



CAPITALINDIA

Home Loans

CAPITAL INDIA HOME LOANS LIMITED
5th ANNUAL REPORT

2021-22



CORPORATE INFORMATION

BOARD OF DIRECTORS

DIRECTOR IDENTIFICATION NO. (DIN)

Mr. Vineet Kumar Saxena	:	07710277
Mr. Keshav Porwal	:	06706341
Mr. Deepak Vaswan	:	07814811
Mr. Vinod Somani	:	00327231
Mr. Yogendra Pal Singh	:	08347484
Mrs. Rashmi Fauzdar	:	07599221

KEY MANAGERIAL PERSONNEL (KMP)

Mr. Vineet Kumar Saxena	:	Managing Director
Mr. Neeraj Toshniwal	:	Chief Financial Officer
Mr. Rachit Malhotra	:	Company Secretary

STATUTORY AUDITORS

M/s S C Mehra & Associates LLP, Chartered Accountants
Office No. 42, 1st Floor, Singh Estate No. 3,
Mrinaltai Gore Bridge Off SV Road Ram Mandir (West)
Mumbai, Maharashtra

SECRETARIAL AUDITORS

M/s Arun Gupta & Associates,
Company Secretaries,
59, Ground Floor, Madan Park,
East Punjabi Bagh, New Delhi – 110026

INTERNAL AUDITORS

M/s Aneja Associates,
Chartered Accountants,
301, Peninsula Towers, Peninsula Corporate Park,
Ganpatrao Kadam Marg, Lower Parel, Mumbai-400013

REGISTRAR & SHARE TRANSFER AGENT

KFin Technologies Limited,
Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500 032

REGISTERED OFFICE

2nd Floor, DLF Centre, Sansad, Marg,
New Delhi – 110 001

CORPORATE OFFICE

Level - 20, Birla Aurora,
Dr. Annie Besant Road,
Worli, Mumbai – 400030

BOARD'S REPORT

To,
The Members,
Capital India Home Loans Limited ('the Company')

Your Directors are pleased to present before you 5th (Fifth) Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended on March 31, 2022 ("**period under review**").

The Company was incorporated on August 11, 2017 as a subsidiary of Capital India Finance Limited.

1. FINANCIAL RESULTS AND BUSINESS OPERATION

The Company's financial performances for the period under review are given hereunder:

Particulars	(Amount in INR)	
	Year ended March 31, 2022	Year ended March 31, 2021
Total Income	33,60,11,856	15,85,91,512
Total Expenditure	32,98,02,408	19,99,18,186
Profit / (Loss) before tax	62,09,448	(4,13,26,674)
Provision for tax [including Deferred Tax charge / (credit)]	2,40,827	(44,96,428)
Profit / (Loss) after tax (A)	59,68,621	(3,68,30,246)
Other Comprehensive Income	16,47,974	7,48,773
Total Comprehensive Income / (Loss)	76,16,595	(3,60,81,473)
Add: Profit and Loss account balance brought forward from previous year excluding OCI (B)	(15,86,20,730)	(12,17,90,484)
Less: Transfer to reserves (C)	(11,93,724)	-
Retained Earnings carried to Balance Sheet (excluding OCI) (D=A+B-C)	(15,38,45,833)	(15,86,20,730)

2. AMOUNTS TRANSFERRED TO RESERVES

In terms of Section 29C of the National Housing Bank ("**NHB**") Act, 1987, the Company is required to transfer at least 20% of its Profit after tax to a Reserve Fund before any dividend is declared. Transfer to a Reserve Fund in terms of section 36(1)(viii) of the Income Tax Act, 1961 is also considered as an eligible transfer as transfer to Reserve under Section 29C of the NHB Act, 1987.

However, During the current year, the Company has transferred INR 11,93,724 (Indian Rupees Eleven Lakh Ninety-Three Thousand Seven Hundred Twenty Four Only) to Statutory Reserve as per section 29C of the NHB Act, 1987.

The Company has also made a provision of INR 1,65,00,000 (Indian Rupees One Crore Sixty-Five Lakh only) for Expected Credit Loss during the period under review. Total provisions for Expected Credit Loss of the Company as at the Financial Year ended March 31, 2022 is INR 3,15,00,000 (Indian Rupees Three Crore Fifteen Lakh only).

Except as mentioned above, no amount was transferred to Securities Premium Account by the Company during the period under review.

3. SHARE CAPITAL

The authorised share capital of the Company is INR 150,00,00,000 (Indian Rupees One Hundred and Fifty Crore only) divided into 15,00,00,000 (Fifteen Crore) equity shares of INR 10 (Indian Rupees Ten only) each.

During the period under review, the paid-up share capital of the Company has been increased from INR 130,05,00,000 (Indian Rupees One Hundred Thirty Crore and Five Lakhs only) to INR 145,16,00,000 (Indian Rupees One Hundred Forty-Five Crores Sixteen Lakhs only) pursuant to the following allotments made during the period under review:

Sl. No.	Date of Allotment	Type of Issue	Number of Shares	Paid-up Value per Shares	(Amount in INR)
					Total Amount Paid-up
1.	August 13, 2021	Allotment of equity shares	1,10,000	10	11,00,000
2.	August 28, 2021	Allotment of equity shares	1,50,00,000	10	15,00,00,000

The paid-up share capital of the Company as on March 31, 2022 is INR 145,16,00,000 (Indian Rupees One Hundred Forty Five Crores Sixteen Lakhs only) divided into 14,51,60,000 (Fourteen Crore Fifty One Lakh and Sixty Thousand) equity shares of INR 10 (Indian Rupees Ten only) each.

4. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

Company is registered as a Housing Finance Company (HFC) with National Housing Bank ("NHB"). Company is focused on premium loan offerings to home buyers and is committed to transform home loan solutions with a unique customer-centric approach.

During the period under review, the Gross Income of the Company was INR 33,60,11,856 (Indian Rupees Thirty-Three Crore Sixty Lakh Eleven Thousand Eight Hundred Fifty Six only); Profit after Tax was INR 59,68,621 (Indian Rupees Fifty Nine Lakh Sixty Eight Thousand Six Hundred Twenty One only); and Total Comprehensive Profit was INR 16,47,974 (Indian Rupees Sixteen Lakh Forty Seven Thousand Nine Hundred Seventy Four Only). The Company's Net-worth as on March 31, 2022 was INR 1,30,62,21,818 (Indian Rupees One Hundred and Thirty Crore Sixty Two Lakh Twenty One Thousand Eight Hundred Eighteen only).

The management has identified a potential roadmap for the future operations and is hopeful of a decent growth in the years ahead. Your Directors are hopeful to increase the commercial activities at a large scale in coming years and to achieve better financial results.

5. CHANGE IN NATURE OF BUSINESS

During the period under review, there has been no change in the nature of business of the Company.

6. DIVIDEND

Your Directors do not recommend any dividend for the period under review.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

As on March 31, 2022, the Board of Directors of the Company comprise of the following Directors:

- | | | |
|----------------------------|---|------------------------|
| a) Mr. Vineet Kumar Saxena | - | Managing Director |
| b) Mr. Keshav Porwal | - | Non-Executive Director |
| c) Mr. Deepak Vaswan | - | Non-Executive Director |
| d) Mr. Vinod Somani | - | Independent Director |

- | | | |
|---------------------------|---|----------------------------|
| e) Mr. Yogendra Pal Singh | - | Independent Director |
| f) Mrs. Rashmi Fauzdar | - | Independent Woman Director |

As on March 31, 2022, following are the KMPs of the Company:

- | | | |
|----------------------------|---|-------------------------|
| a) Mr. Vineet Kumar Saxena | - | Managing Director |
| b) Mr. Neeraj Toshniwal | - | Chief Financial Officer |
| c) Mr. Rachit Malhotra | - | Company Secretary |

Change in the Board of Directors & KMP

During the period under review, Mr. Vineet Kumar Saxena, Managing Director & Chief Executive Officer of the Company vide his letter dated May 21, 2021, has resigned from the position of Chief Executive Officer of the Company and informed that he will continue to act as the Managing Director of the Company with effect from the said date.

Mr. Deepak Vaswan, subsequent to the approval of the Reserve Bank of India (“RBI”), was appointed as a Whole-time Director of the Company with effect from August 10, 2021. However, due to his pre-occupation in other assignments and other commitments, he has stepped down from the position of Whole-time Director of the Company with effect from the closure of business hours of January 31, 2022 and has been re-designated as Non-Executive Director of the Company w.e.f. February 01, 2022.

Mrs. Rashmi Fauzdar, Additional Independent Woman Director has been regularized as Independent Woman Director in the Company’s Annual General Meeting (“AGM”) held on June 07, 2021.

There was no other change in the Board of Directors and KMP of the Company otherwise than as stated above.

Director retiring by rotation

As per the provisions of Section 152 of the Companies Act, 2013 (“Act”), Mr. Vineet Kumar Saxena, Managing Director of the Company, is liable to retire by rotation at the ensuing AGM of the Company. He, being eligible for re-appointment, has offered himself for re-appointment at the AGM and the matter shall be placed before the members for their consideration at the ensuing AGM.

Particulars of employees receiving remuneration more than the limit prescribed

The provisions and disclosures as required under Section 197(12) of the Act read with Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.

8. POLICIES GOVERNING THE APPOINTMENT AND REMUNERATION OF THE DIRECTORS AND EMPLOYEES

In accordance with the provisions of Section 178 of the Act, the Board has adopted a Policy on Remuneration of the Directors, Key Managerial Personnel and other Employees which aims: (a) that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, Executives and Other Employees of the quality required to run the Company successfully; (b) that relationship of remuneration to performance is clear and meets appropriate performance benchmarks; (c) that remuneration to Directors, Executives and Other Employees involves a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals; and (d) to enable the Company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations. The detailed policy on remuneration of the directors, key managerial personnel and other employees is available on the website at the URL www.capitalindiahomeloans.com.

Further, details of remuneration paid or any other form of pecuniary transaction entered with non-executive directors of the Company are disclosed in the Notes to Financial Statements.

9. GENERAL DISCLOSURE

Your Directors states that no disclosure or reporting is required in respect of the following items as there was no transaction on these during the period under review:

- a) The Company has not bought back any of its securities during the period under review;
- b) The Company has not issued any bonus share during the period under review;
- c) The Company has not issued any sweat equity shares during the period under review;
- d) The Company has not issued equity shares with differential rights as to dividend, voting or otherwise;
- e) The Company does not have any unclaimed dividends, and therefore, the Company is not liable to transfer any amount to Investor Education and Protection Fund (IEPF) under the provisions of Section 124 & 125 of the Companies Act, 2013; and
- f) There was no revision in the financial statements of the Company.

10. ISSUE OF EMPLOYEE STOCK OPTIONS

The Company has issued employee stock options to its employees under the CIHL Employee Stock Option Plan, 2018. The detailed disclosure as required under Rule 12 of the Companies (Share Capital and Debenture) Rules, 2014 is annexed herewith as **Annexure-A** and forms part of this report.

11. PUBLIC DEPOSITS

The Company did not accept any public deposits during the year under review. Therefore, the disclosures as required under the Act and the rules framed thereunder are not applicable.

12. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Since, the Company is engaged in the business of Housing Finance, the provisions of Section 186 (except to the extent applicable under sub-section 1 of Section 186) of the Companies Act, 2013 are not applicable.

13. AUDITORS

a. Statutory Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013, M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Regn. No.: 117366W/W100018), were appointed as the Statutory Auditors of the Company to hold office from the 1st (First) AGM till the conclusion of 6th (Sixth) AGM. However, pursuant to the Circular No. RBI/2021-22/25 Ref. No. DoS. CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 issued by the Reserve Bank of India ("RBI"), M/s Deloitte Haskins & Sells LLP, resigned as the Statutory Auditors of the Company with effect from August 10, 2021.

Consequent to the resignation of M/s Deloitte Haskins & Sells LLP, the Shareholders of the Company in their Extra-Ordinary General Meeting held on August 17, 2021, on the basis of the recommendation of the Audit Committee and the Board, approved the appointment of M/s S C Mehra & Associates LLP, Chartered Accountants (Firm Registration No. 106156W/W100305) as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s Deloitte Haskins & Sells LLP and to hold the office of the Statutory Auditors of the Company up to the conclusion of 5th (Fifth) AGM of the Company to conduct audit for the financial year 2021-22.

M/s S C Mehra & Associates LLP has conducted the Statutory Audit for the period ended March 31, 2022. The report submitted by the Statutory Auditors on the Financial Statements of the Company forms part of this Annual

Report. There has been no qualifications, reservations or adverse remarks or disclaimer given by the Statutory Auditors in their report.

b. Secretarial Auditor

The Board had appointed M/s Arun Gupta & Associates, Company Secretaries, as the Secretarial Auditors of the Company to undertake the Secretarial Audit for the financial year 2021-22 in terms of the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Secretarial Auditors have submitted their report in the Form MR-3, which forms part of this Annual Report. There are no observations, reservations or adverse remarks in the Secretarial Audit Report.

c. Internal Auditor

The Board had appointed M/s Aneja Associates, Chartered Accountants, as the Internal Auditors to undertake internal audit of the Company for the financial year 2021-22 in terms of the provisions of Section 138 of the Act read with the rules made thereunder.

14. COST RECORDS

The provisions of the Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, are not applicable on the Company, for the period under review.

15. INTERNAL CONTROLS SYSTEMS AND THEIR ADEQUACY

The Company has in place an adequate Internal Financial Control System with reference to the financial statements and Internal Control System, commensurate with the size, scale and complexity of its business. The primary objective of the internal control system is to ensure that all its assets are safeguarded and protected and to prevent any revenue leakage and losses to the Company. Such controls also enable reliable financial reporting.

The Directors have laid down Internal Financial Control procedures to be followed by the Company which ensures compliance with various policies, practices and statutes, keeping in view the organization's pace of growth and increasing complexity of operations for orderly and efficient conduct of its business.

The Audit Committee of the Board, is vested with the powers to evaluate the adequacy and effectiveness of the Internal Financial Control system of the Company, thereby ensuring that:

1. Systems have been established to ensure that all the transactions are executed in accordance with the management's general and specific authorisation.
2. Systems and procedures exist to ensure that all the transactions are recorded so as to permit preparation of Financial Statements in conformity with the Generally Accepted Accounting Principles (GAAP) or any other criteria applicable to such Statements, and to maintain accountability for effective and timely preparation of reliable financial information.
3. Access to assets is permitted only with the management's general and specific authorisation. No assets of the Company are allowed to be used for personal purposes, except in accordance with the terms of employment or except as specifically permitted.
4. The existing assets of the Company are verified /checked at reasonable intervals and appropriate action is taken with respect to differences, if any.

5. Appropriate systems are in place for prevention and detection of frauds and errors and for ensuring adherence to the Company's various policies as listed on the website and otherwise disseminated internally.

16. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of financial year to which these financial statements are related and the date of this report.

17. DETAILS OF HOLDING, SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANY(IES)

The holding company of the Company is Capital India Finance Limited, holding 99.89% of the total equity shares of the Company.

Further, as on March 31, 2022, Company has following Associate Company:

S. No	Name of the Company	Percentage of Shareholding
1	Credenc Web Technologies Private Limited*	27.35%

During the period under review, the Company has made an acquisition of 100% shareholding of Credenc Web Technologies Private Limited ("Credenc**") and subsequently, Credenc became the wholly-owned subsidiary of the Company w.e.f. August 19, 2021. Also, the wholly-owned subsidiary of Credenc viz. Credenc Finserv Private Limited ("**CFPL**"), subsequent to the said acquisition of Credenc, became the wholly-owned step-down subsidiary of the Company. However, pursuant to the infusion of funds by other investors in Credenc and allotments of equity shares made to them, Credenc ceased to be the subsidiary of the Company with effect from January 12, 2022 and became an associate company and consequently, CFPL also ceases to be the step-down subsidiary of the Company from that date.*

Further, as on March 31, 2022, the Company does not have any Subsidiary or Joint Venture Company.

18. COMMITTEES OF THE BOARD

The following was the composition of the Committees as on March 31, 2022:

i) Audit Committee

Mr. Vinod Somani	:	Chairman
Mr. Yogendra Pal Singh	:	Member
Mr. Keshav Porwal	:	Member

ii) Nomination & Remuneration Committee

Mr. Yogendra Pal Singh	:	Chairman
Mr. Vinod Somani	:	Member
Mr. Keshav Porwal	:	Member

iii) Risk Management Committee

Mr. Prasad Perur Seshappa	:	Chairman
Mr. Vineet Kumar Saxena	:	Member
Mr. Hemant Narayanan	:	Member

iv) Credit Committee

Mr. Vineet Kumar Saxena	:	Chairman
Mr. Keshav Porwal	:	Member
Mr. Hemant Narayanan	:	Member

v) Asset-Liability Committee

Mr. Vineet Kumar Saxena	:	Chairman
Mr. Deepak Vaswan	:	Member
Mr. Hemant Narayanan	:	Member
Mr. Prince Gupta	:	Member

vi) IT Strategy Committee

Mr. Yogendra Pal Singh	:	Chairman
Mr. Vineet Kumar Saxena	:	Member
Mr. Manish Gupta	:	Member

vii) Management Committee

Mr. Keshav Porwal	:	Chairman
Mr. Vineet Kumar Saxena	:	Member
Mr. Deepak Vaswan	:	Member

19. MEETINGS**i) Board and Committee Meetings**

During the period under review, the intervening gap between the meetings of the Board and other committees were within the period prescribed under the Act. Further, pursuant to the requirement of section 149(8) and Schedule IV of the Act, meeting of Independent Directors of the Company was held on May 24, 2021, without the presence of Non-Independent Directors and members of management to *inter alia* review the performance of Non-Independent Directors, Chairperson of the Company and the Board as a whole and assess the quality, quantity and timeliness of flow of information between the Company Management and the Board.

The details of the meetings of the Board and the Statutory Committees of the Board held during the Financial Year 2021-22 are as below:

S. No	Board of Directors / Committee	No. of meetings	Date of Meetings
1.	Board of Directors (Board)	5	May 18, 2021
			July 17, 2021
			August 10, 2021
			October 29, 2021
			February 11, 2022
2.	Audit Committee (ACM)	4	May 18, 2021
			August 10, 2021
			October 29, 2021
			February 11, 2022
3.	Nomination & Remuneration Committee (NRC)	2	May 18, 2021
			August 10, 2021

4.	Risk Management Committee (RMC)	4	May 17, 2021
			August 07, 2021
			October 26, 2021
			February 11, 2022
5.	Credit Committee (CC)	2	April 22, 2021
			October 26, 2021
6.	Asset-Liability Committee (ALCO)	4	May 18, 2021
			August 10, 2021
			October 29, 2021
			February 11, 2022
7.	IT Strategy Committee (ITM)	2	May 03, 2021
			October 26, 2021

ii) Attendance of Directors/Members at the Board and Committee meetings

The attendance of Directors/Members at the meetings of the Board and the Statutory Committee of Board held during the period under review is provided as under:

Name of Directors/Members	Board	ACM	NRC	RMC	CC	ALCO	ITM
Mr. Vineet Kumar Saxena	5/5	-	-	4/4	2/2	4/4	2/2
Mr. Keshav Porwal	5/5	4/4	2/2	-	2/2	-	-
Mr. Deepak Vaswan	2/2 *	-	-	-	-	1/1#	-
Mr. Vinod Somani	5/5	4/4	2/2	-	-	-	-
Mr. Yogendra Pal Singh	5/5	4/4	2/2	-	-	-	2/2
Mrs. Rashmi Fauzdar	5/5	-	-	-	-	-	-
Mr. Prasad Perur Seshappa	-	-	-	4/4	-	-	-
Mr. Hemant Narayanan	-	-	-	1/1\$	2/2	1/1#	-
Mr. Prince Gupta	-	-	-	-	-	4/4	-
Mr. Manish Gupta	-	-	-	-	-	-	2/2

* Appointed with effect from August 10, 2021

\$ Mr. Hemant Narayanan was added as a member of RMC w.e.f. December 10, 2021

Mr. Deepak Vaswan and Mr. Hemant Narayanan were added as Members of ALCO w.e.f. December 10, 2021

iii) General Meetings

During the period under review, 1 (One) Extra-Ordinary General Meeting of the shareholders of the Company was held on August 17, 2021 and the Annual General Meeting of the shareholders of the Company was held on June 07, 2021.

20. ANNUAL RETURN

The Annual Return as provided under sub-section (3) of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 has been placed on the website of the Company www.capitalindiahomeloans.com

21. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the period under review, the transactions entered into with related parties were placed before the Audit Committee of the Board for its consideration and noting. The Audit Committee of the Board noted that such transactions were in the ordinary course of business and at arm's length basis. None of the transaction with related

party(ies) falls within the ambit of Section 188 of the Act. Accordingly, the particulars of the transactions as prescribed in Form AOC - 2 of the rules prescribed under the Companies (Accounts) Rules, 2014 of the Act are not applicable.

Further, as required under Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021, details of all material transactions with related parties are disclosed in the Notes to Financial Statements.

The Policy on Related Party Transactions of the Company is enclosed as “**Annexure – B**” to this report.

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

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

(Amount in INR)		
A.	CONSERVATION OF ENERGY	
1.	The steps taken or impact on conservation of energy	Nil
2.	During the year under review, measures initiated/ adopted for conservation of energy.	Nil
3.	The capital investment on energy conservation equipment	Nil
B.	TECHNOLOGY ABSORPTION	
1.	Efforts made towards technology absorption	Nil
2.	Benefits derived like product improvement, cost reduction, product development or import substitution	Nil
3.	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- a. Details of technology imported; b. Year of import; c. Whether the technology been fully absorbed; d. If not fully absorbed, areas where absorption has not taken place and the reasons thereof.	Nil
4.	Expenditure incurred on Research and Development.	Nil
C.	FOREIGN EXCHANGE EARNINGS AND OUTGO	
	a. Foreign Exchange earnings	Nil
	b. Foreign Exchange outgo	6,71,13,903

23. RISK MANAGEMENT POLICY

The Company has to manage various risks such as credit risk, liquidity risk, interest rate risk and operational risk. The Company has a comprehensive policy for risk management in place and has laid down a well-defined credit policy framework to identify, assess and monitor various elements of risk involved in the business and strengthen controls to mitigate risks. As mandated under the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, the Company has constituted a Risk Management Committee which is responsible for putting in place a progressive risk management system, risk management policy and strategy to be followed by the Company.

The Risk Management Committee and the Asset-Liability Committee review and monitor these risks at regular intervals. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Risk Management Committee met on regular intervals during the year and kept an active watch on the emergent risks the Company was exposed to. The Company has a robust mechanism to ensure an ongoing review of systems, policies, processes and procedures to contain and mitigate risk that arise from time to time.

The credit policy facilitates the Company to take appropriate risks to achieve its business objectives within the acceptable level of risk tolerance. The policy sets out the principles, standards and approach for credit risk management at the Company level and details a comprehensive framework to identify, assess, measure, monitor, control and report credit risks in a timely and efficient manner.

The Assets Liability Management Policy provides for liquidity management, management of interest rate risk and other objectives such as a return on average assets, return on average equity, tier 1 leverage ratio, total risk-based capital ratio and NIM on average interest earning assets.

In the opinion of the Board, none of the risks faced by the Company threaten its existence.

24. DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors of the Company have submitted the declaration of their independence in conformity with Section 149(7) of the Act read with the rules made thereunder, 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.

Pursuant to Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors have registered with the Indian Institute of Corporate Affairs for inclusion of their name in the Data Bank of Independent Directors.

The Board is of the opinion that the Independent Directors have the necessary experience, expertise, integrity and proficiency and are independent to the Management of the Company.

During the period under review, the Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than the sitting fees for the purpose of attending the meetings of the Company.

25. AUDIT COMMITTEE

The Audit Committee has been constituted in terms of the provisions of Section 177 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 and the applicable provisions of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021.

Terms of Reference

The terms of reference of the Audit Committee of the Board include the following:

- a. recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- b. review and monitor the auditors' independence and performance, and the effectiveness of the audit process;
- c. examination of the financial statements and the auditors' report thereon;
- d. approval or any subsequent modification of transactions of the Company with the related parties;
- e. scrutiny of inter-corporate loans and investments;
- f. valuation of undertakings or assets of the Company, wherever it is necessary;
- g. evaluation of internal financial controls and risk management systems;
- h. monitoring the end use of funds raised through public offers and related matters;
- i. review and ensure Information System Audit of the internal systems and processes;
- j. oversee the vigil mechanism established by the Company for the Directors and employees to report genuine concerns;
- k. any other responsibility as may be assigned by the Board, from time to time; and
- l. any other matter in relation to above which the committee deems fit and which is not reserved to be approved by the Board under the Companies Act, 2013 or any other applicable law.

26. NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee has been constituted in terms of the provisions of Section 178 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 and the applicable provisions of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021.

Terms of Reference

The terms of reference of the Nomination & Remuneration Committee of the Board include the following:

- a. identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down;
- b. recommend to the Board the appointment and removal of persons specified in clause a;
- c. specify the manner for effective evaluation of performance of the Board, its committees and individual directors and review its implementation and compliance;
- d. carry out the performance evaluation of the Board, its committees and individual directors;
- e. formulate the criteria for determining qualifications, positive attributes and independence of a director;
- f. ensure fit and proper status of the proposed/existing directors;
- g. recommend to the Board, a policy relating to the remuneration for the directors, key managerial personnel and other employees;
- h. to deal in all manner with respect to the issuance of employee stock options to the eligible employees of the Company and its holding company including but not limited to deciding the quantum, period of vesting, identification of eligible employees, forfeiture of the options granted and administration of the CIHL Employee Stock Option Plan 2018;
- i. any other responsibility as may be assigned by the Board, from time to time; and
- j. any other matter in relation to above which the committee deems fit and which is not reserved to be approved by the Board under the Companies Act, 2013 or any other applicable law.

27. POLICY ON PERFORMANCE EVALUATION OF THE DIRECTORS, BOARD AND ITS COMMITTEES AND THE ANNUAL PERFORMANCE EVALUATION

Pursuant to the provisions of the Act and rules made thereunder, the Board has devised a policy for the performance evaluation of the Independent Directors, Board, its Committees and the individual Directors and has laid down the performance evaluation and assessment criteria/parameters.

The Nomination & Remuneration Committee carried out the evaluation of the performance of each of the Directors, without the presence of the Director being evaluated and the Board carried out a formal evaluation of its own performance and the Committees thereof.

The evaluation has been carried out through a questionnaire, as provided, covering various aspects of the functioning of the Board and performance of the Directors, such as, adequacy of the constitution and composition of the Board, discharge of roles and responsibilities by the Board and Directors, frequency of the meetings, attendance, regulatory compliances and corporate governance. The individual Directors and members of the Board and the Committees had submitted their response on a scale of 1 (strongly disagree) to 5 (strongly agree) for evaluating the Board as a whole and of their peer Board members.

28. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The provisions of Section 135 of Act and rules made thereunder do not apply to the Company for the period under review.

29. DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

There has been no order passed by any authority which impact the going concern status and Company's operations in future.

Further, no penalties have been levied by the National Housing Bank/Reserve Bank of India/any other regulator during the period under review.

30. SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has framed a Policy regarding Prevention, Prohibition and Redressal of Sexual Harassment at Workplace in accordance with the applicable laws for all employees of the Company to *inter alia* ensure that the employees are not subject to any form of sexual harassment and to constitute the Internal Complaints Committee. Your Company is fully committed to protect the rights of any women, of any age, whether employed or not, who alleges to have been subjected to any act of sexual harassment within the Company's premises. Your Company provides a safe and healthy work environment.

The Company has constituted an Internal Complaints Committee to deal with the cases reported under the Policy regarding Prevention, Prohibition and Redressal of Sexual Harassment at Workplace.

There were no cases of sexual harassment reported, during the year ended on March 31, 2022.

31. CREDIT RATING

During the period under review, the Company has been assigned a Long-term rating of ACUTE A-/Stable Acute Ratings & Research Limited. Earlier rating assigned to the Company was [ICRA] BBB/ Outlook Stable (pronounced ICRA triple B) by ICRA.

32. DIRECTIONS/GUIDELINES ISSUED BY NATIONAL HOUSING BANK / RESERVE BANK OF INDIA

The Company complies with the directions, guidelines and requirements issued by National Housing Bank/Reserve Bank of India, from time to time, as applicable to it.

33. FRAUD REPORTING

There was no fraud reported by the Auditors of the Company under Section 143(12) of the Companies Act, 2013, to the Board of Directors during the period under review.

34. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, the Management Discussion and Analysis Report is enclosed as a part of this Annual Report.

35. DISCLOSURE ON CUSTOMER COMPLAINTS

Pursuant to the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, the disclosure on customer complaints is as follows:

Sr. No.	Particulars	During the year ended March 31, 2022	During the year ended March 31, 2021
1.	No. of complaints pending at the beginning of the year	Nil	Nil

2.	No. of complaints received during the year	1(GRIDS PORTAL) 22 (Service Mail ID)	1 (GRIDS Portal) 17 (Service Mail ID)
3.	No. of complaints redressed during the year	23	18
4.	No. of complaints pending at the end of the year	Nil	Nil

36. CORPORATE GOVERNANCE

Effective corporate governance practice constitutes the strong foundation, on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance superintends business strategies and ensures accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

The Company believes that governance practices enable the Management to direct and control the affairs of the Company in an efficient manner and to achieve the Company's goal of maximising value for all its stakeholders. The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming a leading financial services company in India.

37. DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors acknowledges the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Act, in the preparation of the Financial Statements for the financial year ended on March 31, 2022 and state:

- a. that in the preparation of annual accounts for the financial year ended March 31, 2022, the applicable accounting standards have been followed along with proper explanation relating to the material departures;
- b. that 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 at the end of the financial year ended March 31, 2022 and of the profit and loss of the Company for the financial year ended March 31, 2022;
- c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud or other irregularities;
- d. that the Directors have prepared the annual accounts on a going concern basis;
- e. that the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. there is a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Your Company has in place adequate internal financial controls with reference to the Financial Statements. During the year, such controls were tested and no reportable material weakness(es) in the designs or operations were observed.

38. STATEMENT ON COMPLIANCES OF APPLICABLE SECRETARIAL STANDARDS

Capital India Home Loans Limited

Your Company have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

39. ACKNOWLEDGMENT

The Board places on record its appreciation for the valuable support and co-operation for the various Government agencies, banks, customers, suppliers, client, and shareholders.

Your Directors also wish to place on record their appreciation for the valuable services rendered and the commitment displayed by the employees of the Company and look forward to their continued support in the future as well.

For and on behalf of the Board

Capital India Home Loans Limited

Name: Vineet Kumar Saxena
Designation: Managing Director
DIN: 07710277

Keshav Porwal
Non-Executive Director
06706341

Date: April 23, 2022

Place: Mumbai

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Company is a special type of Non-Banking Finance Company (NBFC) called a Housing Finance Company (HFC). Your Company is registered with the National Housing Bank (NHB) under section 29A of National Housing Bank Act, 1987. Capital India Home Loans Limited (CIHL) is a professionally managed housing finance company with registered office at Delhi and corporate office at Mumbai. Main objects of the Company are as under:

- To carry on the business of housing finance and as such to undertake financing either wholly or partly of flats, houses, buildings, structures, super structures, industrial structures, commercial structures, shops, warehouses, cold storages, hotels, hospitals, real estate and all kinds of town and colony development plans whether on cash down, deferred payments, equal installments, variable installments basis.
- To act as corporate agents for insurance companies and/or to carry out insurance intermediation.
- To carry on the business of advertisement, Advertising Agents in the advertising time or space print media, electronic media, internet, web media or any other media in India or which may be in vogue at any time like cinematograph and including newspapers, Souvenirs, hoardings, neon signs and other display devices of all kinds and descriptions to promote the sale or any other interest of trade and in industry, and to deal in all kinds of equipment, and material required for the for the purpose of carrying on the business of advertising agents and contractors.

Industry Overview

Overall HFC Credit in India estimated at 11.9 Lakh Crore as on December 31, 2021 including exposure to all segment viz Home Loan, Loan Against property, Construction finance and Lease rental discounting.

Second wave of pandemic slowed down the growth in HFC business in Q1 FY022 however recovery was sharp by end of Q2 and picked up further in Q3.

As the restrictions were lifted soon in phased manner, industry saw strong demand due in housing sector due to increased economic activity and general increase in customer confidence with higher penetration of vaccination across the country.

On the regulatory front, the RBI's notification dated November 12, 2021, providing clarification on the income recognition and asset classification (IRAC) norms had led to HFCs reporting an increase in the GNPA's in Q3 FY2022. However, the RBI extended the applicability of the same to October 1, 2022, which is expected to allow for smoother adoption of the same. Entities, which have already migrated to the new norms, may continue following the same.

Opportunities and Threats

Opportunities:

Lower mortgage penetration & Housing shortage - India's urban housing shortage is around 10 million units, a majority in Economically Weaker Section (EWS) and Lower Income Group Segment (LIG). To support 40% of the population in the urban area, there would be an additional demand for 25 million additional affordable units.

Mortgage penetration in India remains low at 9% compared lot of developed and developing countries. Most of the remaining 90% of the houses are constructed from customer's owns savings of years or fund borrowed from informal sources – family, friends etc.. This leaves enough room for housing finance companies to penetrate in the market.

Growing urbanization requiring more residential units: By 2030, upward of 40% of the population is expected to reside in semi urban areas or cities. With migration back to cities after pandemic – demand for new houses continues to boast the sector

Growing aspiration levels in the rural and semi-urban regions – with 65% of the India's population under 35 years of age, is expected to drive housing demand due to the nuclear families with economic dependence and new job creations in cities.

Threats:

- Economic vulnerability owing to pandemic like situation
- Growing competition with banks and other players increasing focus in affordable segment
- Increasing interest rate scenario

Outlook

India's economy expected to grow in higher single digit and housing finance sector is likely to be very strong due to long term fundamental reason like – more Indians planning to buy house leading to higher social security, proud in owning a house, asset creation by investing in real estate still being one of the preferred choices.

With governments focus on affordable housing, housing finance sector growth is expected to sustain in long term on account of increased per capital income, rapid growth coming beyond metros, home ownership preferences with need for external financing.

Business Strategy

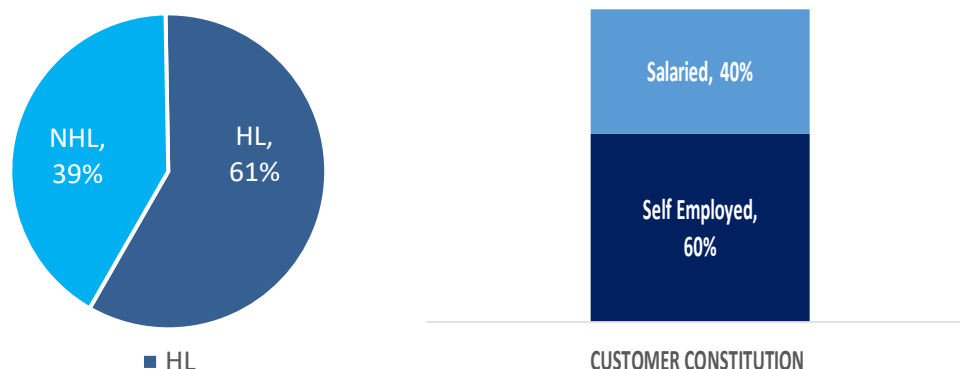
Your Company's main line of business is to cater the loan requirements of individuals from middle and lower income groups under affordable housing segment. We also offer small ticket collateral backed loans to SMEs / MSMEs and also consumption based unsecured loans to Individuals. Our endeavor is to provide the customers best in class service standards with faster turnaround times and hassle-free documentation. Our business processes are backed by robust risk policies, industry best credit underwriting practices and seamless customer acquisition approach enabled by top of the line technology platform with automated loan origination and management processes. There is constant endeavor to maximize the use of technology across our business processes, and your Company will continue to keep investing in new technology and upgrading same. We use multiple channels for acquiring our customers i.e. in house direct sales teams (DST), external intermediaries / channel partners (DSAs), referral partners across the locations we are present in. We also understand the power of partnerships, hence have forged business alliances with multiple partners to acquire customers across our product lines namely home loans, loan against property and personal loans. These credible alliances are backed by partner's ability to acquire/service our customers and further back it with credit loss guarantees. We have actively looked at opportunities to acquire home loan pools from other mid-sized housing finance companies through the Direct Assignment route too.

Your Company started operations initially from our registered and corporate office locations i.e. Delhi NCR & Mumbai MMR respectively. Currently, the Company has a presence in the state of Maharashtra, Delhi, Rajasthan, Haryana and Uttar Pradesh. The Company is planning to open more branches in the interior of these states to reach the targeted customers. Further, the Company is evaluating to open branches in other states of India as well in the times to come. We feel that there is immense potential in these markets for our target customer segment of affordable housing.

Portfolio Highlights

- As on 31st March 2022 our AUM was INR 239.19 Cr & Loan Book at INR 221.98 Cr
- Portfolio yield was at 13.60%
- Live loan accounts were 6728
- Average ticket size of the loan less than INR. 3.5 Lac
- GNPA of 0.45% only
- 90%+ Portfolio is secured

- Few relevant portfolios cuts basis Principal outstanding as on 31st March 2022; are



Financial Performance

During the period under review, the Gross Income of the Company was INR 33,60,11,856/- (Indian Rupees Thirty Three Crore Sixty Lakh Eleven Thousand Eight Hundred Fifty Six only); Profit after Tax was INR 59,68,621/- (Indian Rupees Fifty Nine Lakh Sixty Eight Thousand Six Hundred Twenty One only); and Total Comprehensive Profit was INR 16,47,974/- (Indian Rupees Sixteen Lakh Forty-Seven Thousand Nine Hundred Seventy Four Only). The Company's Net-worth as on March 31, 2022 was INR 1,30,62,21,818/- (Indian Rupees One Hundred and Thirty Crore Sixty Two Lakh Twenty One Thousand Eight Hundred Eighteen only).

Our Core Strengths

1. Experienced Management Team

We have an experienced, highly motivated and dedicated management team, with relevant experience in the banking, financial services, consultancy and infrastructure sectors. Keshav Porwal, Chairman of the Board, has more than two decades of experience in Real Estate, Corporate and Retail lending have served organizations of repute e.g. ICICI Bank, ABN Amro Bank, Kotak Mahindra Bank & India Infoline. Vineet Saxena, Managing Director, also has experience of more than 27 years, having built retail lending businesses across organizations' like ICICI Bank, Barclays Bank, G E Capital TFS, Religare Finvest & StarAgri Finance.

All the Senior Management / Functional Heads of Business, Risk, Operations, Finance and HR have combined experience of close to 100 Years having served in organizations like ICICI Bank, Deloitte, KPMG, Citi Bank, Kotak Bank, Tata Group, ING Bank, Religare Finvest etc. in past.

2. Good Governance and Prudent Risk Management

We have acquired high-quality loan portfolio in sync with our Business Strategy and Risk Philosophy. We have institutionalized prudent risk management practices, policies, and procedures that are critical for the long-term sustainable development of our organization. Our Risk Management Committee, which is constituted under the Board, oversees, and monitors our credit risk management framework. Credit risk unit independently manages the risk, provides policy guidance, performs credit analysis, on segment wise, product wise (Home Loan, Lap, Income wise, ITR product programs & other products which are defined in credit policy and upgrade time to time basis the portfolio trend vs market too, risk reporting and credit monitoring. The Internal Audit function independently assesses the design and operational effectiveness of the entire credit risk management and operations framework.

Risk management is an integral part of our company and very critical function. As a lending entity, your Company is exposed to various market risks while providing loans to your customers. In today's dynamic environment, it's

very important to evaluate and monitor various risks that could be associated to the performance and reputation of the company, hence effective risk management forms the core of our philosophy. Our credit risk management processes encompass astute underwriting, regulatory checks & monitoring of the portfolio at regular interval. Our team is efficiently using Credit Risk Monitoring Framework (CRMF) as an EWS tool. We have also established effective risk management systems, policies & internal controls to address various other types of risk viz operational risk, liquidity risk, market risk, compliance & regulatory risk.

3. IT Systems

We very well recognize that Information is a valuable asset and information pertaining to customers is also a great responsibility. Safeguarding business information and IT Infrastructure from any kind of cyber security threat is a top priority and this is done through effective monitoring and implementation of risk mitigation measures. We have robust IT infrastructure with up to date tools available and IT policy keeping check on all this and acting as a guiding tool. Our Business Continuity and Disaster Recovery Plan ensures that critical business functions are available to customers even if one hub is completely compromised. Backup and restore policy have been implemented to safeguard critical data. We undertake vulnerability assessment and penetration testing regularly through internal resources as well as external experts to test and improve the implemented control measures.

Our loan management system, OmniFin, is one of the best in Industry and is used by many of the reputed financial services entities. It is an integrated technology platform that caters to Loan Origination, Loan Management, Mobility (Sales & Collections), Debt Management, Legal Management and also has integrated Accounting GL Module. Further we have integrated Credit Bureaus e.g. CIBIL etc. and other technology tools from vendors e.g. Perfios, Finfort, DMS etc. which enable our Credit, Operations and other business decision making processes.

4. Human Resource

Your Company believes that the employees are our most valuable assets and our constant endeavour is to help them realise their full potential through various up-skilling and re-skilling exercises. The Human Resource function plays a pivotal role in supporting the organisation in meeting its constant need of hiring right talent, on-boarding new hires, training the work force, performance management, compensation & benefits, and over all organisational development. We use Balanced Scorecard as a guiding principle for the performance management exercise, which is one of the most followed industry best practices. The Company hosted various online activities like Online Tambola, Ludo King, puzzles to uplift the employee morale amidst the COVID-19 pandemic. The employee strength as on March 31, 2022 was 190.

Form No. MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended on 31st March, 2022

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

To,
The Members,
Capital India Home Loans Limited
(CIN: U65990DL2017PLC322041)
2nd Floor, DLF Centre, Sansad Marg,
New Delhi - 110001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Capital India Home Loans Limited** (CIN: **U65990DL2017PLC322041**) (hereinafter called the "Company"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 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; **(Not applicable to the Company during the Audit Period)**
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, wherever applicable;
- v) Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'); **(Not applicable to the Company during the Audit Period);**
- vi) **I have relied on the representation made by the Company and its officer for system and mechanism framed by the Company for compliances under the following Act, Laws & Regulations of the Company:**
 - a. Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021;
 - b. Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Provisions of Employee State Insurance Act, 1948
 - c. Workmen's Compensation Act, 1923, Equal Remuneration Act, 1976, and all other allied labour laws;

- d. Income Tax Act, 1961;
- e. Finance Act, 1994;
- f. Prevention of Money Laundering Act, 2002;
- g. Goods and Service Tax Act, 2017
- h. Maharashtra Shops and Establishments Act, 1948;
- i. Delhi Shops and Commercial Establishment Act, 1954;
- j. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- k. Reserve Bank of India Act, 1934, National Housing Bank Act, 1987 and rules, regulations, circulars, notification issued by Reserve Bank of India and National Housing Bank respectively, from time to time for Housing Finance Company;

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) As the Company is an Unlisted Public Company, the regulations of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereon are not applicable to the Company during the audit period.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standard, 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, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through with the unanimous consent, so therefore dissenting members' views are not required to be captured and recorded as part of the minutes.

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

We further report that during the audit period:

- (i) The Company has made the following allotment of equity shares:

(Amount in INR)				
Sl. No.	Date of Allotment	Number of Shares	Value per Shares	Total Amount Paid-up
1	13/08/2021	1,10,000	10/-	11,00,000
2	28/08/2021	1,50,00,000	10/-	15,00,00,000

- (ii) The Company has granted 31,06,721 (Thirty One Lakhs Six Thousand Seven Hundred Twenty one) employee stock options exercisable into not more than 31,06,721 (Thirty One Lakhs Six Thousand Seven Hundred Twenty one) equity shares of the Company of face value of INR. 10/- (Indian Rupees Ten only) each pursuant to the CIHL Employee Stock Option Plan, 2018.

For Arun Gupta & Associates

**Arun Kumar Gupta
Company Secretary
ACS: 21227
C.P. No.: 8003
UDIN: A021227D000193366**

Place: New Delhi
Date: April 23, 2022

“ANNEXURE A”

To,
The Members,
Capital India Home Loans Limited
(CIN: U65990DL2017PLC322041)
2nd Floor, DLF Centre, Sansad Marg,
New Delhi - 110001

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

1. Maintenance of secretarial record 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 the Secretarial records. The verification was done on 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 the Management's Representation Letter about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standard is the responsibility of management. Our examination was limited to the verification of procedures on 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.

For Arun Gupta & Associates

Arun Kumar Gupta
Company Secretary
ACS: 21227
C.P. No.: 8003
UDIN: A021227D000193366

Place: New Delhi
Date: April 23, 2022

DISCLOSURE ON THE EMPLOYEE STOCK OPTIONS SCHEME
(Pursuant to Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014)

Sr. No.	Particulars	Details																		
1.	Options granted	1,28,11,721																		
2.	Options vested	46,95,000																		
3.	Options exercised	1,60,000																		
4.	The total number of shares arising as a result of exercise of option	1,60,000																		
5.	Options lapsed	2,42,333																		
6.	The exercise price	INR 10.00																		
7.	Variation of terms of options	NA																		
8.	Money realized by exercise of options	INR 11,15,000																		
9.	Total number of options in force																			
10.	Employee wise details of options granted to a) Key managerial personnel; b) Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year; and c) Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	<p>Nil</p> <table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Name</th> <th>No. of Options granted</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Avinash Kumar</td> <td>21,00,000*</td> </tr> <tr> <td>2.</td> <td>Mayank Batheja</td> <td>7,00,000*</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Name</th> <th>No. of Options granted</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Avinash Kumar</td> <td>21,00,000*</td> </tr> <tr> <td>2.</td> <td>Mayank Batheja</td> <td>7,00,000*</td> </tr> </tbody> </table> <p><i>*They are no more in force</i></p>	Sr. No.	Name	No. of Options granted	1.	Avinash Kumar	21,00,000*	2.	Mayank Batheja	7,00,000*	Sr. No.	Name	No. of Options granted	1.	Avinash Kumar	21,00,000*	2.	Mayank Batheja	7,00,000*
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2.	Mayank Batheja	7,00,000*																		

For and on behalf of the Board
Capital India Home Loans Limited

Name: Vineet Kumar Saxena
Designation: Managing Director
DIN: 07710277

Keshav Porwal
Non-Executive Director
06706341

Date: April 23, 2022
Place: Mumbai



POLICY ON RELATED PARTY TRANSACTIONS

Version	1.0
Owned By	Chief Financial Officer
Approved By	Board of Directors
Effective date	August 14, 2019

1. PREAMBLE

Capital India Home Loans Limited (hereinafter referred as “**Company**”) has always been committed to good corporate governance practices. As a matter of practice, the Company transacts business on arm's length basis with its related parties which are in the ordinary course of business.

The Board of Directors has adopted this Policy upon recommendation of the Audit Committee. The said Policy includes materiality thresholds and the manner of dealing with Related Party Transactions (“the Policy”) in compliance with the requirements of Section 188 of the Companies Act, 2013 read with the Rules framed there under.

Amendments, from time to time, to the Policy, if any, shall be considered by the Board of Directors based on the recommendations of the Audit Committee.

This Policy applies to transactions between the Company and one or more of its Related Parties. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders.

2. OBJECTIVE

In terms of para 4.3 of “Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 (as amended) issued by National Housing Bank, a HFC having asset size of Rs.50 Crore shall disclose the policy on dealing with Related Party Transactions on its website and also in the Annual Report.

This Policy has been framed for complying with the above requirements and it covers the materiality of Related Party Transactions and its dealings.

3. DEFINITIONS

- 3.1 "Act" means Companies Act, 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications, circulars or re-enactments thereof.
- 3.2 "Arm's Length basis" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest. For determining Arm's Length basis, guidance may be taken from the transfer pricing provisions under the Income-tax Act. 1961.
- 3.3 "Audit Committee" means committee of Board of Directors of the Company.
- 3.4 "Board of Directors" or "Board" means the Board of Directors of the Company.
- 3.5 "Company" means Capital India Home Loans Limited.
- 3.6 "Key Managerial Personnel" means the Key Managerial Personnel of the Company in terms of the Act.
- 3.7 "Material Related Party Transaction" means a Related Party Transaction which individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual turnover of the Company as per the last audited financial statements.
- 3.8 “Ordinary course of business” means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the company can undertake as per Memorandum & Articles of Association. The Board and Audit Committee may lay down the principles for determining.
- 3.9 "Policy" means the current policy on Related Party Transactions, including amendments, if any, from time to time.

3.10 "Related Party" have the meaning as defined in Section 2(76) of Companies Act, 2013.

3.11 "Related Party Transaction" have the meaning as defined under Section 188(1) of Companies Act, 2013 as means transfer of resources, services or obligations between the Company and a related party, regardless of whether price is charged and a transaction with a related party shall be construed to include a single transaction or a group of transactions in a contract, including but not limited to the following –

- a. sale, purchase or supply of any goods or materials;
- b. selling or otherwise disposing of, or buying, property of any kind;
- c. leasing of property of any kind;
- d. availing or rendering of any services;
- e. appointment of any agent for purchase or sale of goods, materials, services or property;
- f. appointment to any office or place of profit in the company
- g. underwriting the subscription of any securities or derivatives thereof, of the Company

3.12 "Relative" means a relative as defined under the Act.

3.13 "Transaction" with a Related Party shall be construed to include single transaction or a group of transactions in a contract.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013 or any other applicable law or regulation.

4. POLICY

All Related Party Transactions must be reported to the Audit Committee and approved or referred for approval by the Audit Committee based on this Policy.

4.1 Identification of potential Related Party Transactions: In order to identify the related party, the following must be noted:

4.1.1 An entity shall be considered as related to the Company if:

- a) such entity is a related party under Section 2(76) of the Companies Act, 2013 read with the Rules framed there under; or
- b) such entity is a related party under the applicable accounting standards.

4.1.2 Key Managerial Personnel and connected Related Parties: Each Director and Key Managerial Personnel shall at the beginning of financial year disclose to the Company Secretary of the Company their Related Parties and disclose any changes thereto during the financial year as immediately as practicable. The Company shall also identify Related Party Transactions, if any, with Directors or Key Managerial Personnel of the holding company/ies or their relatives.

4.1.3 The Company will identify the potential transactions with the Related Parties as defined under this Policy.

4.2 Review and approval of Related Party Transactions

4.2.1 Audit Committee:

Every Related Party Transaction shall be subject to the prior approval of the Audit Committee whether at a meeting or by resolutions by circulation. However, the Audit Committee may grant prior omnibus approval for Related Party Transactions which are repetitive in nature and are in the ordinary course of business and satisfy the Arm's Length basis, subject to the compliance of the following conditions:

- A. The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for granting the omnibus approval in line with the Policy and such approval which shall include the following namely:
 - i. Maximum value of the transaction, in aggregate, which can be allowed under the omnibus route in a year;
 - ii. The maximum value per transaction which can be allowed;
 - iii. extent and manner of disclosures to be made to the audit committee at the time of seeking omnibus approval
 - iv. review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the Company pursuant to each omnibus approval made;
 - v. transactions which cannot be subject to the omnibus approval by the Audit Committee.
- B. The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely:-
 - i. repetitiveness of the transactions (in past or in future);
 - ii. justification for the need of omnibus approval.
- C. The Audit Committee shall satisfy itself regarding the need for such omnibus approval for transactions of repetitive nature and that such approval is in the interest of the company;
- D. The Audit Committee shall review, at least on a quarterly basis, the aggregated value and other details of related party transactions transacted into by the Company pursuant to the omnibus approval given;
- E. Such omnibus approval shall be valid for a period not exceeding one financial year and shall require fresh approval after expiry of such financial year.

Any member of the Audit Committee who has a potential conflict of interest in any Related Party Transaction will not remain present at the meeting or shall abstain from discussion and voting on the approval of such Related Party Transaction and shall not be counted in determining the presence of quorum when such Transaction is considered.

To review a Related Party Transaction, the Audit Committee shall be provided with necessary information, to the extent relevant, with respect to actual or potential Related Party Transactions and/or prescribed under the Act.

While considering any Related Party Transaction, the Audit Committee shall take into account all relevant facts and circumstances, including the terms and business purpose of such Transaction, the benefits to the Company and to the Related Party, whether such Transaction includes any potential reputational risks that may arise as a result of or in connection with the proposed Transaction and any other relevant matters.

4.2.2 Board of Directors:

The related party transactions provided under Section 188 of Companies Act, 2013 which are not in ordinary course of business or on arms-length basis needs to be placed before the Board of Directors for their approval.

Any member of the Board who has a potential conflict of interest in any Related Party Transaction will not remain present at the meeting or shall abstain from discussion and voting on the approval of such Related Party Transaction and shall not be counted in determining the presence of quorum when such Transaction is considered.

4.2.3 Shareholders:

All the Material Related Party Transactions shall require approval of the shareholders through special resolution and the Related Parties shall abstain from voting on such resolutions subject to guidelines / circulars issued or to be issued by the concerned authority.

5. RELATED PARTY TRANSACTIONS NOT PREVIOUSLY APPROVED

In the event the Company becomes aware of a Related Party Transaction that has not been approved or ratified under this Policy, the transaction shall be placed as promptly as practicable before the Audit Committee or Board of Directors or the Shareholders as may be required in accordance with this Policy for review and ratification.

The Audit Committee or the Board of Directors or the Shareholders shall consider all relevant facts and circumstances of such transaction and shall evaluate all options available to the Company, including but not limited to ratification, revision or termination of such transaction and the Company shall take such actions as the Audit Committee deems appropriate under the circumstances.

6. DISCLOSURES

In terms of para 4.3 of "Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 (as amended) issued by National Housing Bank, a HFC having asset size of Rs. 50 Crore shall disclose the policy on dealing with Related Party Transactions on its website and in the Annual Report. Accordingly, this related party transaction policy shall be disclosed on the Company's website and in the Annual Report.

All the material related party transactions shall be disclosed in the Statutory Financial Statements.

7. AMENDMENT IN LAW

Any subsequent amendment/ modification to the applicable laws shall automatically apply to this Policy.

INDEPENDENT AUDITORS' REPORT

To the Members of Capital Indian Home Loans Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Capital India Home Loans Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, total comprehensive profit, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor’s Report Thereon

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

Management's Responsibility for the Financial Statements

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

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.

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

Auditors' Responsibility for the Audit of the Financial Statements

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

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

- a.** 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.
- b.** 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c.** Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d.** 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.
- e.** Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in

a manner that achieves fair presentation.

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

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

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

Report on other legal and regulatory requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. **(A)** As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Entity so far as it appears from our examination of those books.
 - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flow dealt with by this report are in agreement with the books of accounts.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B)** With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company does have any pending litigations which would impact its financial statements as at 31 March 2022.
 - b. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
 - c. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company;
- (C)** With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

For S C Mehra & Associates LLP

Firm Registration No. 106156W/W100305
Chartered Accountants

Arun Maniyar

Partner

Membership No.: 111968

UDIN:

Place: Mumbai

Date: 23 April 2022

**Annexure A to the Independent Auditors' report
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements'
section of our report of even date)**

i. Fixed Assets

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment

(a) (B) The Company has maintained proper records showing full particulars of intangible assets.

b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of every year. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

c. The Company does not have any immovable property (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

e. According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder

ii. Inventories

a. The Company is a service company, primarily carrying out business of housing finance. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.

b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions **on the basis of security of Fixed Deposit and Current assets**. In our opinion, the statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

iii. Investments

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in Companies, in respect of which the requisite information is as below. The Company has not made any investments in firms, limited liability partnership or any other parties.

Name of Company	Investment Date	Rs. In Lacs
Credenc Web Technologies Private Limited*	19 th August ,2021	1,454.00

*as on March 31, 2022, Outstanding Investment is Rs. 999.59 lacs

- a. Since the principal nature of business of the Company is to give loans, this clause is not applicable.
 - b. According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investments made, prima facie, not prejudicial to the interest of the company.
 - c. In respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular. The cases where the receipts or repayments are irregular are reported & provision is made in the prescribed manner.
 - d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is overdue amount of Rs. 0.94 lacs for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
 - e. Since the principal nature of business of the Company is to give loans, this clause is not applicable.
 - f. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment;
- iv.** According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under section 185 and 186 of the Companies Act, 2013. In respect of the investments made by the Company, the provisions of section 186 of the Companies Act, 2013 have been complied with.
- v.** The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- vi.** The Company is not required to maintain Cost Records under subsection (1) of section 148 of the Companies Act.
- vii.** The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.
- a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the company with the appropriate authorities

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable,
 - b. According to the information and explanations given to us, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- viii.** According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix.** **(a)** According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to banks or financial institutions during the year

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under Companies Act, 2013.

(f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under Companies Act, 2013).

- x. (a)** The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b)** According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- xi. (a)** Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b)** According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c)** As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii.** The Company is not a Nidhi Company and hence reporting under this clause is not applicable.
- xiii.** In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a)** Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b)** We have considered the internal audit reports of the Company issued till date for the period under audit.
- xv.** In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. a.** The company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and the registration has been obtained.
- b.** The company has NOT conducted any Non-Banking Financial or Housing Finance activities without a

valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

- c. The company is NOT a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable
- d. The Company is not part of any group. Accordingly, the requirements of clause 3(xvi)(d) are not applicable
- xvii.** The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- xviii.** There has been resignation of the statutory auditors during the year and we have duly taken into consideration the issues, objections or concerns raised by the outgoing auditors
- xix.** According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx.** **(a)** The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
(b) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Companies Act, 2013 pursuant to any ongoing project. Accordingly, clause 3(xx)(b) of the Order is not applicable.

For S C Mehra & Associates LLP
Firm Registration No. 106156W/W100305
Chartered Accountants

Arun Maniyar
Partner
Membership No.: 111968
UDIN:

Place: Mumbai
Date: 23rd April 2022

Annexure B to the Independent Auditors' report on the financial statements of Capital India Home Loans Limited for the year ended 31 March 2022

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of **Capital India Home Loans Limited** ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

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 Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included 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 standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial controls with Reference to Financial Statements

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 standalone financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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 standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For S C Mehra & Associates LLP

Firm Registration No. 106156W/W100305
Chartered Accountants

Arun Maniyar

Partner
Membership No.: 111968
UDIN:

Place: Mumbai
Date: 23rd April, 2022

Capital India Home Loans Limited
Balance Sheet as at March 31, 2022

(All figures are in rupees, except otherwise stated)

	Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
	ASSETS			
1	Financial Assets			
(a)	Cash & cash equivalents	2	1,27,84,730	25,91,82,335
(b)	Bank balances other than (a) above	3	18,45,00,000	21,13,12,767
(c)	Receivables	4		
	(i) Trade Receivables		37,41,846	3,28,110
(d)	Loans (Net)	5	2,20,36,37,093	1,36,36,69,017
(e)	Investments	6	9,99,59,212	-
(f)	Other financial assets	7	4,88,55,366	1,54,17,972
2	Non-financial Assets			
(a)	Current tax assets(net)	8	45,88,440	25,19,390
(b)	Deferred tax asset (net)	9	80,29,260	88,24,404
(c)	Property, plant and equipment	10	2,52,19,352	3,15,48,930
(d)	Other intangible assets	10A	54,53,476	45,46,013
(e)	Right of use assets	10B	1,55,01,301	6,13,47,135
(f)	Other non-financial assets	11	99,48,727	99,09,062
	Total Assets		2,62,22,18,803	1,96,86,05,135
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	Financial Liabilities			
(a)	Payables			
	(i)Trade Payables	12		
	total outstanding dues of micro enterprises and small enterprises		-	4,21,174
	total outstanding dues of creditors other than micro enterprises and small enterprises		2,08,27,179	80,49,275
	(ii)Other Payables			
	total outstanding dues of micro enterprises and small enterprises		-	-
	total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(b)	Borrowings	13	1,22,23,61,029	69,64,49,590
(c)	Other financial liabilities	14	2,15,30,570	7,20,30,833
2	Non-Financial Liabilities			
(a)	Provisions	15	1,78,96,501	1,79,69,720
(b)	Other non-financial liabilities	16	3,33,81,706	2,69,92,373
3	Equity			
(a)	Equity share capital	17	1,45,16,00,000	1,30,05,00,000
(b)	Other equity	18	(14,53,78,182)	(15,38,07,830)
	Total Liabilities and Equity		2,62,22,18,803	1,96,86,05,135

Notes 1 to 50 forms part of the Financial Statements

In terms of our report attached.
For S C Mehra & Associates LLP
Chartered Accountants

For and on behalf of the board
CAPITAL INDIA HOME LOANS LIMITED

Arun Maniyar
Partner
Place: Mumbai
Date: April 23, 2022

Keshav Porwal
Director
DIN : 06706341
Place: Mumbai
Date: April 23, 2022

Vineet Kumar Saxena
Managing Director
DIN : 07710277
Place: Mumbai
Date: April 23, 2022

Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: April 23, 2022

Rachit Malhotra
Company Secretary
Place: New Delhi
Date: April 23, 2022

Capital India Home Loans Limited
Statement of Profit and loss for the year ended March 31, 2022
(All figures are in rupees, except otherwise stated)

	Particulars	Note	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
	Revenue from operations :			
(i)	Interest income	19	29,60,58,094	14,12,36,518
(ii)	Fees and commission income	20	-	9,10,000
(iii)	Other operating income		2,27,42,604	50,63,703
(iv)	Net gain on fair value changes	21	16,93,085	44,33,116
(I)	Total revenue from operations		32,04,93,783	15,16,43,337
(II)	Other income	22	1,55,18,073	69,48,175
(III)	Total income (I+II)		33,60,11,856	15,85,91,512
	Expenses :			
(i)	Finance costs	23	9,02,79,005	3,48,82,670
(ii)	Impairment of financial assets	24	1,65,00,000	1,05,00,000
(iii)	Employee benefits expenses	25	13,15,78,252	9,33,84,544
(iv)	Depreciation, amortization & impairment	10, 10A & 10B	2,81,99,819	3,02,31,667
(v)	Others expenses	26	6,32,45,332	3,09,19,305
(IV)	Total expenses (IV)		32,98,02,408	19,99,18,186
(V)	Profit / (Loss) before tax (III -IV)		62,09,448	(4,13,26,674)
(VI)	Tax Expense:			
	Current tax		-	-
	Deferred tax charge / (credit)	9	2,40,827	(44,96,428)
(VII)	Profit / (Loss) for the year from continuing operations (V-VI)		59,68,621	(3,68,30,246)
(VIII)	Other Comprehensive Income			
	(i) Items that will not be reclassified to profit or loss		22,02,291	10,00,632
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	9	(5,54,317)	(2,51,859)
	Other Comprehensive Income		16,47,974	7,48,773
(IX)	Total Comprehensive Income / (Loss) for the year		76,16,595	(3,60,81,473)
(X)	Earnings per equity share (Face Value - Rs.10 per share)	27		
	Basic		0.04	(0.37)
	Diluted		0.04	(0.37)

Notes 1 to 50 forms part of the Financial Statements

In terms of our report attached.
For S C Mehra & Associates LLP
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Date: April 23, 2022

Rachit Malhotra
Company Secretary
Place: New Delhi
Date: April 23, 2022

Capital India Home Loans Limited

Cash Flow Statement for the year ended March 31, 2022

(All figures are in rupees, except otherwise stated)

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit / (loss) before tax	62,09,448	(4,13,26,674)
Adjustment for:		
Depreciation, amortization and impairment	2,81,99,819	3,02,31,667
Interest income on lease deposits	(8,92,919)	(10,18,097)
Interest income on fixed deposits	(1,64,82,709)	(80,40,624)
Gain on termination of lease	(65,67,312)	-
Provision for employee benefits	22,02,291	19,08,142
Share based payments to employees	8,13,053	(8,84,712)
Net gain on fair value changes	(16,93,085)	(44,33,116)
Provision for expected credit loss	1,65,00,000	1,05,00,000
Profit from sale of investment	(45,58,624)	-
Loss from sale of fixed assets	5,34,851	-
Operating profit before working capital changes	2,42,64,813	(1,30,63,414)
Adjustment for :		
Increase in trade payables	1,23,56,730	39,34,881
Increase in other financial liabilities	65,08,264	70,02,711
Increase in other non-financial liabilities	63,89,333	1,54,07,492
Increase in provisions	26,781	64,00,000
Increase in other financial assets	(2,97,13,377)	(27,78,179)
Increase in other non financial assets	(39,667)	(5,50,453)
Increase in receivables	(34,13,736)	(3,28,110)
Loans given during the year (net)	(85,65,68,076)	(67,10,70,974)
Cash used in operations	(84,01,88,935)	(65,50,46,046)
Income taxed paid (net of refund received)	(20,69,050)	3,28,450
Net cash used in operating activities (A)	(84,22,57,985)	(65,47,17,596)
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments	(77,04,611)	(52,99,209)
Proceeds from sale of property, plant and equipments	3,15,670	6,21,558
Proceeds from sale of investment in subsidiary	5,00,00,000	-
Investments made in subsidiary	(14,54,00,588)	-
Proceeds from redemption of liquid mutual funds (net)	16,93,085	9,07,74,194
Interest received on fixed deposits	1,36,51,612	48,26,113
Fixed Deposits placed	(13,20,00,000)	(22,75,63,715)
Proceeds from redemption of bank deposits	15,88,12,767	2,73,50,948
Net cash used in investing activities (B)	(6,06,32,065)	(10,92,90,111)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	15,11,00,000	40,02,50,000
Payment of Lease rent	(2,05,18,995)	(2,40,96,535)
Bank Overdraft utilised (net)	7,68,43,675	3,80,57,797
Borrowings taken	81,00,00,000	69,89,00,000
Borrowings re-paid	(36,09,32,236)	(9,16,80,219)
Net cash generated from financing activities (C)	65,64,92,444	1,02,14,31,043
D) Net (decrease) / increase in cash and cash equivalents (A+B+C)	(24,63,97,606)	25,74,23,336
E) Cash and cash equivalents as at the beginning of the year	25,91,82,336	17,59,000
F) Cash and cash equivalents as at the end of the year	1,27,84,730	25,91,82,336

Cash and cash equivalents comprises:

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Cash in hand	-	3,512
Balances with banks		
- in current accounts	1,27,84,730	62,27,875
- in deposit accounts	-	25,29,50,948
Total	1,27,84,730	25,91,82,336

Note : The above Cash Flow Statement has been prepared under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows.

Notes 1 to 50 forms part of the Financial Statements

In terms of our report attached.
For S C Mehra & Associates LLP
Chartered Accountants

For and on behalf of the board
CAPITAL INDIA HOME LOANS LIMITED

Arun Maniyar
Partner
Place: Mumbai
Date: April 23, 2022

Keshav Porwal
Director
DIN : 06706341
Place: Mumbai
Date: April 23, 2022

Vineet Kumar Saxena
Managing Director
DIN : 07710277
Place: Mumbai
Date: April 23, 2022

Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: April 23, 2022

Rachit Malhotra
Company Secretary
Place: New Delhi
Date: April 23, 2022

Capital India Home Loans Limited
Statement of Changes in equity for the year ended March 31, 2022
 (All figures are in rupees, except otherwise stated)

A. Equity share capital

Issued, Subscribed and paid up Capital	Amount
Balance as at April 1, 2020	90,02,50,000
Changes in equity share capital during the year	40,02,50,000
Balance as at 31 March, 2021	1,30,05,00,000
Changes in equity share capital during the year	15,11,00,000
Balance as at 31 March, 2022	1,45,16,00,000

B. Other Equity

Particulars	Employee stock option outstanding	Other Comprehensive income	Reserves and Surplus*			Total
			Statutory Reserve	Securities Premium	Retained Earnings	
Balance as at April 1, 2020	45,96,691	3,44,648	-	7,500	(12,17,90,484)	(11,68,41,645)
Transfer to/ from Securities Premium	(7,500)	-	-	7,500	-	-
Deductions during the year	(8,84,712)	-	-	-	-	(8,84,712)
Loss for the year after tax	-	-	-	-	(3,68,30,246)	(3,68,30,246)
Re-measurements gains on Defined Benefit Obligation	-	10,00,632	-	-	-	10,00,632
Less: Income tax on re-measurement gains	-	(2,51,859)	-	-	-	(2,51,859)
Balance as at March 31, 2021	37,04,479	10,93,421	-	15,000	(15,86,20,730)	(15,38,07,830)
Transfer to/ from Securities Premium	(16,500)	-	-	16,500	-	-
Statutory Reserve (NHB)	-	-	11,93,724	-	(11,93,724)	-
Additions during the year	8,13,053	-	-	-	-	8,13,053
Profit for the year after tax	-	-	-	-	59,68,621	59,68,621
Re-measurements gains on Defined Benefit Obligation	-	22,02,291	-	-	-	22,02,291
Less: Income tax on re-measurement gains	-	(5,54,317)	-	-	-	(5,54,317)
Balance as at March 31, 2022	45,01,032	27,41,395	11,93,724	31,500	(15,38,45,833)	(14,53,78,182)

* Refer Note 18 for description of nature and purpose of each reserve.

Notes 1 to 50 forms part of the Financial Statements

In terms of our report attached.
For S C Mehra & Associates LLP
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For and on behalf of the board
CAPITAL INDIA HOME LOANS LIMITED

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 Partner
 Place: Mumbai
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 Managing Director
 DIN : 07710277
 Place: Mumbai
 Date: April 23, 2022

Neeraj Toshniwal
 Chief Financial Officer
 Place: Mumbai
 Date: April 23, 2022

Rachit Malhotra
 Company Secretary
 Place: New Delhi
 Date: April 23, 2022

Capital India Home Loans Limited

Notes to Ind AS Financial Statements for the year ended March 31, 2022

(All figures are in rupees, except otherwise stated)

1 Corporate Information

Capital India Home Loans Limited ('the Company') [CIN No. U65990DL2017PLC322041], is a subsidiary of Capital India Finance Limited was incorporated on 11 August 2017 as an unlisted public limited company under the Companies Act, 2013("the Act").

The National Housing Bank ("NHB") has granted a Certificate of Registration ("COR") under section 29A of the National Housing Bank Act, 1987 to the Company vide their letter dated 11 February 2019 to carry on business of a housing finance company without accepting public deposits.

The Company offers housing finance in line with The Housing Finance Companies (NHB) Directions, 2010 and other guidelines/ instructions / circulars ("NHB Directions") and RBI Master Direction - Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, as amended from time to time.

The Company's registered office is situated at New Delhi, India, while its corporate office is in Mumbai, India.

1.1 BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

A) Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Companies Act, 2013 ("the Act"), other relevant provisions of the Act, guidelines issued by the National Housing Bank & Reserve Bank of India as applicable to an HFCs and other accounting principles generally accepted in India.

Any application guidance / clarifications / directions issued by NHB & RBI, or other regulators are implemented as and when they are issued / applicable, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment.

The Directors may note that pursuant to Section 129 of the Companies Act read with Rule 6 of the Companies (Accounts) Rules, 2014, the financial statement of Credenc Web Technologies Private Limited ("Credenc"), an associate of the Company as on March 31, 2022, shall not be consolidated by the Company and the same shall be consolidated by Capital India Finance Limited ("CIFL"), the holding company of the Company and shall be filed with the Registrar of Companies by CIFL

B) Basis of Preparation

The financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below and the relevant provisions of The Companies Act, 2013 ("the Act"). Historical cost is generally

Capital India Home Loans Limited

Notes to Ind AS Financial Statements for the year ended March 31, 2022

(All figures are in rupees, except otherwise stated)

based on the fair value of the consideration given in exchange for goods and services. Further, Assets and liabilities are classified as per the normal operating cycle (determined at 12 months) and other criteria set out in Schedule III of the Act as applicable to NBFCs / HFCs.

The accounting policies have been consistently applied except where a newly issued Ind AS is initially adopted or a revision to an existing Ind AS required a change in the accounting policy hitherto in use.

C) Presentation of financial statements

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the Financial Statements along with the other notes required to be disclosed under the notified Accounting Standards and regulations issued by the NHB and RBI. The Company presents its Balance Sheet in the order of liquidity.

D) Functional and presentation currency

The financial statements are presented in Indian Rupees (INR) which is the functional and the presentation currency of the company and all values are rounded to the nearest lakhs with two decimals, except when otherwise indicated.

E) Fair value measurement

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Valuation using quoted market price in active markets: The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price, without any deduction for transaction costs. A market is regarded as active, if transactions for the

Capital India Home Loans Limited

Notes to Ind AS Financial Statements for the year ended March 31, 2022

(All figures are in rupees, except otherwise stated)

asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

- Level 2 - Valuation using observable inputs: If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates most of the factors that market participants would take into account in pricing a transaction.
- Level 3 - Valuation with significant unobservable inputs: The valuation techniques are used only when fair value cannot be determined by using observable inputs. The Company regularly reviews significant unobservable inputs and valuation adjustments. Level 3 assets are typically very illiquid, and fair values can only be calculated using estimates.

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

F) Use of judgment and Estimates

The preparation of the financial statements requires the management to make judgments, estimates and assumptions in the application of accounting policies that affects the reported amount of assets, liabilities and the accompanying disclosures along with contingent liabilities as at the date of financial statements and revenue & expenses for the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognised in the year in which the results are known or materialise i.e., prospectively.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key areas involving estimation uncertainty, higher degree of judgement or complexity, or areas where assumptions are significant to the financial statements include:

- i) Impairment of financial assets
- ii) Estimation of fair value measurement of financial assets and liabilities
- iii) Effective interest rate
- iv) Business model assessment
- v) Provisions and Contingencies
- vi) Useful life and expected residual value of assets
- vii) Tax position for current tax and recognition of deferred tax assets/liabilities
- viii) Measurement of Defined Benefit Obligations and actuarial assumptions.
- ix) Classification of lease and related discount rate

1.2 FINANCIAL INSTRUMENT

a) Date of recognition

Financial assets and liabilities, except for loans and borrowings are initially recognised in the Company's balance sheet on the transaction date, i.e., the date that when the Company becomes a party to the contractual provisions of the instrument. Loans are recognised on the date when funds are disbursed to the customer. The Company recognise borrowings when funds are received by the Company.

Capital India Home Loans Limited

Notes to Ind AS Financial Statements for the year ended March 31, 2022

(All figures are in rupees, except otherwise stated)

b) Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount.

c) Subsequent Measurement categories (Classification) of financial assets and liabilities

The Company classifies all its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either

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

Financial liabilities and other than loan commitments are measured at amortised cost or FVTPL when fair value designation is applied.

d) Financial assets and liabilities

(i) Financial Assets measured at amortised cost

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

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

Business model assessment

The Company determines its business model at the level that best reflects how it manages group of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- The stated policies and objectives for the portfolio and the operation of those policies in practice.
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way in which those risks are managed

Capital India Home Loans Limited

Notes to Ind AS Financial Statements for the year ended March 31, 2022

(All figures are in rupees, except otherwise stated)

- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectation about future sales activity
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The SPPI (Sole payment of Principal and Interest) test

As a second step of its classification process the Company assesses the contractual terms of financial asset to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

(ii) Financial assets or financial liabilities held for trading

The Company classifies Mutual Funds and other financial assets and liability as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets and liabilities are recorded and measured in the balance sheet at fair value. Changes in fair value are recognised in net gain on fair value changes. Interest and dividend income or expense is recorded in net gain on fair value changes according to the terms of the contract, or when the right to payment has been established.

(iii) Financial assets and financial liabilities at fair value through profit or loss ("FVTPL")

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109.

Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss except for movements in fair value of liabilities designated at FVTPL due to changes in the Company's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR (Effective Interest Rate), considering any discount/

Capital India Home Loans Limited

Notes to Ind AS Financial Statements for the year ended March 31, 2022

(All figures are in rupees, except otherwise stated)

premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

(iv) **Financial assets measured at fair value through other comprehensive income ("FVTOCI")**

Financial assets (Other than equity instruments) 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.

Equity Instrument, In terms of Ind AS 109, investments in equity instruments are always measured at fair value. Equity instruments that are held for trading are required to be classified at FVTPL. For other equity investments, an entity has the ability to make an irrevocable election on initial recognition, on an instrument-by-instrument basis, to present subsequent changes in fair value in OCI rather than profit or loss.

(v) **Debt securities and other borrowed funds**

After initial measurement, debt issued, and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the Effective Interest Rate ('EIR')

(vi) **Undrawn loan commitments**

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Company is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the Expected Credit Loss ('ECL') requirements. The nominal contractual value of undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the balance sheet.

(vii) **Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

Capital India Home Loans Limited

Notes to Ind AS Financial Statements for the year ended March 31, 2022

(All figures are in rupees, except otherwise stated)

(viii) Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(ix) Financial liabilities and equity instruments:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument
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.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. 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 Statement of Profit or Loss. Any gain or loss on derecognition is also recognised in Statement of Profit or Loss.

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(e) Reclassification of financial assets and liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, except in the period after the Company changes its business model for managing financial assets. There is no reclassification is made for financial assets which are equity instruments and financial liabilities. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model.

(f) Derecognition of financial assets and liabilities

The Company derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company

Capital India Home Loans Limited

Notes to Ind AS Financial Statements for the year ended March 31, 2022

(All figures are in rupees, except otherwise stated)

recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The Company derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Company neither transfers nor retains substantially all 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 amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(g) Assignment transactions

Transfer of loans through assignment transaction can be made only after continuing involvement in loans i.e retaining a minimum specific percentage of loan but without retaining any substantial risk and reward in the loan assigned. The assigned portion of loans is derecognised and gains/losses are accounted for, only if the Company transfers substantially all risks and rewards specified in the underlying assigned loan contracts. Gain/loss arising on such assignment transactions is recorded upfront in the Statement of Profit and Loss and the corresponding loan is derecognised from the Balance Sheet immediately. Further, if the transfer of loan qualifies for derecognition, entire interest spread at its present value (discounted over the life of the asset) is recognised on the date of derecognition itself as interest receivable (interest strip on assignment) and correspondingly presented as gain/loss on derecognition of financial asset.

(h) Write-off

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 borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off and when there is no reasonable expectation of recovery from the collaterals held. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(i) Impairment of financial instruments

The Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets measured at amortised cost or FVTOCI, except for investments in equity instruments. Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition.

Stage 1 (Performing Assets) – includes financial assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month ECL is recognised and interest income is calculated on the gross carrying amount of the assets (that is, without deduction for credit allowance). 12-month ECL are the portion of ECL that results from default events on a financial instrument that are possible within

12 months after the reporting date, if the credit risk has not significantly increased since initial recognition.

Stage 2 (Underperforming Assets with significant increase in credit risk since initial recognition) – includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised, but interest income is calculated on the gross carrying amount of the assets. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the instrument.

Stage 3 (Non-performing or Credit-impaired assets) – includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL is recognised and interest income is recognised on Net exposure (that is Gross carrying amount less Provision for Expected credit losses).

Measurement of Expected Credit Loss

Expected Credit Losses (ECL) on financial assets is an unbiased probability weighted amount based out of possible outcomes after considering risk of credit loss even if probability is low and incorporate all available information which is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date. Measurement of expected credit losses are based on 3 main parameters.

- **Probability of default (PD):** It is defined as the probability of whether borrowers will default on their obligations in future. Since the company don't have any history of past losses therefore it was not adequate enough to create our own internal model through which actual defaults for each grade could be estimated. Hence, the default study published by one of the recognised rating agency is used for estimating the PDs for each range grade for corporate customers and average industry standards for individual customers.
- **Loss given default (LGD):** It is the magnitude of the likely loss, if there is a default. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value.

The default study published by one of the recognised rating agency is used for estimating the LGD for secured and unsecured loans.

- **Exposure at default (EAD):** EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.

Presentation of allowance for ECL in the balance sheet – Loss allowances for ECL are deducted from the gross carrying amount of financial assets measured at amortised cost.

1.3 Cash and Cash equivalents

Cash and cash equivalents consist of cash in hand, demand deposits with banks, balances with bank and other short-term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have original maturities of less than or equal

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Notes to Ind AS Financial Statements for the year ended March 31, 2022

(All figures are in rupees, except otherwise stated)

to three months from the date of acquisition. These balances with banks are unrestricted for withdrawal and usage. Other bank balances include balances and deposits with banks that are restricted for withdrawal and usage.

1.4 Statement of Cash Flow

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- i. changes during the period in inventories and operating receivables and payables transactions of a non-cash nature.
- ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and
- iii. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents include bank balances and short-term deposit shown in the Statement of Cash Flows and exclude items which are not available for general use as on the date of Balance Sheet.

1.5 Property, plant and equipment

a) Recognition and Measurement

Tangible property plant and equipment are stated at cost less accumulated depreciation and impairment, if any. The cost of property, plant and equipment comprise purchase price and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-financial assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of PPE, is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of profit and loss.

The residual values and useful lives and method of depreciation of PPE are reviewed at each financial year end and adjusted prospectively.

b) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Capital India Home Loans Limited

Notes to Ind AS Financial Statements for the year ended March 31, 2022

(All figures are in rupees, except otherwise stated)

c) Depreciation, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives as prescribed in Part C of Schedule II to the Companies Act 2013. The estimated lives used and differences from the lives prescribed under Schedule II are noted in the table below:-

Type of Assets	Estimated useful life as assessed by the Company	Estimated useful life under Schedule II of the Act
Computers	3 years	3 years
Software and system development	3 years	3 years
Office equipment	5 years	5 years
<i>Motor cars</i> *	5 years	8 years
Furniture and fixtures	10 years	10 years
Leasehold improvements	Tenure of lease agreements	Tenure of lease agreements

* For this class of assets, based on internal assessment and independent technical evaluation carried out, the Management believes that the useful lives as given above best represent the period over which Management expects to use these assets. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Depreciation is provided on a pro-rata basis i.e. from the month in which asset is ready for use. Individual assets costing less than or equals to Rs. 5,000 are depreciated in full, in the year of purchase. Depreciation on assets sold during the year is recognised on a pro-rata basis in the Statement of Profit and Loss up to the month prior to the month in which the assets have been disposed off.

Changes in the expected useful life are accounted for by changing the depreciation period or methodology, as appropriate, and treated as changes in accounting estimates.

1.6 Intangible assets

Intangible assets comprise of computer software are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the company and the cost of the asset can be measured reliably. Such Intangible assets are stated at original cost net of tax, less accumulated amortisation and cumulative impairment.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

The useful life of these intangible assets is estimated at 3 years with zero residual value.

Any expenses on such software for support and maintenance payable annually are charged to the statement of profit and loss. Any expenses on such software for support and maintenance payable annually are charged to the statement of profit and loss. Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

1.7 Impairment of non-financial assets

The carrying values of assets at each balance sheet date are reviewed for impairment, if any indication of impairment exists. If the carrying amount of the assets exceeds the estimated recoverable amount, impairment is recognised for such excess amount in statement of profit and loss. Recoverable amount is the greater of the net selling price and value in use. If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognized are reversed such that the asset is recognised at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognised initially.

1.8 Investments in Associates

Investments in Associates are measured at cost less accumulated impairment, if any.

1.9 Provisions, contingent liabilities, and contingent assets

Provisions are recognised only when:

- an entity has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Further, long term provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

Contingent liability is disclosed in case of:

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

Contingent Assets:

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

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

Capital India Home Loans Limited

Notes to Ind AS Financial Statements for the year ended March 31, 2022

(All figures are in rupees, except otherwise stated)

1.10 Commitments

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

- estimated amount of contracts remaining to be executed on capital account and not provided for;
- uncalled liability on loans sanctioned, first loss default guarantee on loans, uncalled liability on investments partly paid; and
- other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

1.11 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

a) Recognition of Interest income

Interest income on 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 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.)

Interest income on penal interest and tax refunds is recognised on receipt basis.

Interest income on fixed deposit is recognised on time proportionate basis.

b) Fee and Commission income

Fee and commission income include fees other than those that are an integral part of EIR. The fees included in the Company's Statement of Profit and Loss include among other things fees charged for servicing a loan, loan advisory fees and documentation charges.

c) Other financial charges

Cheque bouncing charges, late payment charges and foreclosure charges 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.

d) Income from securities

Gains or losses on the sale of securities are recognised in Statement of Profit and Loss on trade date basis as the difference between fair value of the consideration received and carrying amount of the investment securities.

e) **Net gain/ Loss on fair value changes**

Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/loss in the Statement of Profit and Loss. In cases there is a net gain in aggregate, the same is recognised in "Net gains on fair value changes" under income and if there is net loss in aggregate, the same is recognised in "Net loss on fair value changes" under expense in the Statement of Profit and Loss.

1.12 **Employee benefits**

Short term employee benefits

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

Long Term employee benefits

Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. Long-term employee benefit primarily consists of Leave encashment benefits wherein employees are entitled to accumulate leave subject to certain limits for future encashment/availment. Long-term compensated absences are provided for on the basis of an actuarial valuation at the end of each financial year using Projected Unit Credit (PUC) Method. Actuarial gains/losses, if any, are recognised immediately in the Statement of Profit and Loss

Post-employment benefits

a) **Defined contribution Plans**

Provident fund: Contributions as required under the statute, made to the Provident Fund (Defined Contribution Plan) are recognised immediately in the statement of profit and loss. There is no obligation other than the monthly contribution payable to the Regional Provident Fund Commissioner.

ESIC and Labour welfare fund: The Company's contribution paid/payable during the year to Employee state insurance scheme and Labour welfare fund are recognised in the Statement of Profit and Loss.

b) **Defined benefit Plans**

Gratuity liability is defined benefit obligation and is provided on the basis of an actuarial valuation performed by an independent actuary based on projected unit credit method, at the end of each financial year.

Defined benefit costs are categorised as follows:

i) Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)

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(All figures are in rupees, except otherwise stated)

- ii) Net interest expense or income
- iii) Re-measurement

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI, net of taxes. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

The Company's net obligation in respect of gratuity (defined benefit plan), is calculated by estimating the amount of future benefit that the employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the company's defined benefit plans. Any surplus resulting from this calculation is recognised as an asset to the extent of present value of any economic benefits available in the form of refunds from the plans or reductions in the future contribution to the plans.

Share based Payments

Equity-settled share-based payments to employees are recognised as an expense at the fair value of equity stock options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight-line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve within equity.

1.13 Finance cost

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at amortised cost. Financial instruments include bank term loans. Finance costs are charged to the Statement of Profit and Loss. Ancillary and other borrowing costs are amortised on straight line basis over the tenure of the underlying loan.

1.14 Leases

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. The Company's lease asset classes primarily consist of leases for Premises. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2018.

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

Capital India Home Loans Limited

Notes to Ind AS Financial Statements for the year ended March 31, 2022

(All figures are in rupees, except otherwise stated)

The Company as a lessee

The Company assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves—

- a) the use of an identified asset,
- b) the right to obtain substantially all the economic benefits from use of the identified asset, and
- c) the right to direct the use of the identified asset.

The Company at the inception of the lease contract recognises a Right-of-Use (RoU) asset at cost and a corresponding lease liability, for all lease arrangements in which it is a lessee, except for leases with term of less than twelve months (short term) and low-value assets (assets of less than Rs.10 lakhs in value).

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

The cost of the ROU comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the ROU is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The ROU is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of ROU.

ROU are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the ROU. Where the carrying amount of the ROU is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in the Statement of Profit and Loss.

For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

Lease liability has been presented in Note 13 "Other Financial Liabilities" and ROU asset has been presented in Note 9B "Right of Use assets" and lease payments have been classified as cash flows from financing activities.

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(All figures are in rupees, except otherwise stated)

1.15 Share issue expenses

Expenses incurred in connection with fresh issue of Share capital are adjusted against Securities premium account in accordance with the provisions of Section 52 of the Companies Act, 2013 and Ind AS.

1.16 Collateral

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as securities, letter of credit/guarantees, receivables, inventories, other non-financial assets and credit enhancements such as netting arrangements.

The Company provides fully secured, partially secured and unsecured loans to individuals and Corporates.

1.17 Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current Tax

The Current tax is based on the taxable profit for the year of the Company. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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(All figures are in rupees, except otherwise stated)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

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

Tax assets and tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities.

Minimum Alternate Tax (MAT) credit entitlement (i.e. excess of amount of MAT paid for a year over normal tax liability for that year) eligible for set-off in subsequent years is recognised as an asset in accordance with Ind AS 12, Income Taxes, if there is convincing evidence of its realisation.

MAT credit is created by way of a credit to the Statement of Profit and Loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

Pursuant to Taxation Laws (Amendment) Ordinance 2019, dated September 20, 2019, the Company has exercised the option permitted u/s 115BAA of the Income Tax Act, 1961 to compute income tax at the revised rate (i.e. 25.17%) from last financial year so MAT provision not applicable to the company

1.18 Earnings per share

Basic earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

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

1.19 Segment reporting

The company is predominantly engaged in Lending business, whose revenue and operating income are reviewed regularly by Chief Operating Decision Maker. As such there are no separate reportable segments as per Ind-AS 108

Capital India Home Loans Limited

Notes to Ind AS Financial Statements for the year ended March 31, 2022

(All figures are in rupees, except otherwise stated)

1.20 Dividend distribution to equity holders of the Company

The Company recognises a liability to make distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when it is approved by the Board of Directors of the Company.

1.21 Goods and Services Input Tax Credit

Goods and Services tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.

1.22 Operating cycle for current and non-current classification

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Capital India Home Loans Limited**Notes to Ind AS Financial Statements for the year ended March 31, 2022**

(All figures are in rupees, except otherwise stated)

Note 2. Cash and cash equivalents

	Particulars	As at March 31, 2022	As at March 31, 2021
a)	Cash on hand	-	3,512
b)	Balances with Bank		
	- in current accounts	1,27,84,730	62,27,875
	- in fixed deposits with original maturity less than 3 months	-	25,29,50,948
	Total (a+b)	1,27,84,730	25,91,82,335

Note 3. Bank Balances other than cash and cash equivalents

	Particulars	As at March 31, 2022	As at March 31, 2021
	Fixed deposits with bank with original maturity of more than 3 months	18,45,00,000	21,13,12,767
	Total	18,45,00,000	21,13,12,767

Note: Fixed deposits with bank with original maturity of more than 3 months includes Rs.7,45,00,000 lien marked to Bank for providing Bank Guarantee (March 31, 2021 - 4,25,00,000)

Capital India Home Loans Limited

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(All figures are in rupees, except otherwise stated)

Note 4.Receivables

	Particulars	As at March 31, 2022	As at March 31, 2021
a)	Trade Receivables		
	Unsecured, considered good	37,41,846	3,28,110
	Less: Allowance for bad and doubtful debts	-	-
	Net Receivables	37,41,846	3,28,110
	Total	37,41,846	3,28,110

Trade Receivables aging schedule as at March 31, 2022

Particulars	Less than 6 months	6 months– 1 year	1-2 year	2-3 Years	Total
Undisputed Trade receivables- considered good	37,41,846	-	-	-	37,41,846
Total	37,41,846	-	-	-	37,41,846

Trade Receivables aging schedule as at March 31, 2021

Particulars	Less than 6 months	6 months– 1 year	1-2 year	2-3 Years	Total
Undisputed Trade receivables- considered good	3,28,110	-	-	-	3,28,110
Total	3,28,110	-	-	-	3,28,110

Capital India Home Loans Limited

Notes to Ind AS Financial Statements for the year ended March 31, 2022

(All figures are in rupees, except otherwise stated)

Note 5. Loans

Particulars	As at March 31, 2022	As at March 31, 2021
Term Loans in India - at amortised cost		
Others		
(i) Secured by tangible assets	2,00,55,41,342	1,29,91,85,204
(ii) Unsecured	23,54,11,778	8,23,59,177
Gross	2,24,09,53,120	1,38,15,44,381
Less: Impairment loss allowance	3,10,00,000	1,44,00,000
Total	2,20,99,53,120	1,36,71,44,381
(I) Loans In India		
(i) Public Sectors		-
(ii) Others	2,24,09,53,120	1,38,15,44,381
Gross	2,24,09,53,120	1,38,15,44,381
Less: Impairment loss allowance	3,10,00,000	1,44,00,000
Net	2,20,99,53,120	1,36,71,44,381
(II) Loans Outside India		
Loans Outside India	-	-
Less: Impairment loss allowance	-	-
Net	-	-
Total	2,20,99,53,120	1,36,71,44,381
Less: Unamortised processing fee Income	63,16,027	34,75,364
Loans (Net)	2,20,36,37,093	1,36,36,69,017

Note: These secured loans are secured by way of equitable mortgage of property.

Capital India Home Loans Limited

Notes to Ind AS Financial Statements for the year ended March 31, 2022

(All figures are in rupees, except otherwise stated)

Note 6. Investments

Particulars	As at March 31, 2022	As at March 31, 2021
In India		
Recorded at Amortized cost		
Investment in equity instruments		
Associate Company-		
Credenc Web Technologies Pvt. Ltd.	9,99,59,212	-
(2,199,740 fully paid up equity shares of Rs.45.44 /- each)	-	-
Total – Gross	9,99,59,212	-
Less : Impairment Allowance	-	-
Total – Net	9,99,59,212	-
Total	9,99,59,212	-

Capital India Home Loans Limited

Notes to Ind AS Financial Statements for the year ended March 31, 2022

(All figures are in rupees, except otherwise stated)

Note 7. Other Financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Other financial assets (Unsecured, considered good)		
Interest accrued but not due on Fixed Deposits	62,32,866	34,01,769
Cash collateral/margin on borrowing	51,46,651	-
Interest receivable on direct assignment pool	1,79,37,225	-
Security deposits	1,20,47,884	1,06,11,621
Advance given to staff and vendor	1,76,086	48,000
Other advances	72,46,711	3,63,681
Ex. Gratia receivable	67,943	8,80,000
Mediclaime Amount Recoverable From Employee	-	1,12,901
Total	4,88,55,366	1,54,17,972

Note 8. Current tax assets (Net)

Particulars	As at March 31, 2022	As at March 31, 2021
Current tax assets:		
Advance tax and tax deducted at source (Net of provision for tax CY - Nil (PY - Nil))	45,88,440	25,19,390
Total	45,88,440	25,19,390

Note 9. Deferred tax assets (Net)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Asset / (Liabilities) Net		
Deferred Tax Asset		
Impairment of Financial Assets	79,28,550	37,75,500
Preliminary expenses	-	2,23,885
Provision for employee benefits	13,58,299	18,85,031
Unamortised Processing fee	15,89,744	-
Amortization adjustments on Lease deposits	-	5,53,627
Ind AS 116 adjustment	7,07,455	17,03,142
Depreciation	20,74,757	12,13,187
Deferred Tax Liabilities		
Fair value of direct assignment pool	(45,14,799)	-
Unamortised Borrowing Cost	(11,14,745)	-
Interest adjustments on Lease deposits	-	(5,29,968)
Deferred Tax Asset / (Liabilities) Net	80,29,260	88,24,404
Movement in Net deferred tax Asset / (Liabilities) during the year	(7,95,144)	42,44,569

Note:

Break up of movement in net deferred tax assets		
Routed through Statement of Profit & Loss	(2,40,827)	44,96,428
Routed through other comprehensive income	(5,54,317)	(2,51,859)
Total	(7,95,144)	42,44,569

Capital India Home Loans Limited

Notes to Ind AS Financial Statements for the year ended March 31, 2022

(All figures are in rupees, except otherwise stated)

Note 10. Property, Plant and Equipment

Particulars	As at March 31, 2022					
	Furniture & Fixtures	Vehicles	Office Equipments	Leasehold Improvements	Computer & printers	Total
At cost at the beginning of the year	1,05,77,980	26,55,776	99,45,070	2,20,86,512	45,12,564	4,97,77,902
Additions	57,902	-	3,62,892	1,15,641	33,53,176	38,89,611
Disposals	-	17,05,776	-	-	4,66,561	21,72,337
At cost at the end of the year	1,06,35,882	9,50,000	1,03,07,962	2,22,02,153	73,99,179	5,14,95,176
Accumulated depreciation and impairment as at the beginning of the year	21,67,374	14,79,434	41,81,801	81,10,380	22,89,983	1,82,28,972
Depreciation for the year	10,53,417	2,81,598	19,74,387	41,55,503	19,03,764	93,68,669
Disposals	-	10,01,033	-	-	3,20,784	13,21,817
Accumulated depreciation and impairment as at the end of the year	32,20,791	7,59,999	61,56,188	1,22,65,883	38,72,963	2,62,75,824
Net carrying amount as at the end of the year	74,15,091	1,90,001	41,51,774	99,36,270	35,26,216	2,52,19,352

Particulars	As at March 31, 2021					
	Furniture & Fixtures	Vehicles	Office Equipments	Leasehold Improvements	Computer & printers	Total
At cost at the beginning of the year	1,05,40,180	36,05,776	99,25,122	2,19,73,937	27,13,520	4,87,58,535
Additions	37,800	-	19,948	1,12,575	18,58,885	20,29,209
Disposals	-	9,50,000	-	-	59,841	10,09,841
At cost at the end of the year	1,05,77,980	26,55,776	99,45,070	2,20,86,512	45,12,564	4,97,77,902
Accumulated depreciation and impairment as at the beginning of the year	10,81,154	13,28,279	22,59,524	39,76,638	11,77,770	98,23,365
Depreciation for the year	10,86,220	5,31,155	19,22,277	41,33,742	11,20,496	87,93,890
Disposals	-	3,80,000	-	-	8,283	3,88,283
Accumulated depreciation and impairment as at the end of the year	21,67,374	14,79,434	41,81,801	81,10,380	22,89,983	1,82,28,972
Net carrying amount as at the end of the year	84,10,606	11,76,342	57,63,269	1,39,76,132	22,22,581	3,15,48,930

Capital India Home Loans Limited

Notes to Ind AS Financial Statements for the year ended March 31, 2022

(All figures are in rupees, except otherwise stated)

Note 10A. Other intangible assets (Other than Internally Generated)

Particulars	As at March 31, 2022		
	Computer softwares	Other Intangible assets	Total
<u>At cost, beginning of the year</u>	65,56,786	-	65,56,786
Additions	38,15,000	-	38,15,000
Total cost	1,03,71,786	-	1,03,71,786
<u>Accumulated amortization and impairment:</u>			
At beginning of the year	20,10,773	-	20,10,773
Amortization for the year	29,07,537	-	29,07,537
Total amortization and impairment	49,18,310	-	49,18,310
Net carrying amount	54,53,476	-	54,53,476
Capital Work in Progress including advances for capital assets	-	-	-

Particulars	As at March 31, 2021		
	Computer softwares	Other Intangible assets	Total
<u>At cost, beginning of the year</u>	32,86,786	-	32,86,786
Additions	32,70,000	-	32,70,000
Total cost	65,56,786	-	65,56,786
<u>Accumulated amortization and impairment:</u>			
At beginning of the year	3,71,835	-	3,71,835
Amortization for the year	16,38,938	-	16,38,938
Total amortization and impairment	20,10,773	-	20,10,773
Net carrying amount	45,46,013	-	45,46,013
Capital Work in Progress including advances for capital assets	-	-	-

Capital India Home Loans Limited

Notes to Ind AS Financial Statements for the year ended March 31, 2022

(All figures are in rupees, except otherwise stated)

Note 10B. Right of Use assets

Particulars	As at March 31, 2022	As at March 31, 2021
	Premises	
<u>Gross Carrying value at the beginning of the year</u>	10,32,12,228	10,32,12,228
Additions	-	-
Deletion	(6,40,44,051)	-
Total Gross carrying value	3,91,68,177	10,32,12,228
<u>Accumulated amortization and impairment:</u>		
At beginning of the year	4,18,65,093	2,20,66,251
Amortization for the year	1,59,23,613	1,97,98,842
Deletion	(3,41,21,830)	-
Total amortization and impairment	2,36,66,876	4,18,65,093
Net carrying amount	1,55,01,301	6,13,47,135

Capital India Home Loans Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2022
(All figures are in rupees, except otherwise stated)

Note 11. Other non-financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Other non-financial assets (Unsecured, considered good)		
Prepaid Expenses	49,14,518	24,57,337
Advances given	4,33,842	6,67,697
GST Input Credit	46,00,367	67,84,028
Total	99,48,727	99,09,062

Note 12. Payables

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	4,21,174
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,08,27,179	80,49,275
Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
Total	2,08,27,179	84,70,449

Note: Details of dues to Micro, Small and Medium Enterprises

Particulars	As at March 31, 2022	As at March 31, 2021
The Principal amount remaining unpaid at the end of the year	-	4,21,174
The Interest amount remaining unpaid at the end of the year	-	-
Balance of MSME parties at the end of the year	-	4,21,174

No interest has been paid/is payable by the Company during/for the year to these 'Suppliers'. The above information takes into account only those suppliers who have submitted their registration details or has responded to the inquiries made by the Company for this purpose. This has been relied upon by the Auditors.

Trade Payables aging schedule as at March 31, 2022

Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	-	-	-	-	-
Other	2,08,27,179	-	-	-	2,08,27,179
Total	2,08,27,179	-	-	-	2,08,27,179

Trade Payables aging schedule as at March 31, 2021

Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	4,21,174	-	-	-	4,21,174
Other	80,49,275	-	-	-	80,49,275
Total	84,70,449	-	-	-	84,70,449

Capital India Home Loans Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2022
(All figures are in rupees, except otherwise stated)

Note 13. Borrowings

Particulars	As at March 31, 2022			
	At Amortised Cost	At Fair Value Through profit and loss	Designated at fair value through profit or loss	Total
	1	2	3	(4)=(1)+(2)+(3)
Term loans (Secured) (Refer Note)				
(i) from banks	28,31,30,611	-	-	28,31,30,611
(ii) from other parties	58,16,73,606	-	-	58,16,73,606
(iii) from National Housing Bank	28,51,42,000	-	-	28,51,42,000
Other loans - Bank Overdraft utilised (Refer Note)	7,68,43,675	-	-	7,68,43,675
Total	1,22,67,89,892	-	-	1,22,67,89,892
Borrowings in India	1,22,67,89,892	-	-	1,22,67,89,892
Borrowings outside India	-	-	-	-
Total	1,22,67,89,892	-	-	1,22,67,89,892
Less: Unamortised Borrowings costs	(44,28,863)	-	-	(44,28,863)
Net Borrowings	1,22,23,61,029	-	-	1,22,23,61,029

Particulars	As at March 31, 2021			
	At Amortised Cost	At Fair Value Through profit and loss	Designated at fair value through profit or loss	Total
	1	2	3	(4)=(1)+(2)+(3)
Term loans (Secured) (Refer Note)				
(i) from banks	23,12,50,003	-	-	23,12,50,003
(ii) from other parties	23,50,14,901	-	-	23,50,14,901
(iii) from National Housing Bank	19,50,75,000	-	-	19,50,75,000
Other loans - Bank Overdraft utilised (Refer Note)	3,80,57,797	-	-	3,80,57,797
Total	69,93,97,701	-	-	69,93,97,701
Borrowings in India	69,93,97,701	-	-	69,93,97,701
Borrowings outside India	-	-	-	-
Total	69,93,97,701	-	-	69,93,97,701
Less: Unamortised Borrowings costs	(29,48,111)	-	-	(29,48,111)
Net Borrowings	69,64,49,590	-	-	69,64,49,590

Note:

i) Security details:

As at March 31, 2022

Particulars	Outstanding Amount	Secured by	Interest Rate (p.a.)	Terms of repayment
National Housing Bank - Refinance Facility	26,35,05,000	i) Hypothecation of Loan Book ii) Corporate guarantee from Parent Company	5.4% to 6.85 %	Quarterly repayment
National Housing Bank - Additional Special Refinance Facility	2,16,37,000	Hypothecation of Loan Book		Quarterly repayment
Sundaram Home Finance Limited	7,50,00,000			Quarterly repayment
AU Small Finance Bank Limited	10,06,94,450			Quarterly repayment
Jana Small Finance Bank Limited	6,35,47,264	i) Hypothecation of Loan Book ii) Corporate guarantee from Parent Company	10.10 % to 12.75%	Equated Monthly Instalments
Utkarsh Small Finance Bank Limited	3,00,00,008			Equated Monthly Instalments
Yes Bank Limited	8,88,88,889			Equated Monthly Instalments
Hinduja Housing Finance Limited	4,66,66,672			Equated Monthly Instalments
Northern Arc Capital Limited	17,42,92,646			Equated Monthly Instalments
Hinduja Housing Finance Limited	10,00,00,000			Equated Monthly Instalments
MAS Financial Services Ltd.	6,00,00,004			Equated Monthly Instalments
MAS Rural Housing & Mortgage	2,57,14,284			Equated Monthly Instalments
Capital India Finance Limited	10,00,00,000			Equated Monthly Instalments
Bank Overdraft	7,68,43,675	Secured against Fixed Deposits	Margin over FD rates	Not Applicable
	1,22,67,89,892			

As at March 31, 2021

Particulars	Outstanding Amount	Secured by	Interest Rate (p.a.)	Terms of repayment
National Housing Bank - Refinance Facility	16,61,75,000	i) Hypothecation of Loan Book ii) Corporate guarantee from Parent Company	5.4% to 5.80 %	Quarterly repayment
National Housing Bank - Additional Special Refinance Facility	2,89,00,000	Hypothecation of Loan Book		Bullet repayment
AU Small Finance Bank Limited	8,12,50,003			Equated Monthly Instalments
Jana Small Finance Bank Limited	10,00,00,000			Equated Monthly Instalments
Utkarsh Small Finance Bank Limited	5,00,00,000	i) Hypothecation of Loan Book ii) Corporate guarantee from Parent Company	11.60 % to 12.75%	Quarterly repayment
Sundaram Home Finance Limited	5,00,00,000			Quarterly repayment
Hinduja Housing Finance Limited	6,22,22,222			Equated Monthly Instalments
Northern Arc Capital	9,82,98,233			Equated Monthly Instalments
UGRO Capital Limited	2,44,94,446	Hypothecation of Loan Book		Equated Monthly Instalments
Bank Overdraft	3,80,57,797	Secured against Fixed Deposits	Margin over FD rates	Not Applicable
	69,93,97,701			

ii) The Company has not defaulted in repayment of principal and interest during the current year or previous year.

Capital India Home Loans Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2022
(All figures are in rupees, except otherwise stated)

Note 14. Other financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on borrowings	21,47,190	13,69,299
Lease liability	1,93,83,380	7,06,61,534
Total	2,15,30,570	7,20,30,833

Note 15. Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
<u>Provision for employee benefits</u>		
Provision for Gratuity	24,13,047	18,86,805
Provision for compensated absence	29,83,454	18,82,915
Provision for performance bonus	1,20,00,000	1,36,00,000
Impairment loss allowance on Sanctioned but undisbursed & Guarantee	5,00,000	6,00,000
Total	1,78,96,501	1,79,69,720

Note 16. Other non financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Advance received from customer	3,12,01,971	2,48,74,075
Statutory dues payable	21,79,735	21,18,298
Total	3,33,81,706	2,69,92,373

Capital India Home Loans Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2022
(All figures are in rupees, except otherwise stated)

Note 17. Equity share capital

(a) Equity share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Authorized share capital				
Equity shares of Rs. 10 each	15,00,00,000	1,50,00,00,000	15,00,00,000	1,50,00,00,000
	15,00,00,000	1,50,00,00,000	15,00,00,000	1,50,00,00,000
Issued, subscribed and fully paid up				
Equity shares of Rs. 10 each	14,51,60,000	1,45,16,00,000	13,00,50,000	1,30,05,00,000
Total issued, subscribed and fully paid up share capital	14,51,60,000	1,45,16,00,000	13,00,50,000	1,30,05,00,000

(b) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Equity shares outstanding as at the beginning of the year	13,00,50,000	1,30,05,00,000	9,00,25,000	90,02,50,000
Changes in equity share capital during the year				
- Add: Issued during the year	1,51,10,000	15,11,00,000	4,00,25,000	40,02,50,000
Equity shares outstanding as at the end of the year	14,51,60,000	1,45,16,00,000	13,00,50,000	1,30,05,00,000

(c) Terms and rights attached to fully paid up equity shares:

The Company has only one class of equity shares having par value of Rs.10 per share. All shares rank pari passu with respect to dividend, voting rights and other terms. Each shareholder is entitled to one vote per share. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their holdings.

(d) Details of each shareholders holding more than 5% shares in the Company:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	%	Number	%
<u>Equity shares of Rs. 10 each</u>				
Capital India Finance Limited (Holding Company) and its nominees	14,50,00,000	99.89%	13,00,00,000	99.96%

(e) Disclosure of Shareholding of Promoters

Shares held by promoters at the end of the year			% Change during the year
Promoter's Name	No. of Shares	% of Total shares	
Capital India Finance Limited (Holding Company) and its nominees	14,50,00,000	99.89%	-0.07%

Capital India Home Loans Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2022
(All figures are in rupees, except otherwise stated)

Note 18. Other equity

Particulars	Employee stock option outstanding	Other Comprehensive income	Reserves and Surplus			Total
			Statutory Reserve	Securities Premium	Retained Earnings	
Balance as at April 1, 2020	45,96,691	3,44,648		7,500	(12,17,90,484)	(11,68,41,645)
Transfer to Securities Premium	(7,500)	-	-	7,500	-	-
Deductions during the year	(8,84,712)	-	-	-	-	(8,84,712)
Loss for the year after tax	-	-	-	-	(3,68,30,246)	(3,68,30,246)
Re-measurements gains on Defined Benefit Obligation	-	10,00,632	-	-	-	10,00,632
Less: Income tax on re-measurement gains	-	(2,51,859)	-	-	-	(2,51,859)
Balance as at March 31, 2021	37,04,479	10,93,421		15,000	(15,86,20,730)	(15,38,07,830)
Transfer to Securities Premium	(16,500)	-	-	16,500	-	-
Additions during the year	8,13,053	-	-	-	-	8,13,053
Profit for the year after tax	-	-	-	-	59,68,621	59,68,621
Transfer to Reserve (NHB) (Refer Note (iv) below)	-	-	11,93,724	-	(11,93,724)	-
Re-measurements gains on Defined Benefit Obligation	-	22,02,291	-	-	-	22,02,291
Less: Income tax on re-measurement gains	-	(5,54,317)	-	-	-	(5,54,317)
Balance as at March 31, 2022	45,01,032	27,41,395	11,93,724	31,500	(15,38,45,833)	(14,53,78,182)

Note:

i) Securities premium represents premium received on Esops issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 for specified purposes.

ii) The share options outstanding account is used to recognise the grant date fair value of options issued to employees under stock option schemes. (Refer note 31)

iii) Retained earnings represents profits/(loss) that the Company earned/incurred till date, less any transfers to Reserve, Dividends and other distributions paid to the shareholders.

iv) Statement for Disclosure on Statutory / Special Reserves as per Section 29C of National Housing Bank Act, 1987, as prescribed by NHB vide its circular no. NHB(ND)/DRS/Pol.Circular.61/2013-14, dated: 7th April, 2014 and NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017

Capital India Home Loans Limited

Notes to Ind AS Financial Statements for the year ended March 31, 2022

(All figures are in rupees, except otherwise stated)

Note 19. Interest income

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
	On Financial Assets measured at Amortised Cost	
Interest on loans	27,85,19,520	13,21,77,797
Interest on deposits with Banks	1,64,82,709	80,40,624
Interest on cash collateral	1,62,946	-
Other interest income	8,92,919	10,18,097
Total	29,60,58,094	14,12,36,518

Note 20. Fee and Commission Income

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Facilitation Fees Income	-	9,10,000
Total	-	9,10,000

Note 21. Net gain on fair value changes

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Net gain on financial instruments at fair value through profit and loss account :-		
On trading portfolio		
- Investments	16,93,085	44,33,116
Total Net gain on fair value changes		-
Fair Value changes:		
Realised	16,93,085	44,33,116
Unrealised	-	-

Note 22. Other income

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Sub-lease income	41,73,225	68,97,972
Gain on termination of lease	65,67,312	-
Profit on sale of equity shares	45,58,624	-
Interest on income tax refund	1,64,991	50,203
Other miscellaneous income	53,921	-
Total	1,55,18,073	69,48,175

Note 23. Finance costs

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Interest on borrowings	8,28,42,931	2,61,11,133
Interest on Lease liability	57,30,373	80,36,631
Other borrowing costs	17,05,701	7,34,906
Total	9,02,79,005	3,48,82,670

Capital India Home Loans Limited

Notes to Ind AS Financial Statements for the year ended March 31, 2022

(All figures are in rupees, except otherwise stated)

Note 24. Impairment of financial assets

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
	On Financial instruments measured at Amortised Cost	
On Loans	1,65,00,000	1,05,00,000
Total	1,65,00,000	1,05,00,000

Note 25. Employee benefits expenses

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Salaries and wages including bonus	12,06,02,829	8,76,24,186
Contribution to provident and other funds	79,49,881	50,22,124
Staff welfare expenses	30,25,542	7,38,234
Total	13,15,78,252	9,33,84,544

Note 26. Other expenses

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Rent	43,51,019	9,06,644
Rates & taxes	5,45,123	3,16,312
Repairs & maintenance - others	59,17,634	21,68,918
Office expenses	24,77,647	17,75,213
Electricity charges	13,21,827	10,09,392
Communication expenses	18,14,620	12,44,970
Printing & stationery	10,87,191	7,54,873
Travelling & conveyance	29,54,968	8,70,787
Business Promotion expenses	4,69,622	1,70,660
Auditors remuneration (Refer foot note below)	8,88,350	11,40,950
Legal & professional charges	1,94,29,820	89,76,145
Directors sitting fees	14,17,000	8,72,000
Commission & brokerage expenses	33,24,424	27,01,416
Facilitation Fees	1,54,74,944	70,45,591
Loss on sale of fixed assets	5,34,851	-
Miscellaneous expenses	12,36,292	9,65,434
Total	6,32,45,332	3,09,19,305

Remuneration to Statutory Auditors

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
<u>Payment to auditors</u>		
a) Statutory Audit Fees	5,00,000	7,50,000
b) Taxation matters (Tax Audit Fees)	1,00,000	1,00,000
c) Certification Fees & Other services	2,15,000	2,05,000
d) Taxes on above	73,350	85,950
Total	8,88,350	11,40,950

Capital India Home Loans Limited**Notes to Ind AS Financial Statements for the year ended March 31, 2022**

(All figures are in rupees, except otherwise stated)

Note 27. Basic and Diluted Earnings per share [EPS] computed in accordance with Indian Accounting Standard (Ind AS) 33 "Earnings per Share":

Particulars		For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Basic			
Profit / (Loss) after tax	A	59,68,621	(3,68,30,246)
Weighted average number of equity shares outstanding	B	13,89,96,329	10,08,34,795
Basic earning per share (Rs)	A/B	0.04	(0.37)
Diluted			
Profit / (Loss) after tax	A	59,68,621	(3,68,30,246)
Weighted average number of equity shares outstanding	B	13,89,96,329	10,08,34,795
Add: Weighted average number of potential equity shares on account of employee stock options	C	-	-
Weighted average number of shares outstanding for diluted EPS	D=B+C	13,89,96,329	10,08,34,795
Diluted earning per share (before and after extraordinary items) (Rs)	A/D	0.04	(0.37)
Face value of shares (Rs.)		10.00	10.00

Note: Impact of potential equity share on account of employee stock options is anti-dilutive.

Capital India Home Loans Limited

Notes to Ind AS Financial Statements for the year ended March 31, 2022

(All figures are in rupees, except otherwise stated)

Note 28. Related party disclosures

Particulars	As at March 31, 2022	As at March 31, 2021
Name of the related party	Nature of relationship	Nature of relationship
Capital India Corp Private Limited (Formerly known as Capital India Corp LLP)	Ultimate Holding Entity	Ultimate Holding Entity
Capital India Finance Limited	Holding Company	Holding Company
Rapipay Fintech Private Limited	Fellow Subsidiary *	Fellow Subsidiary *
Credenc Web Technologies Private Limited**	Associate Company	NA
Key Management Personnel:		
Mr. Keshav Porwal	Non-Executive Director	Non-Executive Director
Mr. Vineet Kumar Saxena	Managing Director	Managing Director and Chief Executive Officer
Mr. Deepak Vaswan ***	Non-Executive Director	NA
Mr. Amit Sahai Kulshreshtha (resigned with effect from February 15, 2021)	Ex- Managing Director	Ex- Managing Director
Mr. Yogendra Pal Singh	Independent Director	Independent Director
Mr. Vinod Somani	Independent Director	Independent Director
Mrs. Rashmi Fauzdar	Independent Woman Director	Independent Woman Director
Mr. Neeraj Toshniwal	Chief Financial Officer	Chief Financial Officer
Mr. Rachit Malhotra	Company Secretary	Company Secretary

* Related party and their relationships are reported only where the Company has transaction with those parties during the year / previous year.

** Subsidiary w.e.f. August 19, 2021 and converted into associate company as on January 12, 2022.

*** Whole Time Director w.e.f. August 10, 2021 and Re-designated as Non Executive Director w.e.f February 1, 2022.

Details of transactions with related party:

Related party	Nature of transaction	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Capital India Corp Private Limited	Royalty charges for use of Trademark	11,00,000	2,75,000
	Sale of Investment	5,00,00,000	-
Capital India Finance Limited	Sub-lease income	41,73,225	68,97,972
	Recovery of expenses	24,05,989	21,34,960
	Term Loan	10,00,00,000	-
	Issue of equity share capital	15,00,00,000	-
Rapipay Fintech Private Limited	Commission	40,537	-
Credenc Web Technologies Private Limited*	Recovery of expenses	2,57,939	-
	Referral fee	15,93,362	-
Mr. Vineet Kumar Saxena	Remuneration**	64,53,007	1,34,06,760
	Sale of fixed assets	100	-
Mr. Deepak Vaswan	Remuneration**	38,21,681	-
	Sale of fixed assets	100	-
	Issue of equity share capital pursuant to ESOP scheme	5,00,000	2,50,000
Mr. Yogendra Pal Singh	Director sitting fees paid	4,90,500	3,95,125
Mr. Vinod Somani	Director sitting fees paid	4,36,000	3,67,875
MS. Rashmi Fauzdar	Director sitting fees paid	2,72,500	1,09,000

* 31,84,055 bonus shares issued during the year.

** Excludes amounts pertaining to gratuity and compensated absences, which are actuarially valued at the Company level.

Note: There are no write offs with respect to any of the related parties during the year or in the previous year.

Balances:

Particulars	Nature	As at March 31, 2022	As at March 31, 2021
Capital India Finance Limited	Term loan outstanding	10,00,00,000	-
Credenc Web Technologies Private Limited	Payable	13,35,423	-

Capital India Home Loans Limited**Notes to Ind AS Financial Statements for the year ended March 31, 2022**

(All figures are in rupees, except otherwise stated)

Note 29. Contingent Liabilities and Commitments

S.N.	Particulars	As at March 31, 2022	As at March 31, 2021
	Contingent liabilities		
1	Claims against the Company not acknowledged as debt	-	-
2	Guarantees		
3	FLDG guarantee given (net of provision)	-	20,27,589
	Total (a)	-	20,27,589
	Commitments		
1	Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	5,23,950	52,98,500
2	Undrawn committed sanctions to borrowers	6,68,00,637	5,10,89,974
	Total (b)	6,73,24,587	5,63,88,474
	Total (c=a+b)	6,73,24,587	5,84,16,063

Capital India Home Loans Limited**Notes to Ind AS Financial Statements for the year ended March 31, 2022**

(All figures are in rupees, except otherwise stated)

Note 30. Disclosure Pursuant to Ind AS 116 "Leases":

The Company has entered into lease contracts for premises to use it for commercial purpose i.e. office building. Lease agreements does not depict any restrictions / covenants imposed by the lessor. The Company also has certain leases of premises with lease terms of 12 months or less. The Company has elected to apply the recognition exemption for leases with a lease term (or remaining lease term) of twelve months or less. Payments associated with short-term leases and low value assets are recognised as an expense in Statement of Profit and Loss over the lease term.

Amount recognised in statement of Profit & Loss account during the year

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Rent expenses on Short-term lease debited to Statement of Profit and Loss (Refer Note 26)	43,51,019	9,06,644

The following is the movement in lease liabilities during the year ended March 31, 2022 and March 31, 2021

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Opening balance	7,06,61,534	8,60,52,178
Additions during the year	-	-
Deletions during the year	(3,64,89,532)	-
Finance cost accrued during the year	57,30,373	80,36,631
Payment of lease liabilities	(2,05,18,995)	(2,34,27,275)
Closing balance	1,93,83,380	7,06,61,534

Details of contractual maturities of lease liabilities on undiscounted basis:

Particulars	As at March 31, 2022	As at March 31, 2021
Not later than 1 year	90,35,010	2,54,43,591
Later than 1 year and not later than 5 years	2,22,11,066	5,88,82,898
Later than 5 years	-	-
Total	3,12,46,076	8,43,26,489

(i) The Company does not face significant liquidity risk with regards to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(ii) There are no future expected cash outflows to which the Company is potentially exposed.

(iii) The company has movement in right of use assets during the year. (Refer Note 10B)

Amount recognised in statement of profit and loss:

Particulars	As at March 31, 2022	As at March 31, 2021
Depreciation expense of right of use assets (Refer note 10B)	1,59,23,613	1,97,98,842
Interest expense on lease liabilities (Refer note 23)	57,30,373	80,36,631
Gain on Termination of Leases (Refer note 22)	65,67,312	-

Capital India Home Loans Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2022
(All figures are in rupees, except otherwise stated)

Note 31. Employee Stock Option Plan

- a) In the extraordinary general meeting held on 8 August 2018, the shareholders approved the issue of 12,500,000 options under the Scheme titled "CIHL EMPLOYEE STOCK OPTION PLAN 2018" (ESOP SCHEME).

The ESOP Scheme allows the issue of options to employees of the Company and its Holding Company (whether in India or abroad). Each option comprises one underlying equity share.

As per the ESOP Scheme, the Board / Nomination & Remuneration Committee ("NRC") grants the options to the employees deemed eligible. The Exercise Price for the Options shall be determined by the Board / NRC which shall not be less than the face value of the Shares of the Company as on date of Grant. The options granted vest not earlier than minimum period of 1 (One) year and not later than maximum period of 5 (Five) years from the date of Grant. The Board / NRC at its discretion may grant Options specifying Vesting Period ranging from minimum and maximum period as afore-stated. The Exercise Period in respect of Vested Options shall be period as specified in the Grant Letter, which period shall not be more than 5 (Five) years from the date of Vesting of Options.

Method used for accounting for shared based payment plan.

The Company uses fair value to account for the compensation cost of stock options to employees of the Company.

Movement in the options outstanding under the Employees Stock Option Plan for the year ended 31 March 2022

Particulars	Options (Numbers)	Weighted average exercise price per option (Rs.)
Option outstanding at the beginning of the year	61,00,000	10
Granted during the year	30,81,721	10
Vested during the year (including option lapsed)	14,57,500	10
Exercised during the year	1,10,000	10
Lapsed during the year	32,06,721	10
Options outstanding at the end of the year	58,65,000	10
Options available for grant	64,75,000	10

Weighted average remaining contractual life for options outstanding as at 31 March 2022 is 10.4 months.

Movement in the options outstanding under the Employees Stock Option Plan for the year ended 31 March 2021

Particulars	Options (Numbers)	Weighted average exercise price per option (Rs.)
Option outstanding at the beginning of the year	82,80,000	10
Granted during the year	14,25,000	10
Vested during the year (including option lapsed)	24,80,000	10
Exercised during the year	25,000	10
Lapsed during the year	35,80,000	10
Options outstanding at the end of the year	61,00,000	10
Options available for grant	63,50,000	10

Weighted average remaining contractual life for options outstanding as at 31 March 2021 is 13 months.

The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Assumptions	As at 31st March 2022	As at 31st March 2021
Risk-free interest rate	6.6% to 7.2%	6.6% to 7.2%
Expected life of the option	1 year to 4 years	1 year to 4 years
Expected annual volatility of shares	13% to 16.7%	13% to 16.7%
Fair value of the share at the time of option grant (Rs.)	8.96	8.96
Expected dividend yield	Nil	Nil

During the year ended March 31, 2022, the Company recorded an employee stock compensation of Rs.813,053/- (March 31, 2021 net reversal of Rs.884,712/-) in the Statement of Profit and Loss.

Capital India Home Loans Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2022
(All figures are in rupees, except otherwise stated)

Note 32. Financial Instruments

i) Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial instruments including their levels in the fair value hierarchy. The company has disclosed financial instruments not measured at fair value at carrying values because their carrying amounts are a reasonable approximation of the fair values.

As at March 31, 2022	Carrying Amount			Fair value hierarchy			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Cash and cash equivalents	-	1,27,84,730	1,27,84,730	-	-	-	-
Other Bank Balances	-	18,45,00,000	18,45,00,000	-	-	-	-
Trade receivables	-	37,41,846	37,41,846	-	-	-	-
Loans (Net of Provision)	-	2,20,36,37,093	2,20,36,37,093	-	-	-	-
Investments	-	9,99,59,212	9,99,59,212	-	-	-	-
Others financial assets	-	4,88,55,366	4,88,55,366	-	-	-	-
Total	-	2,55,34,78,247	2,55,34,78,247	-	-	-	-
Financial liabilities							
Trade and Other Payables	-	2,08,27,179	2,08,27,179	-	-	-	-
Borrowings	-	1,22,23,61,029	1,22,23,61,029	-	-	-	-
Other Financial liabilities	-	2,15,30,570	2,15,30,570	-	-	-	-
Total	-	1,26,47,18,778	1,26,47,18,778	-	-	-	-

As at March 31, 2021	Carrying Amount			Fair value hierarchy			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Cash and cash equivalents	-	25,91,82,335	25,91,82,335	-	-	-	-
Other Bank Balances	-	21,13,12,767	21,13,12,767	-	-	-	-
Trade receivables	-	3,28,110	3,28,110	-	-	-	-
Loans (Net of Provision)	-	1,36,36,69,017	1,36,36,69,017	-	-	-	-
Others financial assets	-	1,54,17,972	1,54,17,972	-	-	-	-
Total	-	1,84,99,10,201	1,84,99,10,201	-	-	-	-
Financial liabilities							
Trade and Other Payables	-	80,49,275	80,49,275	-	-	-	-
Borrowings	-	69,64,49,590	69,64,49,590	-	-	-	-
Other Financial liabilities	-	7,20,30,833	7,20,30,833	-	-	-	-
Total	-	77,65,29,698	77,65,29,698	-	-	-	-

Capital India Home Loans Limited

Notes to Ind AS Financial Statements for the year ended March 31, 2022

(All figures are in rupees, except otherwise stated)

Note 33. Maturity Analysis of Assets & Liabilities

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 Months	After 12 months	Total	Within 12 Months	After 12 months	Total
Assets						
Financial Assets						
Cash & cash equivalents	1,27,84,730	-	1,27,84,730	25,91,82,335	-	25,91,82,335
Bank balances other than Cash & cash equivalents	11,00,00,000	7,45,00,000	18,45,00,000	15,88,12,767	5,25,00,000	21,13,12,767
Receivables						
- Trade Receivables	37,41,846	-	37,41,846	3,28,110	-	3,28,110
Loans	42,97,38,800	1,77,38,98,293	2,20,36,37,093	15,61,66,192	1,20,75,02,825	1,36,36,69,017
Investments	-	9,99,59,212	9,99,59,212	-	-	-
Other financial assets	2,34,78,663	2,53,76,702	4,88,55,366	48,06,351	1,06,11,621	1,54,17,972
Non-financial Assets						
Current tax assets(net)	45,88,440	-	45,88,440	25,19,390	-	25,19,390
Deferred tax asset (net)	-	80,29,260	80,29,260	-	88,24,404	88,24,404
Property, plant and equipment	-	2,52,19,352	2,52,19,352	-	3,15,48,930	3,15,48,930
Other intangible assets	-	54,53,476	54,53,476	-	45,46,013	45,46,013
Right of use assets	-	1,55,01,301	1,55,01,301	-	6,13,47,135	6,13,47,135
Other non-financial assets	50,34,210	49,14,518	99,48,727	99,09,062	-	99,09,062
Total Assets	58,93,66,689	2,03,28,52,114	2,62,22,18,803	59,17,24,208	1,37,68,80,928	1,96,86,05,135
LIABILITIES						
Financial Liabilities						
Payables						
(i)Trade Payables	2,08,27,179	-	2,08,27,179	84,70,449	-	84,70,449
Borrowings	51,56,45,102	70,67,15,927	1,22,23,61,029	19,87,99,594	49,76,49,996	69,64,49,590
Other financial liabilities	21,47,190	1,93,83,380	2,15,30,570	13,69,299	7,06,61,534	7,20,30,833
Non-Financial Liabilities						
Provisions	1,20,00,000	58,96,501	1,78,96,501	1,54,82,915	24,86,805	1,79,69,720
Other non-financial liabilities	21,79,735	3,12,01,971	3,33,81,706	2,69,92,373	-	2,69,92,373
Total Liabilities	55,27,99,206	76,31,97,779	1,31,59,96,985	25,11,14,630	57,07,98,335	82,19,12,966
Net	3,65,67,483	1,26,96,54,335	1,30,62,21,818	34,06,09,578	80,60,82,592	1,14,66,92,170
Other undrawn commitments						
Total commitments	6,68,00,637	-	-	5,10,89,974	-	5,10,89,974

Note 34. Financial Instruments
Financial Risk Management

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has constituted the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions.

The Company has exposure to the following risks arising from its business operations

i) **Credit risk**

Credit risk is the risk of financial loss if a customer or counterparty fails to meet an obligation under a contract. Lending activities account for most of the Company's credit risk. Other sources of credit risk also exist in loans and transaction elements. Credit risk is measured as the amount that could be lost if a customer or counterparty fails to make repayments. The maximum exposure to credit risk in case of all the financial instruments is restricted to their respective carrying amount.

Credit Risk is monitored through stringent credit appraisal, counter party limits and internal risk ranges of the borrowers. Exposure to credit risk is managed through regular analysis of the ability of all the customers and counterparties to meet interest and capital repayment obligations and by changing lending limits where appropriate.

The Company primarily offers housing loans secured by housing property. In order to mitigate credit risk, company ensured loan to value ratio is maintained as specified by NHB. For non-housing loans, the Company takes residential / commercial property of the borrowers as a security. Other means of mitigating credit risk that the company uses are guarantees. The most common types of collateral the company receives, measured by collateral value, are mortgages on financial assets in the form of residential / non-residential property.

a) **Maximum exposure to the Credit risk**

This table belows shows the Company's maximum exposure to the credit risk.

Particulars	As at March 31, 2022	As at March 31, 2021
Financial Assets at amortised cost - Loans & Advances (Gross)	2,24,09,53,120	1,38,15,44,381
Less : Impairment loss allowances	3,10,00,000	1,44,00,000
Financial Assets at amortised cost - Loans & Advances (Net)	2,20,99,53,120	1,36,71,44,381
Financial Assets measured at FVTPL - Mutual funds	-	-
Trade receivables	37,41,846	3,28,110
Total	2,21,36,94,966	1,36,74,72,491

Credit risk on Cash and Cash equivalents is considered to be Nil as these are generally held with leading banks.

b) **Credit quality analysis**

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. The credit quality of Loans and advances measured at amortised cost is primarily assessed by the Days Past Due (DPD) status and other qualitative internal or external factors leading to increase in credit risk.

Inputs, assumptions and techniques used for estimating impairment

In assessing the impairment of financial assets under the expected credit loss model, the Company defines default when a loan obligation is overdue for more than 90 days and credit impaired.

Assessment of significant increase in credit risk

When determining whether the risk of default has increased significantly since initial recognition, the Company considers the DPD status of the loans. Credit risk is deemed to have increased significantly when an asset is more than 30 days past due (DPD) and other qualitative internal or external factors demonstrating credit or liquidity risk

Calculation of expected credit losses

The key elements in calculation of expected credit losses ("ECL") are as follows:

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

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

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

For PD the Company has relied upon the PD data from industry benchmarks and external rating agencies. For Loss Given Default (LGD) the Company has relied on internal and external information.

Note 34. Financial Instruments
Financial Risk Management

The following table sets out information about the credit quality of financial assets measured at amortised cost:

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Stage 1 Performing asset and 12 month ECL: Gross Stage 1 (DPD < 30 days)	2,14,23,15,706	1,31,20,01,883
Less : Impairment loss allowance	1,30,00,000	73,50,000
Net Stage 1 Assets	2,12,93,15,706	1,30,46,51,883
ECL Prov. Coverage	0.61%	0.56%
Stage 2 Under performing assets increase in credit risk and Lifetime ECL: Gross Stage 2 (30>DPD<90 days)	8,85,55,608	6,61,14,096
Less : Impairment loss allowance	1,30,00,000	53,00,000
Net Stage 2 Assets	7,55,55,608	6,08,14,096
ECL Prov. Coverage	14.68%	8.02%
Stage 3 Non-performing assets credit impaired and lifetime ECL: Stage 3 (DPD>90)	1,00,81,806	34,28,402
Less : Impairment loss allowance	50,00,000	17,50,000
Net Stage 3 Assets	50,81,806	16,78,402
ECL Prov. Coverage	49.59%	51.04%
Total Loans & Advances	2,24,09,53,120	1,38,15,44,381
Less : Impairment loss allowance	3,10,00,000	1,44,00,000
Net Loans & Advances	2,20,99,53,120	1,36,71,44,381
ECL Prov. Coverage	1.38%	1.04%

Write-offs still under enforcement activity

The contractual amount outstanding on loans and advances that were written off during the year ended

c) Movement in Gross Exposures and credit impairment for loans and advances

The Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets measured at amortised cost or FVTOCI. Company follows a 'three-stage' model for impairment based on changes in

Particulars	Movement in Gross Exposure to Loans & Advances				Movement in ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance as at April 1, 2020	71,04,73,407	-	-	71,04,73,407	39,14,058	-	-	39,14,058
Changes due to financial assets recognised in opening balance that have:								
- Transferred to 12 month ECL	-	-	-	-	-	-	-	-
- Transferred to lifetime ECL -significant increase in credit risk	(2,68,57,341)	2,68,57,341	-	-	(13,00,000)	13,00,000	-	-
- Transferred to lifetime ECL credit – impaired	(34,28,402)	-	34,28,402	-	(17,50,000)	-	17,50,000	-
Increase due to financial assets originated (net)	90,11,56,903	3,92,56,755	-	94,04,13,658	73,50,000	40,00,000	-	1,13,50,000
Decrease due to loans derecognised on payment	(26,93,42,684)	-	-	(26,93,42,684)	(8,64,058)	-	-	(8,64,058)
Net remeasurement (Due to recovery on regular basis changes in rating, changes in security value etc.)	-	-	-	-	-	-	-	-
Amounts written off during the year	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	1,31,20,01,883	6,61,14,096	34,28,402	1,38,15,44,381	73,50,000	53,00,000	17,50,000	1,44,00,000
Changes due to financial assets recognised in opening balance that have:								
- Transferred to 12 month ECL	-	-	-	-	-	-	-	-
- Transferred to lifetime ECL -significant increase in credit risk	(1,75,50,563)	1,75,50,563	-	-	(19,38,000)	19,38,000	-	-
- Transferred to lifetime ECL credit – impaired	-	(11,49,356)	11,49,356	-	-	(4,86,000)	4,86,000	-
Increase due to financial assets originated (net)	1,21,56,28,039	4,93,99,708	59,87,384	1,27,10,15,131	1,00,88,000	91,46,000	30,14,000	2,22,48,000
Decrease due to loans derecognised on payment	(36,77,63,653)	(4,33,59,403)	(4,83,336)	(41,16,06,392)	(25,00,000)	(28,98,000)	(2,50,000)	(56,48,000)
Net remeasurement (Due to recovery on regular basis changes in rating, changes in security value etc.)	-	-	-	-	-	-	-	-
Amounts written off during the year	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	2,14,23,15,706	8,85,55,608	1,00,81,806	2,24,09,53,120	1,30,00,000	1,30,00,000	50,00,000	3,10,00,000

Note 34. Financial Instruments

d) Collateral and other credit enhancements

Company would generally have its credit exposures backed by securities, either primary or collateral. Lending Policy of the Company prescribes Asset cover norms and collateral guidelines for its various product offering. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty and product offered.

Company primarily offers housing loans secured by housing property. In order to mitigate credit risk, company ensured loan to value ratio is maintained as specified by NHB. For non-housing loans Company takes residential / commercial property of the borrowers as a security. Other means of mitigating credit risk that the company uses are guarantees. The most common types of collateral the company receives, measured by collateral value, are mortgages on financial assets in the form of residential / non-residential property.

As collateral is a source of mitigating credit risk, assessment of the condition of the securities and their value is undertaken on regular basis. There were no significant changes in the collateral policy of the company during the Financial Year 2021-2022

e) Credit Concentration

The Company's loan portfolio is primarily concentrated, as detailed below:

Particulars	As at March 31, 2022	As at March 31, 2021
Housing Loans	63%	58%
Non-Housing Loans	37%	42%

ii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting the obligations associated with its financial liabilities that are selected by delivering cash or other financial assets. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Company has in place an Asset-Liability Management Committee (ALCO) which functions as the operational unit for managing the Balance Sheet within the performance and risk parameters laid down by the Board and Risk Committee of the Board. ALCO reviews Asset Liability strategy and Balance Sheet management in relation to asset and liability profile. ALCO ensures that the objectives of liquidity management are met by monitoring the gaps in the various time buckets, deciding on the source and mix of liabilities, setting the maturity profile of the incremental assets and liabilities etc.

Key principles adopted in the Company's approach to managing liquidity risk include:

- Monitoring the Company's liquidity position on a regular basis, using a combination of contractual and behavioural modelling of balance sheet and cash flow information
- Maintaining a high quality liquid asset portfolio
- Operating a prudent funding strategy which ensures appropriate diversification and limits maturity concentrations

The Company's principal sources of liquidity are cash and cash equivalents, undrawn sanctioned limit from Financial Institutions, undrawn overdraft facilities from Banks, liquid asset portfolio like Liquid Mutual funds and the cash flow that is generated from operation.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include interest accrued till the reporting date.

As at March 31, 2022	Contractual cash flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Borrowings (Includes Interest accrued but not due)	1,22,67,89,892	51,56,45,102	54,98,89,802	12,12,54,988	4,00,00,000
Trade and Other Payables	2,08,27,179	2,08,27,179	-	-	-
Other Financial Liabilities	21,47,190	21,47,190	-	-	-
	1,24,97,64,261	53,86,19,471	54,98,89,802	12,12,54,988	4,00,00,000

Note: Lease Liability is not considered in the above disclosures since it is not an actual cash outflow. Further, the rent payment is regular operating expenses and hence it has excluded from the above table.

As at March 31, 2021	Contractual cash flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Borrowings (Includes Interest accrued but not due)	65,71,45,599	19,87,99,594	31,29,59,913	12,17,11,092	2,36,75,000
Trade and Other Payables	84,70,449	84,70,449	-	-	-
Other Financial Liabilities	13,69,299	13,69,299	-	-	-
	66,69,85,347	20,86,39,342	31,29,59,913	12,17,11,092	2,36,75,000

Note: Lease Liability is not considered in the above disclosures since it is not an actual cash outflow. Further, the rent payment is regular operating expenses and hence it has excluded from the above table.

iii) Market Risk :

Market Risk is the risk of financial loss arising on account of changes/fluctuations in market variables such as interest rates, equity prices etc. Market risk stems from the Company's Loan book and balance sheet management activities, the impact of changes and correlation between interest rates, credit spreads and volatility in bond or equity prices.

Market risk represents the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

i) Interest rate risk

Company has exposure to interest rate risk, primarily from its lending business and related borrowings. The sensitivity analysis below have been determined based on the exposure to the interest rates for financial instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

Particulars	% Increase in rate		Increase / (decrease) in profit	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Borrowings that are re-priced	0.25%	0.25%	(30,66,975)	(17,48,494)
Loans that are re-priced	0.25%	0.25%	56,02,383	34,53,861

Particulars	% Decrease in rate		Increase / (decrease) in profit	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Borrowings that are re-priced	0.25%	0.25%	30,66,975	17,48,494
Loans that are re-priced	0.25%	0.25%	(56,02,383)	(34,53,861)

Interest rate risk is managed primarily by monitoring the sensitivity of expected net interest income ('NII') under varying interest rate scenarios. The NII sensitivities shown are indicative and based on simplified scenarios.

iv) Modification gain / (loss)

There are no material modification gain or loss during the current year. Previous year - Nil.

Capital India Home Loans Limited**Notes to Ind AS Financial Statements for the year ended March 31, 2022**

(All figures are in rupees, except otherwise stated)

Note 35. Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through optimisation of the debt and equity balance.

For the purpose of the Company's capital management capital includes issued capital and equity reserves. The Primary objective of the Company's Capital Management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using adjusted net debt (total borrowings net of cash and cash equivalents; and Investment in Liquid Mutual Funds) to equity ratio.

Particulars	As at March 31, 2022	As at March 31, 2021
Gross Debt	1,22,67,89,892	69,93,97,701
Less:		
Cash & cash equivalents	1,27,84,730	25,91,82,335
Other bank deposits	18,45,00,000	21,13,12,767
Investment in Liquid Mutual Funds	-	-
Adjusted Net debt	1,02,95,05,162	22,89,02,599
Total Equity	1,30,62,21,818	1,14,66,92,170
Adjusted Net debt to equity ratio	0.79	0.20

In order to achieve its overall objective, the Company's Capital Management, amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in financial covenants would permit the bank to immediately call loans and borrowings.

The Company is subject to Capital adequacy ratio ("CAR") requirements which are prescribed by the NHB. Refer Note 37. A.1

Capital India Home Loans Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2022
(All figures are in rupees, except otherwise stated)

Note 36. Employee benefits

Defined Contribution Plan - Provident Fund (PF) Contribution

The Company makes contributions towards PF, in respect of qualifying employees. The employees of the Company are members of a retirement contribution plan operated by the government. The Company is required to contribute a specified percentage of payroll cost to the retirement contribution scheme to fund the benefits. The only obligation of the Company with respect to the plan is to make the specified contributions. The amount recognised as an expense and included in Note-25 "Employee Benefits Expenses" under the head "Contribution to Provident and Other Funds" are as under.

Particulars	FY 2021-22	FY 2020-21
Employer's Contribution to Provident Fund	51,18,692	35,01,801

Defined Benefit Plan - Gratuity

The Company has a defined benefit gratuity plan, under which every employee who has completed atleast five years of service gets a gratuity on departure @15 days of last drawn basic salary for each completed year of service.

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. The actuarial risks associated are:

Interest Rate Risk:

The risk of government security yields falling due to which the corresponding discount rate used for valuing liabilities falls. Such a fall in discount rate will result in a larger value placed on the future benefit cash flows whilst computing the liability and thereby requiring higher accounting provisioning.

Longevity Risks:

Longevity risks arises when the quantum of benefits payable under the plan is based on how long the employee lives post cessation of service with the company. The gratuity plan provides the benefit in a lump sum form and since the benefit is not payable as an annuity for the rest of the lives of the employees, there is no longevity risks.

Salary Risks:

The gratuity benefits under the plan are related to the employee's last drawn salary. Consequently, any unusual rise in future salary of the employee raises the quantum of benefit payable by the company, which results in a higher liability for the company and is therefore a plan risk for the company.

The estimates of the future salary increases, considered in actuarial valuation, include inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The discount rate is based on the prevailing market yield on government securities as at the balance sheet date for the estimated average remaining service.

The disclosure as required by Indian Accounting Standard (Ind AS) -19 "Employee Benefits" is as under.

Particulars	As at March 31, 2022	As at March 31, 2021
I. Assumption		
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Interest / Discount Rate	5.48%	6.06%
Rate of increase in compensation	9.00%	7.00%
Expected average remaining service	14.52	27
II. Reconciliation of net defined benefit asset / (liability)		
(a) Reconciliation of present value of defined benefit obligation		
Opening Defined Benefit Obligation	18,86,805	14,11,281
Interest Cost	1,14,340	96,955
Current Service Cost	26,14,193	13,79,201
Transfer in of liability	-	-
Past Service Cost (vested benefits)	-	-
Actuarial (Gains) / Losses	(22,02,291)	(10,00,632)
Benefits Paid	-	-
Closing Defined Benefit Obligation	24,13,047	18,86,805
(b) Reconciliation of present value of plan asset		
Fair value of plan assets at the beginning of year	-	-
Transfer in of Funds	-	-
Interest Income	-	-
Contributions	-	-
Benefits paid	-	-
Return on Plan Assets excluding Interest Income	-	-
Fair value of plan assets at the end of year	-	-

Capital India Home Loans Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2022
(All figures are in rupees, except otherwise stated)

Note 36. Employee benefits

(c) Reconciliation of net defined benefit asset/(liability)		
Present value of obligation as at the end of year	24,13,047	18,86,805
Fair value of plan assets as at the end of year		-
Funded status	24,13,047	18,86,805
Recognised in Balance Sheet - Asset / (Liability)	(24,13,047)	(18,86,805)
III. Actuarial (Gain)/Loss on Obligation		
Due to Demographic Assumption	(24,70,299)	(1,63,381)
Due to Financial Assumption	2,56,968	(72,808)
Due to Experience	11,040	(7,64,443)
Net Actuarial (Gain)/ Loss on obligation	(22,02,291)	(10,00,632)
IV. Actual Return on Plan Assets		
Actual Interest Income	-	-
Expected Interest Income	-	-
Return on Plan Assets excluding Interest Income	-	-
V. Net Interest		
Interest Expense	1,14,340	96,955
Interest Income	-	-
Net Interest Exp/(Income)	1,14,340	96,955
VI. Expenses Recognised in Profit and Loss account under Employee benefit expenses		
Current Service Cost	26,14,193	13,79,201
Net Interest Exp/(Income)	1,14,340	96,955
Past Service Cost (vested benefits)	-	-
Expenses recognised in Profit and Loss Account	27,28,533	14,76,156
VII. Remeasurements recognised in Other Comprehensive Income		
Net Actuarial (Gain)/ Loss on obligation	(22,02,291)	(10,00,632)
Return on Plan Assets excluding Interest Income	-	-
Total Actuarial (Gain)/ Loss recognised in OCI	(22,02,291)	(10,00,632)
VIII. Others		
Weighted average duration of defined benefit obligation	2.32	5

Sensitivity analysis :

Sensitivity analysis for significant actuarial assumptions, showing how the defined benefit obligation would be affected, considering increase/decrease of 100 basis points as at March 31, 2022 and March 31, 2021 is as below :

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Change in rate of Discount Rate + 100 basis points	22,98,598	17,49,662
Change in rate of Discount Rate- 100 basis points	25,36,671	20,41,461
Change in rate of Salary Escalaon Rate + 100 basis points	25,18,632	20,29,051
Change in rate of Salary Escalaon Rate - 100 basis points	23,12,370	17,57,822

The Expected Payout as at 31st March are as under:

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Year 1	6,845	91,268
Year 2	2,79,313	1,76,320
Year 3	4,09,924	2,09,388
Year 4	4,66,716	2,32,446
Year 5	4,76,210	2,17,754
Year 6 to year 10	11,79,725	7,91,261

Notes:

Since the gratuity plan and Leave encashment plan of the Company is not funded, and hence the disclosure related to plan assets are not applicable.

The Company has recognised Rs 1,100,539 (March 31, 2022: Rs.471,634) for compensated absences in Statement of Profit and Loss for current year. Total provision for compensated absences is Rs 2,983,454 as at March 31, 2022 (March 31, 2021: Rs.1,882,915).

Capital India Home Loans Limited

Notes to Ind AS Financial Statements for the year ended March 31, 2022

(All figures are in rupees, except otherwise stated)

Note 37. Disclosures pursuant to Annex IV Schedule to the Balance Sheet of an HFC of Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and as per disclosure required under schedule III

A.1) Capital

	Particulars	As at March 31, 2022	As at March 31, 2021
i)	CRAR (%)	81.80%	108.28%
(ii)	CRAR – Tier I Capital (%)	80.54%	107.03%
(iii)	CRAR – Tier II Capital (%)	1.25%	1.25%
(iv)	Amount of subordinated debt raised as Tier- II Capital	-	-
(v)	Amount raised by issue of Perpetual Debt Instruments	-	-
(vi)	Liquidity coverage ratio	376.41%	1646.92%

A.2) Reserve Fund u/s 29C of NHB Act, 1987

In terms of Section 29C of the National Housing Bank (“NHB”) Act, 1987, the Company is required to transfer at least 20% of its Profit after tax to a Reserve Fund before any dividend is declared. Transfer to a Reserve Fund in terms of section 36(1)(viii) of the Income Tax Act, 1961 is also considered as an eligible transfer as transfer to Special Reserve under Section 29C of the National Housing Bank (“NHB”) Act, 1987. However, during the current and previous year, the Company has made profits and hence amount was transferred to Statutory Reserve as per section 29C of the NHB Act, 1987 as per below details:

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	-	-
Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-	-
Total	-	-
Additions /Appropriation/ Withdrawal during the year		
Add:		
Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	11,93,724	-
Less:		
Amount appropriated from the Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-	-
Balance at the end of the year		
Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	11,93,724	-
Total	11,93,724	-

A.3) Investments

Particulars	As at March 31, 2022	As at March 31, 2021
Value of Investments		
(i) Gross value of Investments		
(a) In India	9,99,59,212	-
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of Investments		
(a) In India	9,99,59,212	-
(b) Outside India	-	-

Note: It represents investment in liquid mutual funds and investment in associate company

Movement of provisions held towards depreciation on investments

Particulars	As at March 31, 2022	As at March 31, 2021
(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	-	-

A.4) Derivatives

There are no derivatives transaction entered during the current year or in previous year by the Company.

Note 37. Disclosures pursuant to Annex IV Schedule to the Balance Sheet of an HFC of Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

A.5) Securitisation

A.5.1) The Company has not sponsored any SPVs for securitisation transaction during the current year or previous year.

A.5.2) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

The Company has not sold any financial assets to Securitisation / Reconstruction Company for Asset Reconstruction during the current year or previous year.

A.5.3) Details of Assignment transactions undertaken by HFCs

a) Details of transfer through assignment in respect of loans not in default during the year ended March 31, 2022

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
(i) Count or loan Accounts assigned	775	-
(ii) Amount of Loan accounts assigned	25,73,46,187	-
(iii) Retention of beneficial economic interest (MRR)	10%	-
(iv) Weighted average maturity (Residual Maturity)*	90 Months	-
(v) Weighted average holding period*	15 Months	-
(vi) Coverage of tangible security coverage**	100%	-
(vii) Rating-wise distribution of rated loans	Unrated	-

* For computation of Weighted average maturity and Weighted average holding period, company has considered period of original loan accounts

** For computation of Coverage of tangible security coverage ratio, company has considered only the secured loans.

b) Details of loan acquired through assignment in respect of loans not in default during the year ended March 31, 2022

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
(i) Count or loan Accounts acquired	142	-
(ii) Amount of Loan accounts acquired	13,59,60,456	-
(iii) Retention of beneficial economic interest (MRR)	10%	-
(iv) Weighted average maturity (Residual Maturity)*	176 months	-
(v) Weighted average holding period*	7 months	-
(vi) Coverage of tangible security coverage**	100%	-
(vii) Rating-wise distribution of rated loans	Unrated	-

* For computation of Weighted average maturity and Weighted average holding period, company has considered period as per our loan book.

** For computation of Coverage of tangible security coverage ratio, company has considered only the secured loans.

c) Details of loan acquired through co-lending in respect of loans not in default during the year ended March 31, 2022

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
(i) Count or loan Accounts acquired	512	-
(ii) Amount of Loan accounts acquired	20,54,14,600	-
(iii) Retention of beneficial economic interest (MRR)	10%	-
(iv) Weighted average maturity (Residual Maturity)*	34 months	-
(v) Weighted average holding period*	4 months	-
(vi) Coverage of tangible security coverage**	100%	-
(vii) Rating-wise distribution of rated loans	Unrated	-

* For computation of Weighted average maturity and Weighted average holding period, company has considered period as per our loan book.

** For computation of Coverage of tangible security coverage ratio, company has considered only the secured loans.

A.5.4) Details of non-performing financial assets purchased / sold

The Company has not purchased or sold any non-performing financial assets during the current year or previous year.

Note 37. Disclosures pursuant to Annex IV Schedule to the Balance Sheet of an HFC of Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

A.7) Exposure

A.7.1) Exposure to Real Estate Sector

Category	As at March 31, 2022	As at March 31, 2021
a) Direct Exposure		
(i) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; Individual housing loans up to 15 lakhs Individual housing loans greater than 15 lakhs Other Loans mortgages on residential property	72,97,38,618 67,35,66,688 53,69,64,555	30,67,32,189 50,05,01,543 30,06,96,438
(ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	6,43,69,145	17,86,06,102
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures - a) Residential b) Commercial Real Estate		- -
b) Indirect Exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	10,02,145	46,81,166

A.7.2) Exposure to Capital Market

The Company does not have any exposure in Capital Market during the current year or previous year.

A.7.3) Details of financing of parent company products

The Company has not financed any of the parent company products during the current year or previous year.

A.7 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the HFC

There has been no breach of SGL / GBL during the current year or previous year.

A.7.5) Unsecured Advances	As at March 31, 2022	As at March 31, 2021
Unsecured Advances	23,54,11,778	8,23,59,177

**A.7.6) Exposure to group companies engaged in real estate business
As at March 31, 2022**

S. No.	Description	Amount (₹ in crore)	% of owned fund
(i)	Exposure to any single entity in a group engaged in real estate business	-	-
(ii)	Exposure to all entities in a group engaged in real estate business	-	-

As at March 31, 2021

S. No.	Description	Amount (₹ in crore)	% of owned fund
(i)	Exposure to any single entity in a group engaged in real estate business	-	-
(ii)	Exposure to all entities in a group engaged in real estate business	-	-

Capital India Home Loans Limited

Notes to Ind AS Financial Statements for the year ended March 31, 2022

(All figures are in rupees, except otherwise stated)

Note 37. Disclosures pursuant to Annex IV Schedule to the Balance Sheet of an HFC of Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

B. Miscellaneous

B.1) Registration obtained from other financial sector regulators

The Company has not obtained any registration from other financial sector regulators. However, the Company is registered with Insurance Regulatory and Development Authority of India vide registration no. CA0688 to act as a Corporate Agent (Composite) category.

B.2) Disclosure of Penalties imposed by NHB and other regulators

No penalties have been imposed on the Company by NHB or any other regulators.

B.3) Related party Transactions

Please refer Note 28 Related party disclosures for details of related party transactions

B.4) Group Structure

The Company is a subsidiary of Capital India Finance Limited which is an NBFC registered with RBI and a listed Company with Bombay Stock Exchange. Further, the Company has an Associates viz., Credenc Web Technologies Limited.

B.5) Rating assigned by Credit Rating Agencies and migration of rating during the year

During the current financial year, the Company has been assigned a Long-term rating of Acuite A- Outlook Stable by Acuite Ratings & Research Limited. Further, the Company has withdrawn the earlier ratings of "[ICRA] BBB Outlook Stable (pronounced ICRA triple B)" received from ICRA Limited during the current financial year.

B.6) Remuneration of Directors

Please refer Note 28 Related party disclosures for details of Remuneration of Directors

B.7) Net Profit or Loss for the period, prior period items and changes in accounting policies

There have been no prior period items debited or credited to profit and loss for the period. Further there have been no change in the accounting policies as compared to previous period

B.8) Revenue Recognition

No revenue recognition has been postponed pending the resolution of significant uncertainties during the current year or the previous year.

Note 37. Disclosures pursuant to Annex IV Schedule to the Balance Sheet of an HFC of Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

C. Additional Disclosures

C.1) Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	As at March 31, 2022	As at March 31, 2021
1. Provisions for depreciation on Investment	-	-
2. Provision made towards Income tax	-	-
3. Provision towards NPA	50,00,000	17,50,000
4. Provision for Standard Assets (Provision for expected credit losses):	-	-
Housing Loans	1,48,45,210	59,50,000
Non - Housing Loans	1,11,54,790	67,00,000
FLDG guarantee exposure	-	3,00,000
Undrawn committed sanction to borrowers	5,00,000	3,00,000
5. Other Provision and Contingencies :	-	-
Total	3,15,00,000	1,50,00,000

Break up of Loan & Advances and Provisions thereon	Housing		Non-Housing	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Standard Assets				
a) Total Outstanding Amount	1,39,63,96,281	80,56,42,994	83,44,75,033	57,24,72,985
b) Provisions made	1,48,45,210	59,50,000	1,11,54,790	67,00,000
Sub-Standard Assets				
a) Total Outstanding Amount	58,00,307	15,92,054	13,36,433	18,36,348
b) Provisions made	27,25,000	8,20,000	6,79,500	9,30,000
Doubtful Assets – Category-I				
a) Total Outstanding Amount	11,08,718	-	18,36,348	-
b) Provisions made	6,07,200	-	9,88,300	-
Doubtful Assets – Category-II				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Doubtful Assets – Category-III				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Loss Assets				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
TOTAL				
a) Total Outstanding Amount	1,40,33,05,306	80,72,35,048	83,76,47,814	57,43,09,333
b) Provisions made	1,81,77,410	67,70,000	1,28,22,590	76,30,000

C.2) Draw Down from Reserves

There have been no drawdown from Reserves during the current year or previous year.

Capital India Home Loans Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2022
(All figures are in rupees, except otherwise stated)

Note 37. Disclosures pursuant to Annex IV Schedule to the Balance Sheet of an HFC of Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

C.3) Concentration of Public Deposits, Advances, Exposures and NPAs

C.3.1) Concentration of Public Deposits (for Public Deposit taking/holding HFCs)

Particulars	As at March 31, 2022	As at March 31, 2021
Total deposits of twenty largest depositors	-	-
Percentage of deposits of twenty largest depositors to total deposits of the deposit taking HFC	-	-

C.3.2) Concentration of Loans & Advances

Particulars	As at March 31, 2022	As at March 31, 2021
Total Loans & Advances to twenty largest borrowers	14,86,20,440	22,68,52,139
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	7%	16%

C.3.3) Concentration of all Exposure (including off-balance sheet exposure)

Particulars	As at March 31, 2022	As at March 31, 2021
Total Exposure to twenty largest borrowers / customers	14,86,20,440	22,68,52,139
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	7%	16%

C.3.4) Concentration of NPAs - Top ten NPA accounts

Particulars	As at March 31, 2022	As at March 31, 2021
Top ten NPA Accounts	1,00,81,806	34,28,402
Total Exposure	1,00,81,806	34,28,402

Note: There are only seven customers which are NPA as at March 31, 2022

C.3.5) Sector-wise NPAs

Particulars	As at March 31, 2022	As at March 31, 2021
Housing Loan - Individuals	69,09,025	15,92,054
Non- Housing Loan - Individuals	31,72,781	18,36,348
Total Exposure	1,00,81,806	34,28,402

Capital India Home Loans Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2022
(All figures are in rupees, except otherwise stated)

Note 37. Disclosures pursuant to Annex IV Schedule to the Balance Sheet of an HFC of Master Direction
Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

C.4) Movement of NPAs

	Particulars	FY 2021-22	FY 2020-21
(i)	Net NPAs to Net Advances (%)	0.23%	0.12%
(ii)	Movement of NPAs (Gross)		
(a)	Opening balance	34,28,402	-
(b)	Additions during the year	3,19,12,289	34,28,402
(c)	Reductions during the year	2,52,58,885	-
(d)	Closing balance	1,00,81,806	34,28,402
(iii)	Movement of Net NPAs		
(a)	Opening balance	16,78,402	-
(b)	Additions during the year	2,05,32,289	16,78,402
(c)	Reductions during the year	(1,71,28,885)	-
(d)	Closing balance	50,81,806	16,78,402
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
(a)	Opening balance	17,50,000	-
(b)	Provisions made during the year	1,13,80,000	17,50,000
(c)	Write-off / write-back of excess provisions	(81,30,000)	-
(d)	Closing balance	50,00,000	17,50,000

C.5) Overseas Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Overseas Assets	-	-

C.6) Off-balance Sheet SPVs sponsored

Name of the SPV sponsored Domestic Overseas	As at March 31, 2022	As at March 31, 2021
Domestic	-	-
Overseas	-	-

D) Disclosure of Complaints

Particulars	As at March 31, 2022	As at March 31, 2021
a) No. of complaints pending at the beginning of the year	-	-
b) No. of complaints received during the year	23	18
c) No. of complaints redressed during the year	23	18
d) No. of complaints pending at the end of the year	-	-

Note 38. Disclosures as required by paragraph 29 of the Master Circular - The Housing Finance Companies (NHB) Directions, 2010

a) Disclosures pursuant to paragraphs 29(1) and 29(2) for provisions is given in Note 5 and Note 24 of the financial statements.

b) There are no disclosures required to be given as per paragraphs 29(3) to 29(6).

Capital India Home Loans Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2022
 (All figures are in rupees, except otherwise stated)

Note 39
Disclosure on Restructured Assets

S No	Type of Restructuring	Asset Classification →	Others				Total
			Standard	Sub-standard	Doubtful	Loss	
1	Restructured Accounts as on April 1, 2021	No. of borrowers	4	-	-	-	4
		Amount outstanding	3,13,12,266	-	-	-	3,13,12,266
		Provision thereon	32,50,000	-	-	-	32,50,000
2	Fresh restructuring during the year	No. of borrowers	27	1	-	-	28
		Amount outstanding	3,85,53,123	51,32,493	-	-	4,36,85,616
		Provision thereon	3855312	5,13,249	-	-	43,68,562
3	Upgradations to restructured standard category during the FY	No. of borrowers	1	(1)	-	-	-
		Amount outstanding	51,32,493	(51,32,493)	-	-	-
		Provision thereon	5,13,249	(5,13,249)	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	No. of borrowers	(2)	2	-	-	-
		Amount outstanding	(28,95,800)	28,95,800	-	-	-
		Provision thereon	(2,89,580)	2,89,580	-	-	-
6	Write-offs of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
7	Restructured Accounts as on March 31, 2022	No. of borrowers	27	2	-	-	29
		Amount outstanding	6,15,51,344	28,95,800.00	-	-	6,44,47,144
		Provision thereon	61,55,135	2,89,580	-	-	64,44,714

Note:

1 The details mentioned in above table is pursuant to the RBI Circular no. RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021 and RBI Circular no. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020. There are no other restructuring undertaken by the Company during the year.

S No	Type of Restructuring	Asset Classification →	Others				Total
			Standard	Sub-standard	Doubtful	Loss	
1	Restructured Accounts as on April 1, 2020	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
2	Fresh restructuring during the year	No. of borrowers	5	-	-	-	5
		Amount outstanding	3,28,76,716	-	-	-	3,28,76,716
		Provision thereon	34,50,000	-	-	-	34,50,000
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
6	Write-offs of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
7	Restructured Accounts as on March 31, 2021	No. of borrowers	4	-	-	-	4
		Amount outstanding	3,13,12,266	-	-	-	3,13,12,266
		Provision thereon	32,50,000	-	-	-	32,50,000

Note:

1 The details mentioned in above table is pursuant to the RBI Circular no. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020. There are no other restructuring undertaken by the Company during the year.

Note 40. Disclosures pursuant to Annex III Schedule to the Balance Sheet of an HFC of Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

Particulars		As at March 31, 2022		As at March 31, 2021	
		Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
Liabilities side					
(1)	Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:				
(a)	Debentures: Secured	-	-	-	-
	Unsecured	-	-	-	-
	(other than falling within the meaning of public deposits*)	-	-	-	-
(b)	Deferred Credits	-	-	-	-
(c)	Term Loans	86,48,04,217	-	46,62,64,904	-
(d)	Inter-corporate loans and borrowing	-	-	-	-
(e)	Commercial Paper	-	-	-	-
(f)	Public Deposits*	-	-	-	-
(g)	Refinance from NHB	28,51,42,000	-	19,50,75,000	-
(h)	Bank Overdraft against Fixed Deposits	7,68,43,675	-	3,80,57,797	-
(2)	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):				
(a)	In the form of Unsecured debentures	-	-	-	-
(b)	In the form of partly secured	-	-	-	-
(c)	Other public deposits	-	-	-	-

Particulars		As at March 31, 2022	As at March 31, 2021
Assets side			
		Amount outstanding	
(3)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
(a)	Secured	2,00,55,41,342	1,29,91,85,204
(b)	Unsecured	23,54,11,778	8,23,59,177

(4)	Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities		
(i)	Lease assets including lease rentals under sundry debtors		
(a)	Financial lease	-	-
(b)	Operating lease	-	-
(ii)	Stock on hire including hire charges under sundry debtors		
(a)	Assets on hire	-	-
(b)	Repossessed Assets	-	-
(iii)	Other loans counting towards asset financing activities		
(a)	Loans where assets have been repossessed	-	-
(b)	Loans other than (a) above	-	-

(5)	Break-up of Investments		
Current Investments			
1	Quoted		
(i)	Shares	-	-
(a)	Equity	-	-
(b)	Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of mutual funds	-	-
(iv)	Government Securities	-	-
(v)	Others (please specify)	-	-
2	Unquoted		
(i)	Shares	-	-
(a)	Equity	-	-
(b)	Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of mutual funds	-	-
(iv)	Government Securities	-	-
(v)	Others (please specify)	-	-
Long Term investments			
1	Quoted		
(i)	Share	-	-
(a)	Equity	-	-
(b)	Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of mutual funds	-	-
(iv)	Government Securities	-	-
(v)	Others (please specify)	-	-
2	Unquoted		
(i)	Shares	-	-
(a)	Equity	9,99,59,212	-
(b)	Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of mutual funds	-	-
(iv)	Government Securities	-	-
(v)	Others (please specify)	-	-

Note 40. Disclosures pursuant to Annex III Schedule to the Balance Sheet of an HFC of Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

(6) Borrower group-wise classification of assets financed as in (3) and (4) above:							
Category		Amount net of provisions					
		As at March 31, 2022			As at March 31, 2021		
		Secured	Unsecured	Total	Secured	Unsecured	Total
1 Related Parties							
(a)	Subsidiaries	-	-	-	-	-	-
(b)	Companies in the same group	-	-	-	-	-	-
(c)	Other related parties	-	-	-	-	-	-
2 Other than related parties		2,00,55,41,342	23,54,11,778	2,24,09,53,120	1,29,91,85,204	8,23,59,177	1,38,15,44,381
Total		2,00,55,41,342	23,54,11,778	2,24,09,53,120	1,29,91,85,204	8,23,59,177	1,38,15,44,381

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :					
Category		As at March 31, 2022		As at March 31, 2021	
		Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1 Related Parties					
(a)	Subsidiaries	-	-	-	-
(b)	Companies in the same group	-	9,99,59,212	-	-
(c)	Other related parties	-	-	-	-
2 Other than related parties		-	-	-	-
Total		-	9,99,59,212	-	-

(8) Other information		
Particulars	As at March 31, 2022	As at March 31, 2021
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	1,00,81,806	34,28,402
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	50,81,806	16,78,402
(iii) Assets acquired in satisfaction of debt	-	-

Note 41. Disclosures pursuant to RBI Circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020

As at March 31, 2022						
Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	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	2,14,23,15,706	1,30,00,000	2,12,93,15,706	70,00,000	60,00,000
	Stage 2	8,85,55,608	1,30,00,000	7,55,55,608	67,00,000	63,00,000
Subtotal		2,23,08,71,314	2,60,00,000	2,20,48,71,314	1,37,00,000	1,23,00,000
Non-Performing Assets (NPA)						
Substandard	Stage 3	71,36,740	34,04,500	37,32,240	15,00,000	19,04,500
Doubtful - up to 1 year	Stage 3	29,45,066	15,95,500	13,49,566	8,00,000	7,95,500
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		1,00,81,806	50,00,000	50,81,806	23,00,000	27,00,000
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		1,00,81,806	50,00,000	50,81,806	23,00,000	27,00,000
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	6,68,00,637	5,00,000	6,63,00,637	-	5,00,000
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		6,68,00,637	5,00,000	6,63,00,637	-	5,00,000
	Stage 1	2,20,91,16,343	1,35,00,000	2,19,56,16,343	70,00,000	65,00,000
	Stage 2	8,85,55,608	1,30,00,000	7,55,55,608	67,00,000	63,00,000
Total	Stage 3	1,00,81,806	50,00,000	50,81,806	23,00,000	27,00,000
	Total	2,30,77,53,757	3,15,00,000	2,27,62,53,757	1,60,00,000	1,55,00,000

As at March 31, 2021						
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	1,31,20,00,567	73,50,000	1,30,46,50,567	42,00,000	31,50,000
	Stage 2	6,61,14,096	53,00,000	6,08,14,096	35,00,000	18,00,000
Subtotal		1,37,81,14,663	1,26,50,000	1,36,54,64,663	77,00,000	49,50,000
Non-Performing Assets (NPA)						
Substandard	Stage 3	34,28,402	17,50,000	16,78,402	6,00,000	11,50,000
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		34,28,402	17,50,000	16,78,402	6,00,000	11,50,000
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		34,28,402	17,50,000	16,78,402	6,00,000	11,50,000
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	9,76,41,751	6,00,000	9,70,41,751	-	6,00,000
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		9,76,41,751	6,00,000	9,70,41,751	-	6,00,000
	Stage 1	1,40,96,42,318	79,50,000	1,40,16,92,318	42,00,000	37,50,000
	Stage 2	6,61,14,096	53,00,000	6,08,14,096	35,00,000	18,00,000
Total	Stage 3	34,28,402	17,50,000	16,78,402	6,00,000	11,50,000
	Total	1,47,91,84,816	1,50,00,000	1,46,41,84,816	83,00,000	67,00,000

Capital India Home Loans Limited**Notes to Ind AS Financial Statements for the year ended March 31, 2022**

(All figures are in rupees, except otherwise stated)

Note 42.

Public disclosure on liquidity risk of Capital India Home Loans Limited ('CIHL') as on March 31, 2022 in accordance with RBI circular No. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies (NBFCs) including Core Investment Companies.

i. Funding Concentration based on significant counterparty (both deposits and borrowings)

Number of Significant Counterparties	Amount	% of Total Deposits	% of Total Liabilities
11	1,22,67,89,892	Not Applicable	93.22%

ii. Top 20 Large Deposits

Not applicable. The Company is registered with National Housing Bank to carry on the business of finance without accepting public deposits. Thus, there are no public deposits in the Company.

iii. Top 20 Borrowings

Amount	% of Total Borrowings
1,22,67,89,892	100.00%

iv. Funding Concentration based on significant Instrument/ Product

Name of instrument/ product	Amount	% of Total Liabilities
Refinance from NHB	28,51,42,000	21.67%
Term Loans from Banks	28,31,30,611	21.51%
Bank Overdraft against FD's	7,68,43,675	5.84%
Term Loans from other NBFC's	58,16,73,606	44.20%
Total Borrowings	1,22,67,89,892	93.22%
Total Liabilities	1,31,59,96,985	

v. Stock Ratios

Particulars	As a % of total public funds	As a % of total liabilities	As a % of total assets
Commercial papers	-	-	-
Non-convertible debentures (original maturity of less than one year)	-	-	-
Other short-term liabilities	5.82%	5.42%	2.72%

Capital India Home Loans Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2022
(All figures are in rupees, except otherwise stated)

Note 42.

Public disclosure on liquidity risk of Capital India Home Loans Limited ('CIHL') as on March 31, 2022 in accordance with RBI circular No. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies (NBFCs) including Core Investment Companies.

vi. Institutional set-up for liquidity risk management

The Board of Directors of the Company has instituted the Asset Liability Management Committee to monitor and manage liquidity risk *inter-alia* by way of monitoring the asset liability composition, reviewing the liquidity and borrowing program of the Company, setting-up and monitoring prudential limits on negative mismatches w.r.t. liquidity and interest rate.

The Company's liquidity and funding approach documented through its various plans and policies including the Asset Liability Management Policy, Resources Planning Policy, Investment and Deployment Policy, is to ensure that funding is available to meet all market related stress situations. We endeavour to maintain a conservative Asset Liability Management approach which is focused on maintaining long term funding stability.

The Company also has a Risk Management Committee which reports to the Board and is responsible for evaluating the overall risks faced by the Company including liquidity risks.

The Company's liquidity management set-up is assessed periodically to align the same with any regulatory changes in the economic landscape or business needs. The ALCO meetings are held once in a quarter and committee submit its report to board on quarterly basis.

Notes:

1. Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.
2. Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equity Share Capital and Other Equity.
3. Public funds is as defined in Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
4. The amount stated in this disclosure is based on the audited standalone financial statements for the year ended March 31, 2022.

Capital India Home Loans Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2022
 (All figures are in rupees, except otherwise stated)

Note 43. Income Tax

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current tax	-	-
Deferred tax relating to origination and reversal of temporary differences	7,95,144	(42,44,569)
Total tax credit	7,95,144	(42,44,569)

Reconciliation of tax expense and the accounting profit / (loss) multiplied by India's domestic tax rate:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit or (Loss) Before Tax	62,09,448	(4,13,26,674)
Income tax expense calculated at 25.17% (PY 25.17%)	15,62,918	(1,04,00,000)
Reconciliation:		
Effect of expenses that are not deductible in determining taxable profit	-	-
Deferred tax on unabsorbed losses & depreciation not recognised	-	61,78,489
Others	(7,67,774)	(23,058)
Income tax expense recognised in <u>statement of profit and loss</u>	7,95,144	(42,44,569)

Tax at effective Income Tax rate of 25.17% (PY 25.17%)

Note 44. The impairment provision as on March 31, 2022 aggregates Rs.3,15,00,000 (as on March 31, 2021 - Rs.1,50,00,000). Based on the current indicators of future economic conditions, the Company considers these provisions to be adequate.

Note 45. Transaction in foreign currency:

Particulars	For the year ended 31st March, 2022	For the year ended 31st March 2021
Payment towards acquisition of shares	6,71,13,903	-

Note :The Company did not have any earnings in foreign currency during the current year or previous year. The Company do not have any hedged or unhedged exposures in foreign currency as at the Balance Sheet dates.

Note 46. There are no amount to be refunded / adjusted towards "interest on interest" in accordance with the RBI circular no. RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 7, 2021.

Note 47. There are no due from directors or other officers of the company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Capital India Home Loans Limited

Notes to Ind AS Financial Statements for the year ended March 31, 2022

(All figures are in rupees, except otherwise stated)

Note 48. The main business of the Company is financing activity. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the Indian Accounting Standard 108 (Ind AS) on Operating Segment.

Note 49. The Company is not required to spend any amount on Corporate Social Responsibility activities as per the provisions of Section 135 of the Companies Act, 2013.

Note 50. The Financial Statements have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on April 23, 2022.

In terms of our report attached.
For S C Mehra & Associates LLP
Chartered Accountants

For and on behalf of the board
CAPITAL INDIA HOME LOANS LIMITED

Arun Maniyar
Partner
Place: Mumbai
Date: April 23, 2022

Keshav Porwal
Director
DIN : 06706341
Place: Mumbai
Date: April 23, 2022

Vineet Kumar Saxena
Managing Director
DIN : 07710277
Place: Mumbai
Date: April 23, 2022

Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: April 23, 2022

Rachit Malhotra
Company Secretary
Place: New Delhi
Date: April 23, 2022