHFCL (ESOS 2017) : (Face value of Re. 1 each)				
Options outstanding at the beginning of the year	**2,304,500**	**2.83**	4,578,500	2.56
Add: Granted	**700,000**	**3.50**	–	–
Less: Exercised	**171,000**	**2.83**	80,500	1.60
Less: Lapsed	**921,750**	**2.93**	2,193,500	2.32
Options outstanding at the end of the year	**1,911,750**	**3.03**	2,304,500	2.83
Exercisable at the end of the year	**182,225**	**3.38**	158,000	3.39
The AHFCL (ESOS 2017) (Holding company): (Face value of Re. 1 each)				
Options outstanding at the beginning of the year	**15,594,500**	**1.60**	21,413,500	1.60
Add: Granted	**–**	**–**	–	–
Less: Exercised	**3,841,500**	**1.60**	2,984,750	1.60
Less: Lapsed	**1,151,000**	**1.60**	2,834,250	1.60
Options outstanding at the end of the year	**10,602,000**	**1.60**	15,594,500	1.60
Exercisable at the end of the year	**2,262,218**	**1.60**	588,000	1.60

Employees' Stock Options Scheme (ESOS) :

The Company has its accounting policy for ESOPs valuation at fair value method for appropriate presentation of financial statements .

Particulars	ESOS 2014	ESOS 2016	ESOS 2017	ESOS 2017 H Co.
Date of grant	Various dates	Various dates	Various dates	Various dates
Date of board approval	11 September 2014	29 April 2016	25 April 2017	25 April 2017
Date of shareholders' approval	16 October 2014	07 July 2016	25 May 2017	25 May 2017
Number of options granted	46,925,000	107,030,000	9,135,000	29,390,000
Method of settlement	Equity shares	Equity shares	Equity shares	Equity shares
Vesting period	1 year to 4 years	1 year to 4 years	1 year to 4 years	1 year to 5 years
Vesting pattern	30:30:40	10:20:30:40	10:20:30:40	10:17:25:33:15

(Amount in INR)

<table>
<tr><th>Particulars</th><th>ESOS 2014</th><th>ESOS 2016</th><th>ESOS 2017</th><th>ESOS 2017 H Co.</th></tr>
<tr><td>Weighted average remaining contractual life</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Granted but not vested</td><td>2.23 year
(PY 3.01)</td><td>4.99 years
(PY 2.71)</td><td>2.32 years
(PY 2.12)</td><td>0.88 years
(PY 1.39)</td></tr>
<tr><td>Vested but not exercised</td><td>0.003 year
(PY 0.15)</td><td>0.21 Years
(PY 0.27)</td><td>0.10 Years
(PY NIL)</td><td>NIL
(PY 0.03)</td></tr>
<tr><td>Weighted average share price at the date of exercise for stock options exercised during the year</td><td>CY ₹ 3.42
(PY ₹ 3.00)</td><td>CY ₹ 3.42
(PY ₹ 3.50)</td><td>CY ₹ 3.42
(PY ₹ 3.50)</td><td>CY ₹ 3.42
(PY ₹ 3.50)</td></tr>
<tr><td>Exercise period</td><td>Within a period of 12 months from the date of vesting or in case of resignation, the options shall be exercised within 6 months from the date of resignation or such extended period as may be decided by the Nomination and Remuneration Committee.</td><td colspan="3">Within a period of 6 months from the date of vesting or in case of resignation, the options shall be exercised within 6 months from the date of resignation or such extended period as may be decided by the Nomination and Remuneration Committee.</td></tr>
<tr><td>Vesting conditions</td><td colspan="4">Vesting of Options would be subject to continued employment with the Company and/or its holding/subsidiary, and thus the Options would vest on passage of time. In addition to this, the Remuneration/Compensation Committee may also specify certain performance parameters subject to which the options would vest. In case of performance based vesting, the options would vest on achievement of performance parameters irrespective of the time horizon.</td></tr>
<tr><td>Weighted average fair value of options as on grant date</td><td>Re. 0.72</td><td>Re. 1.32</td><td>Re. 0.86</td><td>Re. 0.75</td></tr>
</table>

Note: The vesting period of the Grant I & II of AHFCL ESOS 2014 and Grant I of ESOS 2016 has been extended from 6 months to 1 year pursuant to the resolution passed by the nomination and remuneration committee at its meeting held on 22 January 2018.

Exercise pricing formula

The exercise pricing formula for AHFCL ESOS 2014, AHFCL ESOS 2016, AHFCL ESOS 2017 and AHFCL ESOS 2017 H Co. are as under:

The nomination and remuneration committee shall have the authority to determine the exercise price having regard to the valuation report of an independent practicing chartered accountant that may be based on such valuation method, as may be considered suitable by him, including but not restricted to the Net Asset Value Method, Discounted Cash Flow Method, Earnings Capitalisation Method, Dividend Yield Model, etc. and may also rely upon the future projections of the Company, which would be prepared by the management from time to time having regard to the future potential and prospects of the Company. The said committee shall in its absolute discretion, have the authority to grant the options at such discount as it may deem fit.

(Amount in INR)

Fair Value Methodology:

The fair value of options have been estimated on the date of grant using Black-Scholes model as under:

The key assumptions used in Black-Scholes model for calculating fair value under ESOS 2014, ESOS 2016, ESOS 2017 and ESOS 2017 H Co., as on the date of grant are as follow :

Particulars	ESOS 2014	ESOS 2016	ESOS 2017	ESOS 2017 H Co.
Risk-free interest rate	7.37% - 8.40%	6.18% - 7.37%	6.79%	6.79%
Expected dividend yield	1.00%	1.00%	1.00%	1.00%
Expected volatility of share price*	40%	40%	40%	40%

*Expected volatility has been calculated of listed holding company shares of Motilal Oswal Financial Services Limited long term average since listing.

NOTE 41: Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at 31 March 2021			As at 31 March 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	2,945,248,627	–	2,945,248,627	1,134,226,728	–	1,134,226,728
Bank balance other than cash and cash equivalents above	490,662,721	29,505,409	520,168,130	27,655,409	–	27,655,409
Receivables						
Trade receivables	49,653,854	–	49,653,854	12,503,003	–	12,503,003
Loans*	1,058,838,008	34,063,513,499	35,122,351,507	1,083,341,189	35,523,784,734	36,607,125,923
Investments	–	–	–	–	–	–
Other financial assets	167,631,848	–	167,631,848	115,551,085	15,543,618	131,094,703
Total Financial Assets (A)	**4,712,035,058**	**34,093,018,908**	**38,805,053,966**	**2,373,277,414**	**35,539,328,352**	**37,912,605,766**
Non-financial assets						
Current tax assets (Net)	–	103,014,386	103,014,386	–	84,595,677	84,595,677
Deferred tax assets (Net)	–	473,288,290	473,288,290	–	976,224,576	976,224,576
Property, plant and equipment	–	69,979,720	69,979,720	–	130,473,670	130,473,670
Other intangible assets	–	20,550,148	20,550,148	–	28,855,997	28,855,997
Other non-financial assets	29,869,348	–	29,869,348	72,889,570	–	72,889,570
Total Non-Financial Assets (B)	**29,869,348**	**666,832,544**	**696,701,892**	**72,889,570**	**1,220,149,920**	**1,293,039,490**
Total assets (C) = (A) + (B)	**4,741,904,406**	**34,759,851,452**	**39,501,755,858**	**2,446,166,984**	**36,759,478,272**	**39,205,645,256**

(Amount in INR)

Particulars	As at 31 March 2021			As at 31 March 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities						
Payables						
Trade payables						
total outstanding dues of micro enterprises and small enterprises	–	–	–	–	–	–
total outstanding dues of creditors other than micro enterprises and small enterprises	55,640,593	–	55,640,593	5,488,659	–	5,488,659
Debt securities**	1,764,993,254	9,759,500,369	11,524,493,623	1,573,929,212	13,562,233,691	15,136,162,903
Borrowings (Other than debt securities)**	5,122,559,720	11,956,752,767	17,079,312,487	3,338,566,649	11,065,643,057	14,404,209,706
Other financial liabilities	1,145,181,293	110,900,324	1,256,081,616	478,300,719	173,029,731	651,330,450
Total Financial Liabilities (A)	**8,088,374,859**	**21,827,153,460**	**29,915,528,319**	**5,396,285,239**	**24,800,906,479**	**30,197,191,718**
Non-financial Liabilities						
Provisions	30,369,844	–	30,369,844	25,615,658	–	25,615,658
Other non-financial liabilities	13,888,684	–	13,888,684	35,149,703	–	35,149,703
Total Non-Financial Liabilities (B)	**44,258,528**	**–**	**44,258,528**	**60,765,361**	**–**	**60,765,361**
Total liabilities (C) = (A)+(B)	**8,132,633,387**	**21,827,153,460**	**29,959,786,847**	**5,457,050,600**	**24,800,906,479**	**30,257,957,079**

* The above loan balance is exclusive of unamortised upfront loan fees and interest accrued thereon.

** The above borrowings and debt securities are shown at unamortised cost.

NOTE 42: Segmental Reporting

The Company is primarily engaged into business of providing loans for purchase or construction of residential houses. The Company also provides consumer loans (top-up loans) and loan against properties. The Board reviews the Company's performance as a single business. Further the Company does not have any separate geographical segment in India. There being only one segment, disclosure for segment as per Ind AS 108 is not applicable. Further, no clients individually accounted for more than 10% of the revenue in financial year ended 31 March 2021 and 31 March 2020.

NOTE 43: Related parties

(A) Names of related parties

Passionate Investment Management Private Limited - Ultimate holding Company
Motilal Oswal Financial Services Limited - Holding Company
Motilal Oswal Investment Advisors Limited - Fellow Subsidiary Company
Motilal Oswal Wealth Management Limited - Fellow Subsidiary Company
Motilal Oswal Finvest Limited - Fellow Subsidiary Company

(B) Key managerial personnel

Motilal Oswal - Chairman & Non Executive Director
Raamdeo Agrawal - Non Executive Director
Navin Agarwal - Non Executive Director
Sanjaya Kulkarni - Independent Director
Smita Gune - Independent Director (upto 16 April 2020)

(Amount in INR)

Rekha Shah	-	Independent Director (upto 01 Oct 2020)
Arvind Hali	-	Managing Director & Chief Executive Officer (from 04 Oct 2020)
Vijay Kumar Goel	-	Chief Executive Officer (upto 25 Sept 2020)
Shalibhadra Shah	-	Chief Financial Officer
Divya Momaya	-	Independent Director (from 25 Sept 2020)
Ritin Mawani	-	Company Secretary (from 27 April 2020)
Vivek Kannan	-	Chief Business Officer (upto 30 June 2020)

(C) Transactions with related parties are as enumerated below:

Particulars	**For the year ended 31 March 2021**	For the year ended 31 March 2020
Reimbursement of expenses by the Company		
Motilal Oswal Financial Services Limited		
- Sundry expenses	**531,522**	2,667,938
- Rent	**16,916,316**	34,916,316
- Electricity expense	**845,062**	2,407,544
Share based payment cost incurred by the Company on behalf of		
Motilal Oswal Financial Services Limited	**–**	(405,386)
Share based payment cost incurred by Holding Company		
Motilal Oswal Financial Services Limited	**2,539,547**	1,074,081
Motilal Oswal Finvest Limited	**48,447**	–
Loan Received		
Motilal Oswal Financial Services Limited	**728,000,000**	10,830,000,000
Loan repaid		
Motilal Oswal Financial Services Limited	**728,000,000**	10,830,000,000
Loan Given		
Motilal Oswal Financial Services Limited	**13,580,000,000**	–
Motilal Oswal Finvest Limited	**4,860,000,000**	–
Loan repayment received		
Motilal Oswal Financial Services Limited	**13,580,000,000**	–
Motilal Oswal Finvest Limited	**4,860,000,000**	–
Interest paid		
Motilal Oswal Financial Services Limited	**939,207**	20,962,467
Motilal Oswal Finvest Limited	**–**	–
Interest Income		
Motilal Oswal Financial Services Limited	**83,043,287**	–
Motilal Oswal Finvest Limited	**38,155,890**	–
Payment towards collections from derecognised loan assets		
Motilal Oswal Finvest Limited	**566,630,938**	266,192,454
Arranger fees paid		
Motilal Oswal Wealth Management Limited	**2,266,110**	5,139,538

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Business Support Charges paid		
Motilal Oswal Financial Services Limited	**21,876,250**	22,500,000
Rent Income		
Motilal Oswal Financial Services Limited	**1,147,132**	–
Referral Fees		
Motilal Oswal Financial Services Limited	**39,240,000**	–
Commission on Bank Guarantee		
Motilal Oswal Financial Services Limited	**20,085,367**	19,258,096
Remuneration paid including accrual for compensated absences * (including Director sitting fees)		
Mr. Arvind Hali	**7,360,475**	–
Mr. Sanjay Athalye	**–**	4,457,895
Mr. Sanjaya Kulkarni**	**310,000**	70,000
Mrs. Smita Gune**	**–**	180,000
Mrs. Rekha Shah**	**160,000**	180,000
Mrs. Divya Momaya**	**140,000**	–
Mr. Gautam Bhagat**	**–**	20,000
Mr. Vivek Kannan	**2,601,185**	9,249,876

*The above figures do not include provision for gratuity since it is actuarially determined for the Company as a whole.

** Director sitting fees.

Particulars	As at 31 March 2021	As at 31 March 2020
Subscription of equity shares (under ESOP scheme) including premium		
Mr. Shalibhadra Shah	**50,000**	60,000
Balance payable		
Motilal Oswal Finvest Limited	**54,317,289**	50,621,960
Motilal Oswal Financial Services Limited	**750,289**	9,482,848
Motilal Oswal Wealth Management Limited	**–**	609,749
Balance Receivable		
Motilal Oswal Finvest Limited	**9,505,271**	–
Motilal Oswal Financial Services Limited	**62,645,180**	782,905
Corporate guarantee received (to the extent of outstanding amount)		
Motilal Oswal Financial Services Limited	**7,433,928,571**	8,474,910,714
Key Management personnel compensation		
Short term employee benefit	**9,961,660**	13,707,771
Share based payments	**–**	1,368,758

NOTE 44: Unhedged Foreign currency Exposure

In terms of RBI Circular No. DBOD.No. BP.BC.85/21.06.200/2013-14 dt. 15.01.2014, there is no unhedged foreign currency exposure of the Company as at Balance sheet date.

(Amount in INR)

NOTE 45: Fair value measurement

a) Financial instruments by category

Particulars	As at 31 March 2021			As at 31 March 2020		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Cash and cash equivalents	–	–	2,945,248,627	–	–	1,134,226,728
Bank balance other than cash and cash equivalents above	–	–	520,168,130	–	–	27,655,409
Trade receivables	–	–	49,653,854	–	–	12,503,003
Loans	–	–	34,596,410,124		–	36,275,409,358
Investments	–	–	–	–	–	–
Other financial assets	–	–	167,631,848	–	–	131,094,703
Total financial assets	–	–	38,279,112,583	–	–	**37,580,889,201**
Financial liabilities						
total outstanding dues of creditors other than micro enterprises and small enterprises	–	–	55,640,593	–	–	5,488,659
Debt securities	–	–	11,492,400,101	–	–	15,084,638,683
Borrowings (Other than debt securities)	–	–	17,032,070,942	–	–	14,397,851,659
Other financial liabilities	–	–	1,256,081,616	–	–	651,330,450
Total financial liabilities	–	–	29,836,193,252	–	–	**30,139,309,451**

As at 31 March 2021				
Assets and liabilities measured at fair value - recurring fair value measurements	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial investments at FVTPL				
- Mutual funds	–	–	–	–
Total financial assets	–	–	–	–

As at 31 March 2020				
Assets and liabilities measured at fair value - recurring fair value measurements	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial investments at FVTPL				
- Mutual funds	–	–	–	–
Total financial assets	–	–	–	–

Fair value of financial assets and liabilities measured at amortised cost

The fair values for security deposits is calculated based on cash flows discounted using a current lending rate, however the change in current rate does not have any significant impact on fair values as at the current year end. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

(Amount in INR)

NOTE 46: Financial risk management

The Company is exposed primarily to market risk, liquidity risk and credit risk. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The focus of the risk management is to assess the unpredictability of the financial environment and to mitigate potential adverse effect on the financial performance of the Company. The Company's principal financial liabilities comprises of Bank Borrowings and Non Convertible debentures. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, cash and cash equivalents and other receivables from customers that derive directly from its operations.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

Risk	Exposure arising from	Measurement
Credit risk	Cash and cash equivalents, loans, bank balance, trade and other receivables, Investments and other financial assets	• measured as the amount that could be lost if a customer or counterparty fails to make repayments; • monitored using various internal risk management measures and within limits approved by individuals within a framework of delegated authorities; and • managed through a robust risk control framework, which outlines clear and consistent policies, principles and guidance for risk managers.
Liquidity risk	Debt securities, Borrowings (other than debts), trade and other payable and other financial liabilities.	• measured using a range of metrics, including liquidity coverage ratio and net stable funding ratio; • monitored against the Company's liquidity and funding risk framework.
Market risk	Long term borrowings at variable rate and loans	• measured using sensitivities, value at risk and stress testing, giving a detailed picture of potential gains and losses for a range of market movements and scenarios, as well as tail risks over specified time horizons; • managed using risk limits approved by the RMM and the risk management meeting in various global businesses.

A Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's loans and advances to customers. For risk management reporting purposes, the Company considers and consolidates all elements of credit risk exposure.

Management of credit risk

The Board of Directors has delegated responsibility for the oversight of credit risk to the Risk Management Committee, which in turn has appointed the Interest Rate Reset Committee (IRRC) which is the Internal committee and the meeting of the said committee(IRRC) is conducted on a monthly basis, the objective of which is to determine the Retail prime lending rates (RPLR) based on Market Scenarios such as borrowing costs of the company, repo rates by Reserve Bank of India (RBI), the Interest Rate Reset Committee recommends the Asset Liability Management Committee for the changes in the prevailing RPLR for their further approval.

The Risk Management Committee develops the credit risk management framework, policies, procedures, reviews the same on periodic basis which is further noted and approved by the Board of Directors. The Risk Management Committee also reviews delinquent accounts and makes decisions on recovery actions. Credit reviews are conducted regularly to monitor the health of the loan portfolio and to detect early signs of weaknesses and deviations.

(Amount in INR)

The Risk Management Committee manages risk on a portfolio-wide basis and recommends alternative portfolio strategies, analyses results of portfolio management actions and develops portfolio limits for each portfolio segment for approval of the Board of Directors. Credit risk concentration is addressed by setting a credit portfolio mix limit and monitoring the limits on a regular basis. Credit stress tests are also conducted periodically to determine the impact of security values and other stress parameters on the loan portfolio. The Company also conducts annual valuation of delinquent accounts, to determine the actual value and marketability of the collateral which is adequately factored in Capital Adequacy Ratio. This allows the Company to assess the potential financial impact of losses arising from plausible adverse scenarios on the Company's loan portfolio.

Expected credit loss measurement

Ind AS 109 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

1. A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Company.
2. If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired.
3. If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.

Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.

The following diagram summarises the impairment requirements under Ind AS 109 (other than purchased or originated credit-impaired financial assets):

Change in credit quality since initial recognition

Stage 1	Stage 2	Stage 3
(Initial recognition)	(Significant increase in credit risk since initial recognition)	(Credit-impaired assets)
12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

The key judgements and assumptions adopted by the Company in addressing the requirements of the standard are discussed below:

Significant increase in credit risk (SICR)

The Company considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

a. Quantitative criteria:

When days passed dues from the borrower is more than 30 days but less than 90 days*

b. Qualitative criteria:

If the borrower meets one or more of the following criteria:

a. In short-term forbearance
b. Direct debit cancellation
c. Extension to the terms granted*
d. Previous arrears within the last [12] months

(Amount in INR)

Default and credit-impaired assets

The Company defines a financial instrument as in default, which is fully aligned with the definition of credit impaired, when it meets one or more of the following criteria:

a. Quantitative criteria

The borrower is more than 90 days past due on its contractual payments*

b. Qualitative criteria

The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

a. The borrower is in long-term forbearance

b. The borrower is deceased

c. The borrower is insolvent

d. Concessions have been made by the lender relating to the borrower's financial difficulty

e. It is becoming probable that the borrower will enter bankruptcy

The criteria above have been applied to all financial instruments held by the Company and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout the Company's expected loss calculations.

* In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated 27 March 2020 & subsequent guidelines dated 17 April 2020 and 23 May 2020 , the Company granted a moratorium of six months on payments of instalments and/ or interest falling due between 1 March 2020 and 31 August 2020 to eligible borrowers. For such accounts where the moratorium is granted, the asset /Stage-wise classification stood stand still during the moratorium period. (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification).

Measuring ECL - Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month basis (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

- The Probability of Default (PD) represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.
- The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

  To calculate the EAD for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 12mECL.For stage 2, Stage 3 Financial Assets, , the exposure at default is considered for events over the lifetime of the instruments.
- Loss Given Default (LGD) represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default. LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD and EAD for each three bucket explained above and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each three buckets, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

(Amount in INR)

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. This is supported by historical analysis.

The 12-month and lifetime EADs are determined based on the expected payment profile. Estimate of an exposure at a future default date – expected changes in exposure after the reporting date, including repayment of principal and interest, and expected drawdowns on committed facilities. This is based on the contractual repayments owed by the borrower over a 12month or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment assumptions are also incorporated into the calculation.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by collateral type.

Forward-looking information : Forward- looking economic variable/assumptions used are – such as how the maturity profile of the PDs and how collateral values change etc. – are monitored and reviewed on a quarterly basis. While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, inflations rates set by International Monetary Fund, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays are embedded in the methodology to reflect such macro-economic trends reasonably.

Impact of RBI Circular - COVID-19 – Regulatory Package and Resolution plan

As per Ind AS 109 - Financial Instruments, the Company has rebut the presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are due for more than 30 days, for the customers who have availed moratorium relief through the RBI circular of COVID-19 - Regulatory Package. The default period criteria of 90 days for the cases where moratorium is granted, the asset classification was kept stand still during the moratorium period.

RBI on 6 August 2020 came up with resolution plan Framework for COVID-19-related Stress, it has been decided to provide a window under the Prudential Framework to enable the lenders to implement a resolution plan in respect of eligible borrowers. Company in view of same duly implemented one time measure to offer the facility of restructuring to its eligible customers identified basis RBI circular on resolution plan & joint decision of credit, risk, collection & legal departments of the Company.

Company is of the view that the restructuring under the disruption scenario is not indicative of increase in credit risk. Accordingly, the same should ideally not be considered as a factor for considering SICR and in turn, should not result in shifting of the financial instruments from one stage to another. However, considering the requirements of RBI circular on resolution plan, Company's management has recognised provisions in terms of the requirements of the circular.

The Company has identified certain pool of assets where as per Company's internal evolution risk is higher considering their repayment history, behaviour during moratorium period, post moratorium period & valuation of its collaterals, basis this evaluation the company has decided to recognise additional provision on such pool of assets.

Loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

a. Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" between 12-month and Lifetime ECL;
b. Additional allowances for financial instruments de-recognised in the period;
c. Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;
d. Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period.

Write-off policy

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include

(Amount in INR)

(i) ceasing enforcement activity and

(ii) where the Company's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

The Company may write-off financial assets that are still subject to enforcement activity. The Company still seeks to recover amounts it is legally receivable in full, but which have been full / partially written off due to no reasonable expectation of full recovery.

Modification of financial assets

The Company sometimes modifies the terms of loans provided to customers due to commercial renegotiations, or for distressed loans, with a view to maximising recovery.

Such restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue. These policies are kept under continuous review.

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset. The Company monitors the subsequent performance of modified assets. The Company may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL). This is only the case for assets which have performed in accordance with the new terms for a year or more.

NOTE 47: Liquidity risk and funding management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities.

As at 31 March 2021

Contractual maturities of assets and liabilities	Less than 3 months	3 to 12 months	1 to 5 years	5–10 years	above 10 years	Total
Financial assets						
Cash and cash equivalents	2,945,248,627	–	–	–	–	**2,945,248,627**
Bank balance other than cash and cash equivalents above	250,621,625	240,041,096	29,505,409	–	–	**520,168,130**
Trade receivables	29,792,312	19,861,542	–	–	–	**49,653,854**
Loans	251,220,049	807,617,959	5,146,010,858	7,297,379,456	21,620,123,185	**35,122,351,507**
Investments	–	–	–	–	–	**-**
Other financial assets	159,086,110	8,545,738	–	–	–	**167,631,848**
Total financial assets	**3,635,968,723**	**1,076,066,335**	**5,175,516,267**	**7,297,379,456**	**21,620,123,185**	**38,805,053,966**

(Amount in INR)

Contractual maturities of assets and liabilities	Less than 3 months	3 to 12 months	1 to 5 years	5–10 years	above 10 years	Total
Financial liabilities						
(I) Trade payables						
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	37,093,729	18,546,864	–	–	–	**55,640,593**
Debt securities	86,757,099	1,678,236,155	9,259,500,369	500,000,000	–	**11,524,493,623**
Borrowings (Other than debt securities)	1,737,522,518	3,385,037,202	9,162,659,932	1,755,408,558	1,038,684,277	**17,079,312,487**
Other financial liabilities	795,905,830	349,275,463	110,900,323	–	–	**1,256,081,616**
Total financial liabilities	**2,657,279,176**	**5,431,095,684**	**18,533,060,624**	**2,255,408,558**	**1,038,684,277**	**29,915,528,319**

As at 31 March 2020

Contractual maturities of assets and liabilities	Less than 3 months	3 to 12 months	1 to 5 years	5–10 years	above 10 years	Total
Financial assets						
Cash and cash equivalents	1,134,226,728	–	–	–	–	**1,134,226,728**
Bank balance other than cash and cash equivalents above	–	27,655,409	–	–	–	**27,655,409**
Receivables						
Trade receivables	7,501,802	5,001,201	–	–	–	**12,503,003**
Loans	251,546,217	831,794,972	5,523,681,350	8,304,092,007	21,696,011,377	**36,607,125,923**
Investments	–	–	–	–	–	**-**
Other financial assets	111,761,453	3,789,632	8,128,792	7,414,826	–	**131,094,703**
Total financial assets	**1,505,036,200**	**868,241,214**	**5,531,810,142**	**8,311,506,833**	**21,696,011,377**	**37,912,605,766**
Financial liabilities						
Payables						
(I) Trade payables	–	–	–	–	–	**-**
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	3,659,106	1,829,553	–	–	–	**5,488,659**
Debt securities	450,000,000	1,123,929,212	13,062,233,591	500,000,100	–	**15,136,162,903**
Borrowings (Other than debt securities)	1,054,406,130	2,284,160,519	10,243,607,663	822,035,394	–	**14,404,209,706**
Other financial liabilities	280,089,013	240,904,371	173,029,731	–	–	**694,023,115**
Total financial liabilities	**1,788,154,249**	**3,650,823,655**	**23,478,870,985**	**1,322,035,494**	**-**	**30,239,884,383**

Market Risk

Company's exposure to market risk i.e. risk that fair value for future cash flow of financial instruments will be effected due to change in market variable such as interest rate.

(i) Foreign currency risk

The Company is not exposed to such risk as it does not have any foreign currency exposure.

(Amount in INR)

(ii) Cash flow and fair value interest rate risk

The company's main interest rate risk arises from long-term borrowings and loans with variable rates, which expose the company to cash flow interest rate risk. The company is exposed to interest rate risk as it is involved in lending business. Interest rate risk can arise from either macro events in economy or due to company's financial position. Company tries to mitigate this risk by taking all positive measures which can boost profitability and strengthens company's balance sheet. Company takes continuous efforts to reduce its cost of funds by diversifying its liability mix and deepening its relationship with lenders. Moreover, strong parental support also provides cushion to company in adverse interest rate scenario.

The Company's fixed rate borrowings are not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate risk exposure

Out of the total assets & liabilities, exposure to the interest rate risk of the Company in mainly towards borrowings and loan assets.

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity.

Particulars	**Impact on profit after tax**	
	As at 31 March 2021	As at 31 March 2020
Loans		
Interest rates – increase by 100 basis points	**243,818,441**	242,705,633
Interest rates – decrease by 100 basis points	**243,818,441**	242,705,633
Borrowings		
Interest rates – increase by 100 basis points	**138,268,215**	141,514,900
Interest rates – decrease by 100 basis points	**138,268,215**	141,514,900

(iii) Exposure of price risk

The Company is not exposed to price risk as it does not have any significant exposure to financial instruments susceptible to changes in market price.

NOTE 48: Securitisation transactions note

Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Particulars	**As at 31 March 2021**	As at 31 March 2020
Number of pools	**1**	–
Carrying amount of transferred assets measured at amortised cost	**1,841,147,118**	–
Carrying amount of associated liabilities	**(1,841,147,118)**	–

A description of the nature of the relationship between the transferred assets and the associated liabilities, including restrictions arising from the transfer on the reporting entity's use of the transferred assets is as follows:

Loans and advances to customers are sold by the Company to securitisation vehicles, which in turn issue PTCs to investors collateralised by the purchased assets. In securitisation transactions entered, the Company transfers loans and advances to an unconsolidated securitisation vehicle, however it retains credit risk (principally through credit enhancement provided by the Company).

Since substantially all the risks and rewards of the loans transferred has been retained by the Company, it does not derecognise the loans transferred in its entirety and recognise an associated liability for the consideration received.

Notes to Financial Statements
(Contd..)

(Amount in INR)

NOTE 49: Provision for COVID-19 moratorium cases

Reserve Bank of India ('RBI') issued guidelines relating to 'COVID-19 Regulatory Package' dated 27 March 2020 and subsequent guidelines on moratorium dated 17 April 2020 and 23 May 2020. The Company had offered moratorium in accordance with its Board approved policies to its eligible customers based on requests as well as on a suo-moto basis between 1 March 2020 to 31 August 2020. For such accounts where the moratorium is granted, the asset classification was kept stand still during the moratorium period.

Disclosures as required by RBI circular dated 17 April 2020 'COVID-19 Regulatory Package- Asset Classification and Provisioning' are given below:

Particulars	**As at 31 March 2021**	As at 31 March 2020
Principal amount outstanding of cases where moratorium benefit was extended	**16,802,870,386**	5,771,191,105
Respective amounts in SMA/overdue categories where the moratorium/ deferment was extended, in terms of paragraph 2 and 3 of the circular (as of 29 February 2020)	**3,264,628,188**	3,702,832,533
Respective amount where asset classification benefit is extended	**1,031,419,733**	528,193,867
Provision made in terms of paragraph 5 of the circular (As per para 4 applicable to NBFC's covered under Ind AS) (5% in March 2020 & 10% cumulatively in June 2020) *	**48,846,902**	25,936,500
Provisions adjusted against slippages in terms of paragraph 6 or the circular	**(32,012,541)**	–
Residual provisions in terms of paragraph 6 of the circular	**16,834,361**	25,936,500

* The provision included in the financial statements has been determined in accordance with the Expected Credit Loss method, which is higher than the requirement of the said circular.

NOTE 50: Restructuring note

"The economic fallout on account of the Covid-19 pandemic has led to significant financial stress for borrowers across the board. RBI in view of same on 6 August 2020 came up with resolution plan Framework for COVID-19-related Stress. The intent was to facilitate revival of real estate sector activities and mitigate the impact on the ultimate borrowers, it has been decided to provide a window under the Prudential Framework to enable the lenders to implement a resolution plan in respect of eligible borrowers.

In accordance with Resolution Framework for COVID-19 announced by RBI on 6 August 2020, the Company has implemented one-time restructuring for certain eligible borrowers identifed in accordance with the above framework and joint decision of credit, risk, collection and legal departments of the Company.

Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated 6 August 2020 are given below.

Type of Borrower *	**(A) Number of accounts where resolution plan has been implemented under this window**	**(B) Exposure to accounts mentioned at (A) before implementation of the plan**	**(C) Of (B), aggregate amount of debt that was converted into other securities**	**(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation**	**(E) Increase in provisions on account of the implementation of the resolution**
Personal loans - Housing/Non Housing loans	1,204	1,229,796,871	–	185,958,162	134,654,231
Total	**1,204**	**1,229,796,871**	**–**	**185,958,162**	**134,654,231**

* Disclosed to the extent the category of borrowers as prescribed in the aforesaid circular were present in the Company's portfolio at the time of implementation of resolution plan.

NOTE 51: Ex-Gratia note

In terms of the judgement of the Honourable Supreme Court of India dated 23 March 2021 and in accordance with the RBI instructions dated 7 April 2021, the Company shall refund/ adjust 'interest on interest' charged to all borrowers including those who had availed of housing loans during the moratorium period, irrespective of whether moratorium

(Amount in INR)

had been fully or partially availed, or not availed. Pursuant to these instructions, the methodology for calculation of the amount of such 'interest on interest' has been finalised by the Indian Banks Association (IBA) in consultation with other industry participants/ bodies. The Company has computed the said amount and recognised a charge in its Profit and Loss Account for the year ended 31 March 2021.

NOTE 52: Supreme Court order for NPA declaration

The Honourable Supreme Court of India, in a public interest litigation (Gajendra Sharma Vs. Union of India & Anr), vide an interim order dated 03 September 2020, has directed banks and financial institutions that accounts which were not declared Non Performing Assets ('NPA') till 31 August 2020 shall not be declared as NPA till further orders. The interim order directed to not declare accounts as NPA, stood vacated on 23 March 2021 vide the judgement of the Honourable Supreme Court in the matter of Small Scale Industrial Manufacturers Association vs. UOI & Ors. and other connected matters.

However, for ECL provision as per Ind AS accounting guidelines, the Company in past continued to consider 90 days past due cases under Stage 3 and have provisioned accordingly.

NOTE 53: Disclosure for comparison between provisions required under IRACP and impairment allowances made under Ind AS 109

The following disclosures have been given in terms of Master Direction RBI/2019-20/170 DOR (NBFC). CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 and circular no. RBI/2020-21/60 DOR.NBFC (HFC). CC.No.118/03.10.136/2020-21 dated March 13, 2020

Template for Disclosure in Notes to Financial Statements

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS*	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	32,164,430,930	236,765,407	31,927,665,524	259,590,720	(22,825,313)
	Stage 2	2,192,637,384	227,792,283	1,964,845,101	25,175,854	202,616,429
Subtotal		**34,357,068,314**	**464,557,690**	**33,892,510,625**	**284,766,574**	**179,791,116**
Non-Performing Assets (NPA)						
Substandard	Stage 3	751,721,450	235,909,705	515,811,745	113,458,138	122,451,567
Doubtful - up to 1 year	Stage 3	11,287,483	4,144,590	7,142,893	4,004,209	140,381
1 to 3 years	Stage 3	2,274,259	1,417,440	856,819	917,111	500,329
More than 3 years	Stage 3					
Subtotal for doubtful		**765,283,192**	**241,471,735**	**523,811,457**	**118,379,458**	**123,092,277**
Loss	Stage 3	–	–	–	–	–
Subtotal for NPA		–	–	–	–	–
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**	**32,164,430,930**	**236,765,407**	**31,927,665,524**	**259,590,720**	**(22,825,313)**
	Stage 2	**2,192,637,384**	**227,792,283**	**1,964,845,101**	**25,175,854**	**202,616,429**
	Stage 3	**765,283,192**	**241,471,735**	**523,811,457**	**118,379,458**	**123,092,277**
	Total	**35,122,351,506**	**706,029,425**	**34,416,322,082**	**403,146,032**	**302,883,393**

* Amounts are excluding overdue principal and interest, however, provision is duly created on the same and reported.

(Amount in INR)

NOTE 54: Capital management

The primary objectives of the Company's capital management policy is to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

Net Debt-to-Equity Ratio:

Net Debt-to-Equity Ratio as at 31 March 2021	2.76 times
Net Debt-to-Equity Ratio as at 31 March 2020	3.27 times

Net Debt represents the Total Debt securities and Borrowings, as reduced by cash and cash equivalents and other bank balances as at year end.

Equity represents the Total equity as disclosed in the financials as at year end.

NOTE 55: Details of dues to micro enterprises and small enterprises

Under the Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act, 2006), certain disclosures are required to be made relating to dues to Micro and Small enterprises. On the basis of information and records available with the management, following disclosures are made:

Particulars	**As at 31 March 2021**	As at 31 March 2020
1. The principal amount remaining unpaid at the end of the year.	**–**	–
2. The interest amount remaining unpaid at the end of the year.	**–**	–
3. The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	**–**	–
4. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	**–**	–
5. The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	**–**	–
6. The amount of interest accrued and remaining unpaid at the end of accounting year	**–**	–
7. The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	**–**	–
The balance of MSMED parties as at the end of the year	**–**	–

Notes to Financial Statements
(Contd..)

(Amount in INR)

NOTE 56:

Additional information required in terms of Master Direction RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated 17 February 2021 issued by the RBI and Notification no. NHB.HFC.CG DIR.1/MD&CEO/2016 dated 9 February 2017 issued by the NHB, is given in Annexure 1, which have been presented solely based on the information compiled by the Management.

NOTE 57:

The previous period figures have been regrouped/reclassified wherever necessary to correspond with the current period's presentation.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

Murad D. Daruwalla
Partner
Membership No: 043334

Place: Mumbai
Date: 28 April 2021

For and on behalf of the Board of Directors of
Motilal Oswal Home Finance Limited
CIN: U65923MH2013PLC248741

Motilal Oswal
Chairman
DIN: 00024503

Arvind Hali
Managing Director & CEO
DIN: 05285114

Shalibhadra Shah
Chief Financial Officer

Ritin Mawani
Company Secretary

Place: Mumbai
Date: 28 April 2021

Notes to Financial Statements
(Contd..)

(Amount in INR)

Annexure 1 to the financial statements for the year ended 31 March 2021

Disclosures pursuant to National Housing Bank (NHB) circulars and Reserve Bank of India (RBI) Master direction

The following disclosures have been given in pursuant to Master Direction RBI/2020-21/73 DOR.FIN.HFC. CC.No.120/03.10.136/2020-21 dated 17 February 2021 issued by the RBI and Notification no. NHB.HFC.CG DIR.1/ MD&CEO/2016 dated 9 February 2017 issued by the NHB and have been presented solely based on the information compiled by the Management.

1 Reconciliation of loans as per IGAAP and IND AS

	As at 31 March 2021	As at 31 March 2020
Housing and Non-housing Loan		
(i) Loans as per IGAAP	**35,122,351,507**	36,607,125,923
(ii) Unamortized upfront income / expense- IND AS Adjustment	**(89,997,705)**	(175,941,057)
(iii) Interest accrued but not due on home loans	**270,085,747**	277,550,586
Total Loans (i) +(ii)+ (iii)	**35,302,439,549**	**36,708,735,452**
less : Impairment loss allowance	**(706,029,425)**	(433,326,094)
Loans as per IND AS	**34,596,410,124**	**36,275,409,358**

2 Reserve Fund under 29C of NHB Act, 1987 (Disclosure pursuant to circular no. NHB CND/DRS/Pol circular 61/2013-14 dated 7 April 2014 issued by NHB)

Statutory reserve

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year		
a) Statutory reserve (As per Section 29C of The National Housing Bank Act, 1987)	**149,441,138**	71,285,792
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	**305,781,438**	305,781,438
Total	**455,222,576**	**377,067,230**
Addition / appropriation / withdrawals during the year		
Add:		
a) Amount transferred as per Section 29C of The National Housing Bank Act, 1987.	**–**	78,155,347
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	**80,458,009**	–
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.	**–**	–

(Amount in INR)

	As at 31 March 2021	As at 31 March 2020
Balance at the end of the year		
a) Statutory reserve (As per Section 29C of The National Housing Bank Act, 1987)	**149,441,138**	149,441,138
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.	**386,239,447**	305,781,438
Total	**535,680,585**	**455,222,576**

3 Disclosure pursuant to circular no. NHB/ND/DRS/POL-No.35/2010-11 dated October 11, 2010 and Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB.

I. Capital

Particulars	As at 31 March 2021	As at 31 March 2020
CRAR (%)*	**50.03%**	47.49%
CRAR - Tier I Capital (%)	**49.34%**	46.32%
CRAR - Tier II Capital (%)	**0.69%**	1.16%
Amount of subordinated debt raised as Tier - II Capital	**–**	–
Amount raised by issue of perpetual debt Instruments	**–**	–

* CRAR (%) as at 31 March 20 , is shown as per NHB prudential norms.

II. Exposure to Real estate sector

Particulars	As at 31 March 2021	As at 31 March 2020
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 ₹ 15 Lacs	**26,603,441,109**	28,255,175,917
Housing Loan more than ₹ 15 Lacs	**7,678,705,301**	8,166,977,633
(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;	**840,205,096**	184,972,373
(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)	**–**	–

(Amount in INR)

III. Asset liability management

Maturity pattern of certain items of asset and liabilities - As at 31 March 2021

Pattern	1 day to 7 days	8 to 14 days	15 days to 30-31 days	Over one month to 2 months	Over 2 months upto 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from banks	163,043,399	-	48,529,412	968,983,896	556,965,812	1,638,866,675	1,746,170,527	6,557,672,799	2,604,987,134	2,794,092,835	17,079,312,488
Market Borrowings	-	-	86,757,099	-	-	-	1,678,236,155	9,259,500,369	-	500,000,000	11,524,493,623
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Advances	82,347,593	-	-	84,229,453	84,643,002	257,202,018	550,415,941	2,429,794,659	2,716,216,199	28,917,502,641	35,122,351,507
Investments	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Asset	-	-	-	-	-	-	-	-	-	-	-

Maturity pattern of certain items of asset and liabilities - As at 31 March 2020

Pattern	1 day to 7 days	8 to 14 days	15 days to 30-31 days	Over one month to 2 months	Over 2 months upto 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from banks	49,500,000	-	80,024,213	72,498,157	852,383,759	782,960,519	1,501,200,000	6,271,387,346	3,972,220,317	822,035,395	14,404,209,707
Market Borrowings	-	-	-	-	450,000,000	-	1,123,929,212	4,315,233,591	8,747,000,000	500,000,000	15,136,162,803
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-
Advances	83,693,399	-	-	83,600,821	84,251,997	257,008,719	574,786,253	2,572,008,692	2,951,672,658	30,000,103,384	36,607,125,923
Investments	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Asset	-	-	-	-	-	-	-	-	-	-	-

4 Disclosure pursuant to Notification No. NHB.HFC.DIR.1/CMD/2010 dated June 10, 2010 issued by NHB.

I Penalty

Particulars	As at 31 March 2021	As at 31 March 2020
Penalty levied by National Housing Bank *	**15,000**	–
Total	**15,000**	**–**

*National Housing Bank had levied penalty of above amount during annual audit/inspection carried out for the year 2019-20

II Adverse remarks

Particulars	As at 31 March 2021	As at 31 March 2020
Adverse remarks if any given by National Housing Bank	**–**	–

(Amount in INR)

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

Particulars	As at 31 March 2021	As at 31 March 2020
Percentage of outstanding loans granted against the collateral gold jewellery to their outstanding total assets	–	–

5 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Investments.

Particulars	As at 31 March 2021	As at 31 March 2020
(a) Value of Investments		
(I) Gross value of investments		
(a) In India	–	–
(b) Outside India		
(II) Provisions for Depreciation		
(a) In India	–	–
(b) Outside India	–	–
(III) Net value of investments		
(a) In India	–	–
(b) 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	–	–

6 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Single borrower/ Group borrower limit exceeded by HFC.

Particulars	As at 31 March 2021	As at 31 March 2020
Sanctioned Limit/ Amount outstanding for Single borrower limit	–	–
Sanctioned Limit/ Amount outstanding for Group borrower limit	–	–

7 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Provisions and Contingencies.

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
1. Provisions for depreciation on investment	–	–
2. Provisions made towards income tax (net of reversal of tax of earlier year)	**502,180,712**	218,391,279
3. Provisions towards NPAs	**76,406,596**	(823,445,218)
4. Provisions for standard assets	**196,296,735**	(492,842,439)
5. Other provision and contingencies		
Gratuity	**5,629,334**	9,421,642
Compensated absence	**(2,738,458)**	867,607
Heritage Club	**982,697**	225,797
Provision for expenses	**12,994,566**	5,173,264

Notes to Financial Statements
(Contd..)

(Amount in INR)

8 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for concentration of NPAs.

Particulars	**As at 31 March 2021**	As at 31 March 2020
Total Exposure to top ten NPA accounts	**27,244,039**	27,390,091

9 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for sector wise NPA's Provisions and Contingencies.

Particulars	**As at 31 March 2021**	As at 31 March 2020
A. Housing Loans: (in %) (out of total advances in that sector)		
(I) Individuals	**1.91%**	1.15%
(II) Builders / Project Loans		
(III) Corporates		
B. Non - Housing Loans: (in %) (out of total advances in that sector)		
(I) Individuals	**2.63%**	1.37%
(II) Builders / Project Loans	**0.75%**	–
(III) Corporates	**–**	–
(IV) Others	**–**	–

10 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for movement of NPAs.

Particulars	**As at 31 March 2021**	As at 31 March 2020
(I) Net NPAs to Net Advances (%) *	**1.52%**	1.37%
(II) Movement of Gross NPAs		
(a) Opening Balance	**659,989,616**	3,959,794,528
(b) Additions during the year (excluding write off's)	**703,339,551**	517,232,888
(c) Reduction during the year (excluding write off's)	**597,094,908**	3,817,037,800
(d) Closing balance	**766,234,259**	659,989,616
(III) Movement of Net NPAs		
(a) Opening Balance	**494,924,476**	2,970,541,960
(b) Additions during the year (excluding write off's)	**534,538,059**	395,683,159
(c) Reduction during the year (excluding write off's)	**504,700,011**	2,871,300,643
(d) Closing balance	**524,762,524**	494,924,476
(IV) Movement of provisions for NPAs		
(a) Opening Balance	**165,065,139**	989,252,568
(b) Additions during the year (excluding write off's)	**168,801,492**	121,549,729
(c) Write off/ write back of excess provision	**92,394,897**	945,737,157
(d) Closing balance	**241,471,735**	165,065,139

* As per notification's wordings, total loan book net of provision made is considered as net of advances. Whereas in Note 32 of financials, total loan book is considered for computation of ratios.

11 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for overseas assets.

Particulars	**As at 31 March 2021**	As at 31 March 2020
Overseas assets	**–**	–

(Amount in INR)

12 Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms)-

Name of the SPV sponsored	As at 31 March 2021	As at 31 March 2020
Domestic	–	–
Overseas	–	–

13 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for customer complaints.

Particulars	As at 31 March 2021	As at 31 March 2020
(a) No. of complaints pending at the beginning of the year	2	3
(b) No. of complaints received during the year	145	127
(c) No. of complaints redressed during the year	147	128
(d) No. of complaints pending at the end of the year	0	2

14 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Exposure to Capital Market.

Particulars	As at 31 March 2021	As at 31 March 2020
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	–	–
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	–	–
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	–	–
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	–	–
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	–	–
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	–	–
(vii) bridge loans to companies against expected equity flows / issues;	–	–
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	–	–
Total Exposure to Capital Market	–	–

(Amount in INR)

15 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Assignment transactions undertaken by HFCs.

Particulars	As at 31 March 2021	As at 31 March 2020
No. of accounts		
Aggregate value (net of provision) of accounts assigned	–	–
Aggregate consideration	–	–
Additional consideration realized in respect of accounts transferred in earlier years	–	–
Aggregate gain/loss over net book value	–	–

16 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB

I Securitisation

Particulars	As at 31 March 2021	As at 31 March 2020
(I) No of SPVs sponsored by the HFC for securitisation transactions	1	–
(II) Total amount if securitised assets as per books of the SPVs sponsored	1,841,147,118	–
(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	240,041,096	–
(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	–	–

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

Particulars	As at 31 March 2021	As at 31 March 2020
(I) No. of accounts	1,050	5,148
(II) Aggregate value (net of provisions) of accounts sold to SC / RC	863,011,529	3,258,477,723
(III) Aggregate consideration	749,400,000	2,935,000,000
(IV) Additional consideration realized in respect of accounts transferred in earlier years	–	–
(V) Aggregate gain/loss over net book value	(113,611,529)	(323,477,723)

III Details of assignment transactions undertaken by HFCs.

Particulars	As at 31 March 2021	As at 31 March 2020
(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	–	–

(Amount in INR)

IV Details of non-performing financial assets purchased / sold

(i) Details of non-performing financial assets purchased:

Particulars	**As at 31 March 2021**	As at 31 March 2020
(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 31 March 2021**	As at 31 March 2020
(I) No. of accounts sold	**1,050**	5,148
(II) Aggregate outstanding	**1,135,541,486**	4,211,635,532
(III) Aggregate consideration received	**749,400,000**	2,935,000,000

17 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for registration obtained from other financial regulators.

Particulars	**As at 31 March 2021**	As at 31 March 2020
Registration from other financial regulator if any	**–**	–

18 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for unsecured advances.

Particulars	**As at 31 March 2021**	As at 31 March 2020
Amount of unsecured advances given against rights, licenses, authorisations etc.	**–**	–

19 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for details of financing parent company products.

Particulars	**As at 31 March 2021**	As at 31 March 2020
Details of financing of parent company products	**–**	–

20 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Concentration of Public Deposits.

Particulars	**As at 31 March 2021**	As at 31 March 2020
Total Deposits of twenty largest depositors	**–**	–
Percentage of Deposits of twenty largest depositors to total deposits of the HFC	**–**	–

21 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Concentration of Loans & Advances.

Particulars	**As at 31 March 2021**	As at 31 March 2020
Total Loans & Advances to twenty largest borrowers	**509,297,364**	147,850,941
Percentage of Loans & Advances to twenty largest borrowers to total advances of the HFC	**1.45%**	0.40%

(Amount in INR)

22 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Concentration of all Exposure (including off-balance sheet exposure).

Particulars	As at 31 March 2021	As at 31 March 2020
Total Exposure to twenty largest borrowers / customers	**509,297,364**	153,592,336
Percentage of exposure to twenty largest borrowers / customers to total exposure of the HFC on borrowers / customers.	**1.45%**	0.42%

23 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Forward rate agreement / Interest rate swap.

Particulars	As at 31 March 2021	As at 31 March 2020
(I) The notional principal of swap agreements	**–**	–
(II) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	**–**	–
(III) Collateral required by the HFC upon entering into swaps	**–**	–
(IV) Concentration of credit risk arising from the swaps.	**–**	–
(V) The fair value of the swap book	**–**	–

24 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB

I For Exchange traded interest rate derivative.

Particulars	As at 31 March 2021	As at 31 March 2020
(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)	**–**	–

II For Disclosure on Risk exposure in derivative.

Particulars	As at 31 March 2021	As at 31 March 2020
(I) Derivatives (Notional Principal Amount)	**–**	–
(II) Marked to Market Positions (1)		
(a) Assets	**–**	–
(b) Liability	**–**	–
(III) Credit exposure	**–**	–
(IV) Unhedged exposure	**–**	–

(Amount in INR)

III Expenditure in foreign currency

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Borrowing cost	–	–

25 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for rating assigned by rating agency during the year.

Nature of borrowing	As at 31 March 2021			As at 31 March 2020	
	Rating / Outlook			Rating / Outlook	
	ICRA	CRISIL	India Ratings	ICRA	CRISIL
Short Term					
Commercial paper	[ICRA]A1+	CRISIL A1+	IND A1+	[ICRA]A1+	CRISIL A1+
Long Term					
Non-Convertible Debentures	[ICRA]A+ (Stable)	CRISIL AA-/ Stable	–	[ICRA]A+ (Stable)	CRISIL AA-/ Stable
Market linked Debentures	PP-MLD[ICRA] A+(Stable)	CRISIL PP-MLD AA-r/ Stable		PP-MLD[ICRA] A+(Stable)	CRISIL PP-MLD AA-r/ Stable
Bank Borrowings	–	CRISIL AA-/ Stable	–	[ICRA]A+ (Stable)	CRISIL AA-/ Stable

26 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for break up of loans and advances and provisions thereon.

Particulars	Housing Loans	Non-Housing Loans
Current Year		
Standard Asset		
Principal outstanding	29,959,785,899	4,397,282,416
Overdue principal and accrued interest	316,532,076	44,321,363
Provisions made	380,919,039	83,638,651
Sub-standard assets		
Principal outstanding	645,875,350	105,846,100
Overdue principal and accrued interest	53,835,468	7,804,439
Provisions made	206,780,624	29,129,082
Doubtful assets- Category I		
Principal outstanding	10,801,024	486,459
Overdue principal and accrued interest	3,589,181	147,406
Provisions made	3,971,186	173,404
Doubtful assets- Category II		
Principal outstanding	2,274,259	–
Overdue principal and accrued interest	1,688,704	–
Provisions made	1,417,440	–
Loss assets		
Principal outstanding	–	–
Overdue principal and accrued interest	–	–
Provisions made	–	–
Total		
Principal outstanding	30,618,736,532	4,503,614,975
Overdue principal and accrued interest	375,645,429	52,273,209
Provisions made	593,088,289	112,941,136

(Amount in INR)

Particulars	Housing Loans	Non-Housing Loans
Previous Year		
Standard Asset		
Principal outstanding	33,057,581,603	2,896,178,809
Overdue principal and accrued interest	309,751,012	25,288,084
Provisions made	245,545,180	22,715,775
Sub-standard assets		
Principal outstanding	579,109,979	72,798,559
Overdue principal and accrued interest	53,683,301	6,704,417
Provisions made	146,214,662	18,433,365
Doubtful assets- Category I		
Principal outstanding	1,456,973	–
Overdue principal and accrued interest	368,232	–
Provisions made	417,113	–
Doubtful assets- Category II		
Principal outstanding	–	–
Overdue principal and accrued interest	–	–
Provisions made	–	–
Loss assets		
Principal outstanding	–	–
Overdue principal and accrued interest	–	–
Provisions made	–	–
Total		
Principal outstanding	**33,638,148,555**	**2,968,977,369**
Overdue principal and accrued interest	**363,802,546**	**31,992,501**
Provisions made	**392,176,955**	**41,149,140**

27 Disclosure pursuant to Notification No. NHB(ND)/DRS/Policy Circular No. 92/ 2018-19 dated February 05, 2019 issued by NHB.

Particulars	As at 31 March 2021	As at 31 March 2020
Amount of Fraud	**269,451,801**	273,834,989

28 Exposure to group companies engaged in real estate business (Refer to paragraph 21 of Master Direction RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021)

	As at 31 March 2021		As at 31 March 2020	
Particulars	Amount	% of owned fund	Amount	% 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	–	–	–	–

(Amount in INR)

29 Disclosures as required under Guidelines on Liquidity Risk Management Frame work for NBFCs issued by RBI vide notification no. RBI/2019-20/88 DOR.NBFC (PD) CC . No .102/03.10.001/2019-20 dated 4 November 2019 and Master Direction RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated 17 February 2021 issued by the RBI

Public disclosure on liquidity risk:

i) Funding Concentration based on significant counterparty (both deposits and borrowings)

Sr. no.	Type of instrument	Number of Significant Counter parties	Amount	% of Total deposits	% of Total Liabilities
1	Deposits	NA	NA	NA	NA
2	Borrowings	27	26,350,703,638	NA	87.95%

ii) Top 20 large deposits (% of total deposits)

Description	Amount	% of Total deposits
Total for Top 20 large deposits	NA	NA

iii) Top 10 borrowings (% of total borrowings)

Type of instrument	Amount	% of Total borrowings
Total for Top 10 borrowings	17,619,795,047	61.60%

iv) Funding Concentration based on significant instrument/product

Sr. no.	Name of instrument/product	Amount	% of Total Liabilities
1	Term loans from banks	12,872,864,739	42.97%
2	Term loans from Securitization	1,841,147,118	6.15%
3	Term loans from NHB Refinance	2,250,000,000	7.51%
4	Secured redeemable non-convertible debentures	7,985,493,623	26.65%
5	Unsecured redeemable non-convertible debentures	3,539,000,000	11.81%
	Total funding Concentration pertaining to significant instruments/ products	**28,488,505,480**	
	Funding Concentration pertaining to insignificant instruments/ products	115,300,629	0.38%
	Total borrowings under all instruments/products	**28,603,806,110**	

v) Stock Ratios

Sr. no.	Name of instrument/product	Amount	% of Public Funds	% of Total Liabilities	% of Total Assets
1	Commercial papers (CPs)	–	NA	–	–
2	Non-convertible debentures (NCDs) with original maturity of less than one year	–	NA	–	–
3	Other short-term liabilities	2,130,381,043	NA	7.11%	5.47%

vi) Institutional set-up for liquidity risk management

The ultimate responsibility for liquidity risk management rests with the Board of directors, which has established Asset-Liability Management ('ALM') Policy & Asset and Liability Management Committee (ALCO). The ALM Policy provides the governance framework for the identification, measurement, monitoring and reporting of liquidity risk arising out of Company's lending and borrowing activities. The liquidity risk is measured in terms of structural

(Amount in INR)

liquidity gaps across various time-buckets. Actual liquidity gaps against the Gap Limits are discussed every quarter in the ALCO meeting. ALCO manages Company's short, medium and long-term funding and liquidity management requirements. The ALCO meets regularly to review the liquidity position based on future cash flows. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. The Company also maintains adequate liquid assets, banking facilities and reserve borrowing facilities against unexpected requirements.

Definition of terms as used in the table above:

a) Significant counterparty:

A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC's total liabilities.

b) Significant instrument/product:

A "Significant instrument/product" is defined as a single instrument/product of group of similar instruments/ products which in aggregate amount to more than 1% of the NBFC's total liabilities.

c) Total liabilities:

Total liabilities include all external liabilities (other than equity).

d) Other short-term liabilities:

All short-term borrowings other than CPs and NCDs with original maturity less than 12 months.

e) Borrowings:

Borrowings are inclusive of Debt securities and are considered at unamortised cost.

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